

Stock code: 8077



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

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**2024**

# **Annual Report**

Date of publication: April 30, 2025

Website of MOPS: <http://mops.twse.com.tw>

Corporate website: <http://www.greenworldhotels.com>

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Tel: (02) 2562-0018

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Branch Office	Address	Telephone
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New World Hotel Branch Office	9F., No.141, Kunming St., Wanhua Dist., Taipei City 108, Taiwan (R.O.C.)	02-23118863
Green World Station Branch Office	1F., No.21, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	02-23819199
Green-World- Qingtian Branch Office	7-9F., No.181, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25971281
Green-World-Xiemei Branch Office	10-12F., No.181, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25971281
Green-World-Sansui Branch Office	1-5F., No.181, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25971281
Green World Grand Nanjing Branch Office	12F, No.8, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25098882
Green World Mai – Nanjing Branch Office	No.163, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25035511
Green-World-Linsen Branch Office	No.617, Linsen N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25955225
Green World Songshan Branch Office	1F., No.149, Yucheng St., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)	02-27837088
Green World Zhongxiao Branch Office	1F., No.180, Sec. 4, Zhongxiao E. Rd., Daan Dist., Taipei City 106, Taiwan (R.O.C.)	02-27116869
Green World Flora Division Branch Office	No. 36, Section 1, Hankou Street, Zhongzheng District, Taipei City, Taiwan (R.O.C.)	02-23123811
Green World NanGang Branch Office	8F., No.528, Sec. 7, Zhongxiao E. Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)	02-27893009
Green World Triplebeds Branch Office	No.16, Sec. 4, Bade Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)	02-27630555
Zhonghua Branch Office	2F., No. 41, Section 1, Zhonghua Road, Zhongzheng District, Taipei City	02-23705158

Factory: None.

III. Entrusted stock affairs and transfer service institution:

Name: Taishin Securities Co., Ltd., Shareholder Service Department

Address: B1F., No. 96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City

Website: <https://www.tssco.com.tw/>

Tel: (02) 2504-8125

IV. The certified public accountant for the most recent annual financial report:

Certified Public Accountant: CPA Wu, Kun-Yi, CPA Wu, Hsien-En

Accounting firm: Moore Stephens DaHua (Taiwan) CPAs

Address: 6F., No. 36-9, Sec. 1, Fuxing S. Rd., Zhongshan Dist., Taipei City

Website: [www.msdahua.com.tw](http://www.msdahua.com.tw)

Tel.: (02) 2321-7666

V. Name of any exchange where the Company's securities are traded overseas and the method by which to access information on the overseas securities: None.

VI. Corporate website: <http://www.greenworldhotels.com>

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## One. Letter to Shareholders

In 2024, the hotel industry in Taiwan is facing market changes and numerous challenges. With the reopening of borders, a wave of revenge travel surged in 2023; however, entering 2024, the boom has gradually subsided, the travel market has returned to normal, and structural adjustments are underway.

The Tourism Administration originally projected 12 million tourist arrivals in 2024, but the estimate was eventually revised downward to 7.5 million, indicating that the market recovery has fallen short of expectations. In particular, the Japanese and Chinese markets, which previously accounted for the highest proportion of inbound tourists to Taiwan, have both experienced slower-than-expected recovery. Japanese travelers, affected by the depreciation of JPY, face significantly higher overseas travel costs, resulting in inbound visitors to Taiwan recovering to only 60% of the 2019 level; Chinese travelers, due to cross-strait political tensions, still face restrictions on individual and group travel, with inbound visitors reaching only 15% of the 2019 level.

Additionally, natural disasters such as the major earthquake in Hualien and Taitung in April and multiple typhoons hitting Taiwan have further suppressed tourists' willingness to visit, leading to a decline in hotel demand in Taipei City and impacting the overall tourism and accommodation market. However, fortunately, the long-delayed Taipei Dome was finally officially opened in 2024. Starting in March, it hosted multiple baseball games, with the WBSC Premier 12 tournament in November drawing peak crowds. In December, a series of large-scale concerts marked the official beginning of performing arts events.

The Company has been actively cultivating the domestic travel market since the pandemic period. In 2024, it further leveraged the advantages of its hotels' proximity to event venues and convenient transportation, combined with high-speed rail joint ticket sales strategies, successfully attracting travelers to stay, filling the gap caused by the decline in foreign tourists, and effectively improving occupancy rates and revenue performance. The Company will continue to enhance its competitiveness and market appeal by implementing diversified strategies and integrating distinctive local events.

Currently, the Company's hotels are all located in Taipei City. At the end of 2024 the Company has 15 hotels (including Qingtian and Xiemei). With the recovery of the tourism market, the Company's total operating revenue in 2024 was NTD 1,066,421 thousand, an increase of 9% compared with 2023. The net profit for the current period of 2024 was NTD 96,546 thousand, an increase of 95% compared with 2023. The 2024 business results of the Company is as follows:

### I. Business results

#### (I) Business implementation results

Unit: NTD thousands

Items \ Year	2023	2024
Operating revenue	978,346	1,066,421
Operating costs	719,073	751,325
Operating gross profit	259,273	315,096
Operating net profit	110,968	170,347
Non-operating gain or loss	(48,933)	(48,159)
Net profit before tax	62,035	122,188
Net profit of the current period	49,628	96,546

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

(III) Financial analysis:

		Unit:%	
Item		Year	
		2023	2024
Financial structure	Ratio of debts to assets	89.71	85.75
	As percentage of long-term funds to property, plant and equipment	360.11	382.28
Solvency	Current ratio	47.15	59.50
	Quick ratio	45.83	58.19
Management capacity	Receivables turnover (number of times)	25.97	20.31
	Average number of cash received days	14.05	17.97
Profitability	Return on assets	3.10	4.77
	Return on equity	17.13	26.61
	Ratio of net profit before tax to paid-up capital	28.27	55.68
	Profit margin	5.07	9.05
	Earnings per share (dollars)	2.26	4.40

(IV) Status of research and development

The Company's main business operations are general 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:**

The peak of “revenge travel” has passed, but the travel market continues to develop steadily, and traveler demand is trending toward diversification and immersive experiences. However, under numerous uncertainties such as labor shortages, inflationary pressures, and fluctuations in the international economic market, the pace of recovery remains to be seen.

The number of tourists visiting Taiwan in 2024 was 7,857,686, an increase of 21% compared with 2023. The main tourist data in Taiwan in 2023 and 2024 are as follows:

Unit: Person				
Region	Number of tourists visiting Taiwan in 2023	Number of tourists visiting Taiwan in 2024	Increase (decrease) ratio %	Increase (or decrease) of number of person
Southeast Asia	2,253,483	2,365,391	5	111,908
Hong Kong and Macau	1,199,572	1,310,977	9	111,405
Japan	928,235	1,319,592	42	391,357
Korea	744,727	1,003,086	35	258,359
Mainland China	226,269	438,212	94	211,943
Others	1,134,665	1,420,428	25	285,763
Total	6,486,951	7,857,686	21	1,370,735

Source: Tourism Administration, M.O.T.C

The comparison of supply in hotels in 2024 compared with 2023 is as follows:

A total of 4 new legally licensed general hotels were added in Taipei City and New Taipei City, increasing the number of rooms by 97, indicating a positive growth outlook for future hotel supply.

### III. Summary of the 2024 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. Integration of group resources: Effective use of our own resources and combined with the Company's largest shareholder, the well-known Japanese tourism group H.I.S., which has strong cross-regional customer gathering capabilities to quickly obtain accommodation needs from tourists from Hong Kong, Macao, Japan, South Korea, China, Southeast Asia and other countries.
2. Strengthen the domestic market: By strengthening cooperation with Funnow, the first instant entertainment platform in Taiwan, we provide diversified membership services and increase tourist stickiness. We also work with companies such as Taiwan High Speed Rail to create diversification among hotels and enhance our domestic competitive advantages.
3. Minimize room inventory: Through the assistance of the joint reservation center, more efficient room vacancy control can be achieved. At the same time, sales of short-stay and late-night bookings are being strengthened, utilizing a regional room allocation mechanism to maximize support across locations and reduce the number of vacant rooms daily.
4. Operation process efficiency and system optimization: Conduct an in-depth review and redesign of work flows across the headquarters and each department, evaluate the implementation of self-service kiosks, and optimize corresponding systems to improve work efficiency and address the challenge of long-term labor shortages.
5. Strengthen talent acquisition and training: Establish cooperation with the government, colleges and universities and related enterprises to provide employees with more vocational training opportunities and increase their multi-functional capabilities. Meanwhile, we actively expand internship and job opportunities at home and abroad to establish a strong talent pool.
6. Effective use of idle space: By effectively utilizing the vacant space in each hotel, we can create income from non-accommodation sources and increase the overall revenue of the group.

#### (II) Mid to Long-term Strategy

1. Actively stabilizing the hotel business: Ensure the steady recovery of the hotel business, while continuing to improve service quality to attract more repeated visits of customers and word-of-mouth effects.
2. Invest in related industries: Consider investing in and developing tourism-related industries based on the hotel business to create multiple sources of income and provide tourists with a more wholesome experience.
3. Expanding new locations: During the pandemic, operations of 5 hotels were terminated to reduce losses. As the hotel industry gradually recovers, new locations will be reopened and added. In addition to evaluating the stability of business in Taipei City, active assessments of hotel development in other counties and cities will be conducted to increase repeat customers through a broader network of locations.
4. Planning of new business models: Actively plan and design new business models to increase overall revenue. May include introducing digital technology to provide more customized services to meet ever-changing market needs.
5. Increase efficiency of operation team: Re-evaluate and adjust the composition of the management team to establish a highly efficient and multi-tasking operation team to cope with business challenges.
6. Introduce strategic investors: Consider the introduction of investors with strategic aspect to jointly participate in the design and development of business models to enhance the Company's competitiveness and accelerate revenue growth.
7. Promote sustainable transformation: Low-carbon tourism and green tourism have gradually become tourism trends, and we are planning to obtain green tourism-related labels and certifications to respond to future customer needs for sustainable development.

#### (III) Conclusions

After the wave of revenge travel following the pandemic, people's travel planning mindset has gradually eased and become more rational. Compared to the domestic outbound travel boom, inbound tourism recovery has been limited due to the depreciation of JPY and the continued restrictions on Chinese travelers entering Taiwan, resulting in a noticeable tourism trade deficit between inbound and outbound arrivals. In the past, the main sources of inbound travelers to Taiwan were from China, Japan, South Korea, Hong Kong and Macau, and Southeast Asia. It is estimated that only Hong Kong and Macau, South Korea, and Southeast Asia will continue to recover. Due to political factors, Taiwan had not reopened travel to Chinese citizens as of today, causing a stagnation in tourism recovery; meanwhile, Japan has continued to promote domestic travel post-pandemic, and the significant depreciation of JPY since the pandemic has increased overseas travel costs, resulting in low willingness among Japanese travelers to travel abroad. Fortunately, relevant government agencies have again launched the "World Project" for Southeast Asian countries, simplifying the entry process

for ASEAN tourists into Taiwan and strengthening the solicitation of Southeast Asian customers. South Korea has benefited from an increased number of flights between Taiwan and South Korea, leading to a rapid recovery of travelers.

Furthermore, the impact of the epidemic in the past three years has led to the suspension of cross-border tourism. Taipei's hotel industry, which makes its major revenue from customers from foreign countries, has significantly reduced its manpower in order to reduce costs. Many employees in related industries have switched or left their jobs during the epidemic, creating a manpower gap upon the industry recovery, and the replenishment and deployment of manpower cannot keep up with the recovery of demand, making it unable to return to the manpower level before the epidemic in a relevant short period of time.

Based on the above analysis, although the hotel industry has passed its most difficult period, the recovery has not been as rapid as expected. Coupled with adverse factors such as labor shortages and rising costs due to inflationary pressures, the hotel industry in 2025 may still not fully return to pre-pandemic levels. However, it is expected to continue developing positively in the long term. The Company has formulated comprehensive and practical short, medium and long-term strategies for stable recovery after the epidemic. In the short- to mid-term, we focus on improving operational efficiency through integrating group resources, strengthening the domestic market, and minimizing room inventory to ensure rapid response and adaptation in a highly competitive market. Meanwhile, the Company's overall efficiency and diversified revenue sources will be further enhanced through optimization of operating processes and systems, talent acquisition and training, and effective use of idle spaces. In the mid- to long-term, we will focus on continuing to stabilize the hotel business, while pursuing more comprehensive development through measures such as investing in other income sources, expanding our spots in other counties and cities, and planning new business models, and adjusting the management infrastructure including improving the efficiency of the operating team and introducing strategic investors to ensure that the Company can more flexibly respond to future market challenges and achieve stable long-term growth.

**Chairman: Hsieh, Hsien-Chih**

**General Manager: Tsui, Chieh-Min**



## Two. Report on Corporate Governance

### I. Information on the directors, supervisors, General Manager, Deputy General Managers, assistant managers, and supervisors of all departments and branches

#### (I) Information on Directors

April 30, 2025

Position	Nationality or place of registration	Name	Gender/Age	Date of Elections (Inauguration)	Term of office	Commencement date of first term	Holding shares at the time of election		Current number of shareholding		Shares held by spouse and minor children		Shares held under the name of others		Main experience (education) background	Positions concurrently held in the Company and in other companies	Other managers, directors, or supervisors who are a spouse or have a familial relationship within the second degree of kinship.			Remarks
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Position title	Name	Relationship	
Chairman	R.O.C.	Shenyang Investment Co., Ltd.	Male Aged 71-80	2023.06.16	3	2013.11.29	1,586,100	7.23%	1,586,100	7.23%	—	—	—	—	Master's, Graduate Institute of China Studies, Tamkang University Bachelor's degree in Political Science, National Chengchi University Chairman of Green World Hotels Co., Ltd. Chairman of Sanpu Travel Group Chairman of Sinri Travel Co., Ltd. Chairman of H.I.S. Taiwan Co., Ltd. Chairman of Sindong Travel Co., Ltd. Chairman of Singuang Travel Co., Ltd. Chairman of Sakura Travel Co., Ltd. Chairman of Singuang Travel Co., Ltd. Chairman of Green World Co., Ltd. Chairman of Nian Fu Investment Co., Ltd. Chairman of San Jin Integrated Marketing Co., Ltd. Chairman of SHAYUKI Co., Ltd.	Chairman and General Manager of Green World Co., Ltd. Chairman of Sanpu Travel Group Chairman of H.I.S. Taiwan Co., Ltd. Chairman of Sinri Travel Co., Ltd. Chairman of Sindong Travel Co., Ltd. Chairman of Singuang Travel Co., Ltd. Chairman of Sakura Travel Co., Ltd. Chairman of Green World Co., Ltd. Chairman of Nian Fu Investment Co., Ltd. Chairman of San Jin Integrated Marketing Co., Ltd. Chairman of SHAYUKI Co., Ltd.	None	None	None	None
		Representative: Hsieh, Hsien-Chih					—	—	1,036,770	4.72%	—	—	1,097,427	5.00%			None	None	None	None
Director	R.O.C.	Shenyang Investment Co., Ltd.	Male Aged 51-60	2023.06.16	3	2013.11.29	1,586,100	7.23%	1,586,100	7.23%	—	—	—	—	Department of Foreign Languages and Literature, National Sun Yat-Sen University Director, Green World Hotels Co., Ltd. Chairman of Guojing Frozen Food Co., Ltd. Chairman of Xiufeng Frozen Food Co., Ltd. Chairman of Xiufeng Industry Co., Ltd. Chairman of Xinyao Media Co., Ltd.	Director, Green World Hotels Co., Ltd. Chairman of Guojing Frozen Food Co., Ltd. Chairman of Xiufeng Industry Co., Ltd. Chairman of Xinyao Media Co., Ltd.	None	None	None	None
		Representative: Chang, Shih-Feng					111,000	0.51%	111,000	0.51%	—	—	—	—			None	None	None	None
Director	Japan	H.I.S. Hotel Holdings Co., Ltd.	Male Aged 41-50	2023.06.16	3	2017.01.23	11,192,291	51%	11,192,291	51%	—	—	—	—	Graduated from College of Foreign Languages in Dokkyo University 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 Aquaigis Hotel Asset Co., Ltd. Director	H.I.S. Hotel Holdings Co., Ltd. Director Managing Director of Overseas Hotel Business Director of Hotel Support Dept. H.H.H. USA inc. President H.H.H. Korea inc. Director VISON Hotel Management Co., Ltd. Director Aquaigis Hotel Asset Co., Ltd. Director	None	None	None	None
		Representative: Xin, Kang-Yen					—	—	—	—	—	—	—	—			None	None	None	None

Position	Nationality or place of registration	Name	Gender/Age	Date of Elections (Inauguration)	Term of office	Commencement date of first term	Holding shares at the time of election		Current number of shareholding		Shares held by spouse and minor children		Shares held under the name of others		Main experience (education) background	Positions concurrently held in the Company and in other companies	Other managers, directors, or supervisors who are a spouse or have a familial relationship within the second degree of kinship.			Remarks
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Position title	Name	Relationship	
Director	R.O.C.	Yiyuan Investment Co., Ltd.	Male Aged 61-70	2023.06.16	3	2013.12.30	362,359	1.65%	362,359	1.65%	—	—	—	—	Graduated from the Department of Political Science, Chinese Culture University Director and Supervisor of Green World Hotels Co., Ltd. Supervisor of Green World Hotels Co., Ltd. Director and Supervisor of SHEH KAI PRECISION CO., LTD Chairman of Xinge Biotechnology Co., Ltd. Municipal Consultant, Taichung City Government	Director, Green World Hotels Co., Ltd. Chairman of Xinge Biotechnology Co., Ltd. Director of SHEH KAI PRECISION CO., LTD Municipal Consultant, Taichung City Government	None	None	None	None
		Representative: Liu, Tang-Kun					—	—	—	—	—	—	—	—			None	None	None	None
Independent director	R.O.C.	Liu, Shui-Sheng	Male Aged 61-70	2023.06.16	3	2017.06.22	—	—	—	—	30,000	0.14%	—	—	PhD in Economics, the International University of Kagoshima, Japan Independent Director of Green World Hotels Co., Ltd. Chairman of HELIN Trading CO., LTD. Chairperson of GIWADO Enterprise 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 of Green World Hotels Co., Ltd. Chairman of HELIN Trading CO., LTD. Member of the Zhongshan District Mediation Committee, Taipei City	None	None	None	None
Independent director	R.O.C.	Wu, Yi-Tsai	Male Aged 51-60	2023.06.16	3	2017.06.22	—	—	—	—	—	—	—	—	Graduated from the Department of Law, National Taiwan University 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 Attorney-at-Law, Chen Shih Yung Law Firm Attorney-at-Law, Tung-Li Attorneys-at-Law Attorney-at-Law, Wen-Wen Law Firm	Independent Director of Green World Hotels Co., Ltd. Director and Attorney-at-Law of YUN DAH International Law Office	None	None	None	None
Independent director	R.O.C.	Chang, Yu	Male 71-80 Aged	2023.06.16	3	2023.06.16	—	—	—	—	—	—	—	—	Graduated from Department of Political Science, National Chengchi University Master of Public Administration, National Chengchi University	Investigation Bureau, Ministry of Justice Regional Associate Manager, Cathay United Bank General Manager of Po Rui Biotech Executive Vice-President, Yuanta Bank President of Yuanta Venture Capital Corp.	None	None	None	None

Table 1: Major shareholders of corporate shareholders

April 30, 2025

Name of corporate shareholders	Major shareholders of corporate shareholders
H.I.S. Hotel Holdings Co., Ltd.	H.I.S. Co., Ltd. (100%)
Shenyang Investment Co., Ltd.	Hsieh, Chang-Cheng (100%)
Nian Fu Investment Co., Ltd.	Hsieh, Chang-Cheng (99%), Hsieh, Hsien-Chih (1%)
BAO MA ASSET DEVELOPMENT & MANAGEMENT CO., LTD	GOLDEN PLUS LTD. (100%)
Yiyuan Investment Co., Ltd.	Hsieh, Chang-Cheng (100%)

Table 2: Major shareholders of corporate shareholders in Table 1

April 30, 2025

Name of legal person	Major shareholder of legal persons	Shareholding ratio
H.I.S. Co., Ltd.	Hideo Sawada	24.03%
	日本マスタートラスト信託銀行株式会社	10.62%
	有限会社秀インター	5.03%
	Custody Bank of Japan, Ltd.	3.88%
	ステート ストリート バンク アンド トラスト カンパニー (常任代理人 株式会社みずほ銀行決済営業部)	2.02%
	NORTHERN TRUST CO. (AVFC) RE WS WALES PENSION PARTNERSHIP (WALES PP) ASSET POOLING ACS UMBRELLA (常任代理人 香港上海銀行東京支店 カストディ業務部)	1.98%
	エイチ アイ エス従業員持株会	1.31%
	Sawada Mayumi	1.21%
	Hideta Sawada	0.88%
	ステート ストリート バンク ウェスト クライアント トリーティー (常任代理人 株式会社みずほ銀行決済営業部)	0.88%
GOLDEN PLUS LTD.	Liao, Yu-Hsin	71.43%
	Liao, Wan-Long	7.14%
	Liao, Chia-Ling	14.29%
	Chang, Chun-Kuei	7.14%

## (II) Information on Directors

## 1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Criteria Name	Professional qualifications and experience	Status of independence (Note 1)												Concurrently serving as an independent director of other public listed companies
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Chairman Hsieh, Hsien-Chih	More than five years of work experience required for the Company's business and currently serve as the Company's Chairman, without any of the circumstances described in Article 30 of the Company Act.						✓	✓		✓	✓	✓		0
Director Xin, Kang-Yen	More than five years of work experience required for the Company's business, currently serving as a director of HIS, without any of the circumstances described in Article 30 of the Company Act.			✓				✓		✓	✓	✓		0
Director Chang, Shih-Feng	More than five years of work experience required for the company's business. Currently serves as the Chairman of Guojing Frozen Food Co., Ltd., Chairman of Xiufeng Industry Co., Ltd., and Chairman of Xinyao Media Co., Ltd. and without any of the circumstances described in Article 30 of the Company Act.	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		0
Director Liu, Tang-Kun	More than five years of work experience required for the company's business, and currently serves as the director of SHEH KAI PRECISION CO., LTD and the Chairman of Xinge Biotechnology Co., Ltd. and without any of the circumstances described in Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Independent director Liu, Shui-Sheng	Possesses more than five years of experience in business, finance, accounting and competencies required by the Company. Liu graduated from the International University of Kagoshima in Japan with a doctorate in economics, and is currently Chairman of HELIN Trading CO., LTD. In 2023, Liu obtained 80 hours of training courses for corporate sustainability managers and provided recommendations on corporate sustainability to the Company. No circumstances as described in Article 30 of the Company Act have occurred.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent director Wu, Yi-Tsai	Professional and technical personnel who have more than five years of work experience in law and crisis management and have passed the national exams and certifications required by lawyers. Director and executive attorney of Yuanta Law Offices. With his legal expertise, he can provide opinions on risk management, legal strategy/compliance and management decision-making. Does not meet any of the conditions stated in Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent director Chang, Yu	More than five years of work experience in commerce, finance and accounting, and served as the President of Yuanta Venture Capital Co., Ltd., and without any of the circumstances described in Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note 1: For each director and supervisor, if they meet the following conditions in the two years prior to their appointment and during their term of office, please mark "✓" in the space below the respective condition code.

- (1) Not employed by the Company or its affiliated companies.
- (2) Not a director or supervisor of the Company or its affiliates (except for independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country).
- (3) Not a natural-person shareholder who holds 1% or more of the Company's issued shares or a top-10 natural-person shareholder by shareholding in the name of spouse, minor children or someone else in the name of the shares issued by the Company.
- (4) Not the spouse, a relative within the second degree of kinship or a direct blood relative within the third degree of kinship of a manager listed in (1) or any of the personnel listed in (2) or (3).
- (5) A director or supervisor who is not an institutional shareholder who does not directly hold 5% or more of the total number of issued shares of the company and ranks among the top five in shareholding or who designates a representative as a director or supervisor of the company in accordance with Article 27, Paragraph 1 or 2 of the Company Act; or Employees (except for independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country).
- (6) Notwithstanding, the directors, supervisors or employees of other companies controlled by the same person with the seats on directors or voting shares of the Company (however, not included in the preceding paragraph, is the independent director established in the same law or the laws and regulations of the local country concurrently).
- (7) Not a director, supervisor or employee of any company or institution in which the chairperson, general manager or equivalent thereof is the same person or the spouse of the company (except for independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country).
- (8) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares of any given company or institution that has financial or business dealings with the Company above 20%, does not exceed 50%, except when the independent directors of the company and its parent company or subsidiary or a subsidiary of the same parent appointed in accordance with the Act or the laws and regulations of the local country act concurrently on each other.
- (9) Not a professional individual, owner of a sole proprietorship, partnership, company or institution that provides auditing services or commercial, legal, financial or accounting services that amount to less than NTD 500,000 for the Company or its affiliates in the last 2 years; Partners, directors, supervisors, managers and their spouses Except for members of the remuneration committee, public acquisition review committee or special committee for mergers and acquisitions performing their functions and powers in accordance with the Securities and Exchange Act or the Business Mergers And Acquisitions Act.
- (10) Not a spouse or a relative within the second degree of kinship to any other director of the Company.
- (11) Does not meet any of the conditions stated in Article 30 of the Company Act.
- (12) Not a government or corporate representative according to Article 27 of the Company Act.

## 2. Diversity and independence of the Board of Directors:

### (1) Diversity of the Board of Directors:

According to the Company's Corporate Governance Best-Practice Principles, the composition of the board of directors should be diversified. The number of directors who also serve as the company's managers should not exceed one-third of the board seats, and they should also have different professional backgrounds, work areas and the knowledge and skills necessary for the performance of their duties and literacy skills.

If the number of directors of either gender on the board does not reach one-third, the reasons and plans to enhance gender diversity of directors are stated as follows: The Company has established seven directors in accordance with the Articles of Incorporation (current term: June 16, 2023, to June 15, 2026). Before the board's term expires and re-election is held, the Company will consider candidates' professional experience, involvement in the Company's future development, and contributions, aiming to increase directors of different genders to improve corporate governance and promote board diversity.

The implementation of the diversity policy for board members is as follows:

Diversification items Name	Nationality	Gender	Employee Status	Basic composition					Diversified professionalism and industry experience (Note)									
				Age				Independent directors' term of office (less than 9 years)	1	2	3	4	5	6	7	8	9	10
				Aged 41-50	Aged 51-60	Aged 61-70	Aged 71-80											
Hsieh, Hsien-Chih	R.O.C.	Male	✓				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Xin, Kang-Yen	Japan	Male		✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chang, Shih-Feng	R.O.C.	Male			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Tang-Kun	R.O.C.	Male				✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Shui-Sheng	R.O.C.	Male				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wu, Yi-Tsai	R.O.C.	Male			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chang, Yu	R.O.C.	Male					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note:

1. Operational judgment.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management.
5. Industry knowledge.
6. An international market perspective.
7. Leadership.
8. Decision-making ability.
9. Risk management knowledge and ability.
10. Experience in corporate governance.

### (2) Independence of the Board of Directors:

The Company's Board of Directors consists of seven directors, including three independent directors, with Independent Directors accounting for 42.86% of the total board seats. There are no circumstances among the Directors and Independent Directors as stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. The primary responsibility of the Company's Board of Directors is to supervise the Company's compliance with laws, financial transparency, timely disclosure of important information, and objective and independent judgment of the Company's financial operations.

## (III) Information on the general manager, deputy general manager, associate manager, and supervisors from all departments and branches

April 30, 2025

Position	Nationality	Name	Gender	Date of Elections (Inauguration)	Holding shares		Spouse and minor children's holding shares		Shares held under the name of others		Main experience (education) background	Positions concurrently served at other companies	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree of kinship.			Remarks
					Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Position	Name	Relationship	
CEO and general manager	R.O.C.	Hsieh, Hsien-Chih	Male								Note 1					
General Manager and Head of Corporate Governance	R.O.C.	Tsui, Chieh-Min	Male	2025.03.13	—	—	—	—	—	—	Master's Degree, Long Island University, USA Department of International Trade, Tamkang University Sports Association, ROC Hoxin Recreation Co., Ltd. Jin Byili Biotechnology Yi Shuo Digital Co., Ltd.	None	None	None	None	Note 1
Deputy General Manager	R.O.C.	HSU, SHUO-HENG	Male	2025.03.13	—	—	—	—	—	—	EMBA, National Taiwan University Manager of Gloria Maris FullWealth Seafood Restaurant Secretary of Chairman of Artes Myer Philippines Imported Sanitary Ware Deputy Director of Operations Management, The Tango Hotels	None	None	None	None	Note 1
Assistant Manager of Accounting and Finance Department	R.O.C.	Peng Fei-Hsiu	Female	2025.03.13	—	—	—	—	—	—	Graduated from the Finance Department, Shih Chien University Head of Finance Division, Huako Caiyi Co., Ltd.	None	None	None	None	Note 1
Manager	R.O.C.	WU,YU-CHI	Male	2015.08.12	—	—	—	—	—	—	Law Department, Fu Jen Catholic University Songjiang Trademark and Patent Law Office Legal and special assistant of the director Beautiful Hotel Hotel manager at Green World Mai	None	None	None	None	None
Manager	R.O.C.	YANG,KUN-HUI	Female	2015.08.12	—	—	—	—	—	—	Songshan High School of Commerce Chinchen chain restaurant ONETEL S-aura Hotel	None	None	None	None	None
Manager of Finance Department and Corporate Governance Officer	R.O.C.	Lin Meng-Yue	Female								Note 2					

Note 1: Position adjustment resolved by the Board of Directors on March 13, 2025..

Note 2: Lin, Meng-Yue Manager of the Finance Department and Head of Corporate Governance, retired on February 28, 2025.

## II. Remuneration for directors, supervisors, General Manager, and Deputy General Managers in the most recent year

### (I) Remuneration of general directors and independent directors (individual disclosure of names and remuneration methods)

Unit: NTD thousands, shares

Unit: RMB thousands.

Position	Name	Director's remuneration								The ratio of the sum of A, B, C and D to the net profit after tax		Related remuneration paid to the part-time employees								Sum of A+B+C+D+E+F+G and ratio to net income		Receive remuneration from a reinvested business other than the subsidiaries or the parent company
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business implementation cost (D)				Salary, bonuses, and special expenses (E)		Retirement pension (F)		Employees' compensation (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
																Cash amount	Stock	Cash amount	Stock			
Chairman	Shenyang Investment Co., Ltd. Representative: Hsieh, Hsien-Chih	—	—	—	—	—	—	40	40	40 0.041%	40 0.041%	2,250	2,250	—	—	—	—	—	—	2,290 2.372%	2,290 2.372%	None
Director	Shenyang Investment Co., Ltd. Representative: Chang, Shih-Feng	—	—	—	—	—	—	40	40	40 0.041%	40 0.041%	—	—	—	—	—	—	—	—	40 0.041%	40 0.041%	None
Director	Yiyuan Investment Co., Ltd. Representative: Liu, Tang-Kun	—	—	—	—	—	—	40	40	40 0.041%	40 0.041%	—	—	—	—	—	—	—	—	40 0.041%	40 0.041%	None
Director	H.I.S. Hotel Holdings Co., Ltd. Representative: Xin, Kang-Yen	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
Independent director	Wu, Yi-Tsai	—	—	—	—	—	—	240	240	240 0.249%	240 0.249%	—	—	—	—	—	—	—	—	240 0.249%	240 0.249%	None
Independent director	Liu, Shui-Sheng	—	—	—	—	—	—	240	240	240 0.249%	240 0.249%	—	—	—	—	—	—	—	—	240 0.249%	240 0.249%	None
Independent director	Chang, Yu	—	—	—	—	—	—	240	240	240 0.249%	240 0.249%	—	—	—	—	—	—	—	—	240 0.249%	240 0.249%	None
<div>1. Please state the payment policy, system, standards and structure for the remuneration of independent directors and the relevance between the paid amount of remuneration and their responsibilities, risks, dedicated time, etc. The Company considers that the recommendation of monthly remuneration payment, through the Remuneration Committee by independent directors for resolution of the Board of Directors; and it will be submitted to the Remuneration Committee for assessment and recommendation from time to time.</div> <div>2. In addition to the above disclosure, the remuneration paid to the directors of the Company for providing services (such as a consultant for non-employees) to any of the Company in the financial statements in the most recent year: None.</div>																						



Range of remuneration for general directors (including independent directors)

The range of remuneration paid to the directors of the Company	Total remuneration of first four items (A+B+C+D)		Total remuneration of first seven items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Less than 1,000,000 dollars	Chairman: Hsieh, Hsien-Chih Director: Chang, Shih-Feng, Xin, Kang-Yen, Liu, Tang-Kun Independent Directors: Liu, Shui-Sheng, Wu, Yi-Tsai, Chang, Yu		Director: Chang, Shih-Feng, Xin, Kang-Yen, Liu, Tang-Kun Independent Directors: Liu, Shui-Sheng, Wu, Yi-Tsai, Chang, Yu	
1,000,000 dollars (included) ~ 2,000,000 dollars (excluded)	—	—	—	—
2,000,000 dollars (included) ~ 3,500,000 dollars (excluded)	—	—	Chairman: Hsieh, Hsien-Chih	
3,500,000 dollars (included) ~ 5,000,000 dollars (excluded)	—	—	—	—
5,000,000 dollars (included) ~ 10,000,000 dollars (excluded)	—	—	—	—
10,000,000 dollars (included) ~ 15,000,000 dollars (excluded)	—	—	—	—
15,000,000 dollars (included) ~ 30,000,000 dollars (excluded)	—	—	—	—
30,000,000 dollars (included) ~ 50,000,000 dollars (excluded)	—	—	—	—
50,000,000 dollars (included) ~ 100,000,000 dollars (excluded)	—	—	—	—
More than 100,000,000 dollars	—	—	—	—
Total	Total of 7 people		Total of 7 people	

(II) Remuneration to supervisors: Not applicable.

(III) Remuneration to General Manager and Deputy General Managers

Unit: NTD thousands

Position	Name	Salary (A)		Retirement pension (B)		Bonus and special expense, etc. (C)		Employee's compensation (D)				The ratio of the sum of A, B, C and D to the net profit after tax (%)		Receive remuneration from a reinvested business other than the subsidiaries or the parent company
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Cash amount	Stock	Cash amount	Stock			
General manager	Tsui, Chieh-Min	1,800	1,800	—	—	450	450	—	—	—	—	2,250 2.330%	2,250 2.330%	—
Deputy General Manager	HSU, SHUO-HENG													

Remuneration brackets table

Pay for the general manager and deputy general manager of the company	Name of the general manager and deputy general manager	
	The Company	All companies included in the financial report E
Less than NTD 1,000,000	—	—
1,000,000 dollars (included) ~ 2,000,000 dollars (excluded)	Tsui, Chieh-Min and Hsu, Shou-Heng	Tsui, Chieh-Min and Hsu, Shou-Heng
2,000,000 dollars (included) ~ 3,500,000 dollars (excluded)	—	—
3,500,000 dollars (included) ~ 5,000,000 dollars (excluded)	—	—
5,000,000 dollars (included) ~ 10,000,000 dollars (excluded)	—	—
10,000,000 dollars (included) ~ 15,000,000 dollars (excluded)	—	—
15,000,000 dollars (included) ~ 30,000,000 dollars (excluded)	—	—
30,000,000 dollars (included) ~ 50,000,000 dollars (excluded)	—	—
50,000,000 dollars (included) ~ 100,000,000 dollars (excluded)	—	—
More than 100,000,000 dollars	—	—
Total	Total of 2 people	Total of 2 people

# The remuneration amount for the top 5 remuneration receiving Managers

Unit: NTD thousands

Position	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonus and special allowances (C) (Note 3)		Employee's compensation (D) (Note 4)				The sum of A, B, C and D as a percentage of net income after tax (%) (Note 6)		Receive remuneration from a reinvested business other than the subsidiaries or the parent company (Note 7)
		The Company	All companies included in the finance report (Note 5)	The Company	All companies included in the finance report (Note 5)	The Company	All companies included in the finance report (Note 5)	The Company		All companies included in the finance report (Note 5)		The Company	All companies in the financial report	
								Cash amount	Stock	Cash amount	Stock			
General manager	Tsui, Chieh-Min	960	960	—	—	240	240	—	—	—	—	1,200 1.243%	1,200 1.243%	None
Deputy General Manager	HSU, SHUO-HENG	840	840	—	—	210	210	—	—	—	—	1,050 1.088%	1,050 1.088%	None
Associate Manager	Peng Fei-Hsiu	1200	1200	—	—	300	300	—	—	—	—	1,500 1.554%	1,500 1.554%	None
Manager	YANG,KUN-HUI	960	960	—	—	240	240	—	—	—	—	1,200 1.243%	1,200 1.243%	None
Manager	WU,YU-CHI	960	960	—	—	240	240	—	—	—	—	1,200 1.243%	1,200 1.243%	None

Note 1: The term "top five highest-paid managers" refers to the Company's managers. As for the criteria for determining these managers, it is based on the regulations set forth in the letter issued by the Securities and Futures Bureau of the Ministry of Finance on March 27, 2003, under the Letter Tai-Cai-Zheng-III-Zi No. 0920001301, which defines the scope of application for "managers." The principle of determining the "Top 5 with the highest remuneration" is that the Company's managers receive salaries, Severance pay and pension, bonuses, and special expenditures from all companies included in the consolidated financial statements and the total amount of employees' remuneration (i.e., the sum of A, B, C, and D), and the top five remunerations shall be determined according to the highest remuneration. If the director is also an officer mentioned above, this table and the above table (1-1) should be completed.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay and various rewards and incentives, etc.).

Note 3: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special allowances, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc., or other compensation). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the board of directors for the top five executives with the highest remuneration in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year and separately fill out Table 1-3.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the top five executives of the Company in the consolidated report should be disclosed.

Note 6: Net profit after tax refers to the net profit after tax of the parent company only or parent company only financial report of the most recent year.

Note 7: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. Remuneration refers to the return received by the Company's top five executives with the highest remuneration for serving as directors, supervisors or managers of reinvested enterprises other than subsidiaries or the parent company, remuneration (including remuneration to employees, directors and supervisors) and business execution expenses and other related remuneration.

\*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act

- (IV) Names of the managers who distribute employee compensation and the distribution status: None.
- (V) The analysis of the ratio of the total remuneration amount paid to all of the directors, supervisors, General Managers, and Deputy General Managers of the Company and all companies in the consolidated statement in the most recent two years, to the net profit after tax of the consolidated or parent company only financial reports.

Item  Position title	Ratio of total remuneration amount to the net profit after tax			
	2023		2024	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Director	1.813%	1.813%	0.870%	0.870%
General Manager and Deputy General Manager	4.755%	4.755%	2.330%	2.330%

Note: The Company established the Audit Committee on June 15, 2020 (the Audit Committee was established to replace the functions and powers of supervisors), therefore not applicable.

- (VI) The correlation between the remuneration policy, standard and combination, procedures for stipulating the remuneration, and the business operation performance and future risks.
1. Directors  
On the basis of the regulations of the company, the transportation allowances and remuneration paid to the directors shall be resolved according to the index of risk and responsibility and decided by the Remuneration Committee and submitted to the board of directors for discussion and approval.
  2. General Manager and Deputy General Manager  
The remuneration of the general manager and the deputy general manager includes salary, bonuses, and employee bonuses shall be based on the position, responsibility, and contribution to the company, and it shall also refer to the peer companies in the industry. It shall be assessed by the Remuneration Committee and reported to the board of directors for discussion and approval.
  3. Performance-based remuneration is handled in accordance with the profit distribution provisions set forth in the Company's Articles of Incorporation. On March 13, 2024, the Board of Directors resolved to allocate 0.7% of earnings as employee remuneration and 0% as directors' remuneration. The amount allocated for employee remuneration was NTD 437,312, and NTD 0 for directors' remuneration.

### III. The operational status of corporate governance

#### (I) The operation of the Board of Directors:

The board of directors had 4 meetings (A) in the most recent year, and the attendance records for the supervisors of the board of directors are listed as follows:

Position title	Name	Actual attendance rate (B)	Number of entrusted attendance	Actual attendance rate % B/A	Remarks
Chairman	Shenyang Investment Co., Ltd. Representative: Hsieh, Hsien-Chih	4	0	100	
Director	Representative of H.I.S Hotel Holdings Co., Ltd.: Xin, Kang-Yen	4	0	100	
Director	Shenyang Investment Co., Ltd. Representative: Chang, Shih-Feng	4	0	100	
Director	Yiyuan Investment Co., Ltd. Representative: Liu, Tang-Kun	4	0	100	
Independent director	Liu, Shui-Sheng	4	0	100	
Independent director	Wu, Yi-Tsai	4	0	100	
Independent director	Chang, Yu	3	1	75	

Other items that shall be recorded:

- For any of the following circumstances, the Board of Directors meeting's date, period, content of the proposal, the comments of all independent directors and the Company's approaches on the comments of independent directors shall be described:
  - The matters listed in Article 14-3 of the Securities and Exchange Act: No such situation.
  - Except for the preceding matters, the other resolutions by the directors that have been opposed or remarked with comments by independent directors that retained a record or had a written statement: No such situation.
- The directors shall avoid the process of resolution that involves related interested parties, and the name of the directors, the content of the resolution, the reasons for the avoidance of conflict of interests and the participation status in the voting process shall be stated:

Borad of Directors	Content of proposal	Director's name and reasons for the avoidance of conflict of interest	The status of voting
2024.11.8	Proposal for renewal of lease with the related party.	As it involved the personal interests of Chairman Hsieh, Hsien-Chih, so he was not involved and did not participate in the discussion and voting	The Chairman did not participate in the discussion and voting in accordance with the laws and regulations; the case was passed without any objections after the chairperson consulted the remaining directors present.
	Salary adjustment plan for the Chairman, managers, and full-time employees.		
	Establishment of the 1st Sustainable Development Committee and appointment of committee members.		

3. Listed companies should reveal information such as the assessment period and duration, scope of assessment, assessment methods and assessment contents of the Board of Directors' self (or peer) assessment.

The implementation status for the assessment of board of directors:

Assessment period	Assessment duration	Assessment scope	Assessment methods	Assessment contents
Annually	2024.1.1 to 2024.12.31	1. The entire board of directors. 2. Individual directors. 3. Functional committees.	1. Internal self-evaluation of the Board of Directors. 2. Self-evaluation of directors.	1. Assessment items for the Board of Directors: Participation level to the company's operation, improvement of the decision-making quality of the Board of Directors, the composition and the structure of the Board of Directors, election and continuous educational training of directors, and internal control. 2. Items of assessment for the members of board: Control on the company goals and tasks, acknowledgment of the duties of directors, participation level on the operation of the company, internal relationship maintenance and communication, director profession and continuous educational training, and internal control. 3. Items of assessment of the functional committees: Participation level to the Company's operation, acknowledgment of the duties of the functional committees, the decision-making quality of the functional committees, the composition and selection of the members of the functional committee, and internal control.

4. The objectives of enhancing the functionalities of the Board of Directors for the current period and the most recent year (such as founding an Audit Committee and improving information transparency, etc.) and the assessment of implementation.
- (1) The Company has purchased liability insurance for all directors and declared in accordance with regulations.
  - (2) Deliver relevant information regarding refresher courses to the board members and assist in the arrangement of refresher courses to enhance their knowledge as well as maintain professionalism.
  - (3) The Company established the Audit Committee on June 15, 2020.
  - (4) Strengthening of corporate governance: On August 8, 2019, the Board of Directors approved the establishment of a Head of Corporate Governance responsible for corporate governance-related affairs. The person assists the directors in carrying out their duties and plays a supervisory role. The Board of Directors also approved the "Corporate Governance Best Practices," "Code of Ethical Conduct" and "Rules for Performance Evaluation of Board of Directors."

(II) Operation of the Audit Committee:

The Audit Committee met 4 times (A) in the most recent year. The attendance of independent directors is as follows:

Position	Name	Number of attendances in person (B)	Number of entrusted attendance	Attendance rate (%) (B/A)	Remarks
Independent director	Liu, Shui-Sheng	4	0	100	
Independent director	Wu, Yi-Tsai	4	0	100	
Independent director	Chang, Yu	3	0	75	(Note)

Other items that shall be recorded:

- I. In the event that the operation of the Audit Committee is under any of the following circumstances, the meeting date of the Audit Committee meeting, the term of the meeting, the contents of the motions, the independent directors' dissenting opinions, qualified opinions, or major recommendations, the Audit Committee's resolutions, and the Company's Handling of opinions.
  - (I) The matters listed in Article 14-5 of the Securities and Exchange Act; please note.
  - (II) Apart from the aforementioned matters, any matter that has not been passed by the audit committee but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee: This condition does not apply.
- II. The Independent directors shall avoid the process of resolution that involves related interested parties, and the name of the Independent directors, the content of the resolution, the reasons for the avoidance of conflict of interests and the participation status in the voting process shall be stated: not available.
- III. Communication among independent directors, head of internal audit, and CPAs (should include the communicated material matters, approaches and result on company's financial and business conditions)
  1. In addition to submit the monthly audit report and tracking report for improvement to the independent directors, the internal audit supervisor of the Company shall report the audit operations, results and tracking status to the independent directors during the board of directors meeting conducted on a quarterly basis.
  2. The certified accountants of the Company communicate with the corporate governance unit at the end of the

<p>year. The attendees include all the directors (including independent directors), accountants and audit supervisors.</p> <p>3. The Chief Auditor, the CPA and the independent directors and supervisors may communicate directly with each other at any time as needed and the communication channels are smooth.</p>
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Note: The matters listed in Article 14-5 of the Securities and Exchange Act

Audit Committee Date and Term	Content of proposal
2024.03.13 2nd Term 4th meeting	<p>1. Replacement of the CPA for audit of the financial statements.</p> <p>2. 2023 Business Report and Financial Statements.</p> <p>3. Distribution of the 2023 annual earnings.</p> <p>4. 2023 employees' and directors' remuneration.</p> <p>5. The 2023 Statement of Internal Control System.</p> <p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None.</p> <p>Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry.</p> <p>The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>
2024.5.8 2nd Term 5th meeting	<p>1. 2024 Q1 financial statements.</p> <p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None.</p> <p>Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry.</p> <p>The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>
2024.8.9 2nd Term 6th meeting	<p>1. 2024 Q2 financial statements.</p> <p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None.</p> <p>Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry.</p> <p>The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>
2024.11.8 2nd Term 7th meeting	<p>1. 2024 Q3 financial statements.</p> <p>2. Evaluation of the suitability and independence of CPAs and proposal of remuneration for 2025.</p> <p>3. Amendments to the "Rules of Procedure for Board of Directors Meetings."</p> <p>4. Amendments to the Audit Committee Organizational Charter.</p> <p>5. Proposal for renewal of lease contract with related parties.</p> <p>6. Establishment of the Sustainable Information Management Procedures.</p> <p>7. 2025 Annual Audit Plan.</p> <p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None.</p> <p>Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry.</p> <p>The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>

(III) The governance circumstances for the Company, and the differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Assessment items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
I. Does the company stipulates and release its Corporate Governance Best-Practice Principles according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established the “Corporate Governance Best-Practice Principles” on November 7, 2019.	No difference
II. The company's equity structure and shareholders' rights and interests				
(I) Does the company stipulate internal operating procedures to conduct matters in regard to the shareholders' recommendations, doubts, disputes and litigation, and implement it based on these procedures?	✓		The “stock affairs operating procedures” has been stipulated for regular and non- regular operations, and an investor relationship contact is available for answering shareholders’ questions in a timely manner according to the content of the procedures and the laws and regulations.	No difference
(II) Has the company a list of major shareholders who actually control the company and a list of shareholders who control these major shareholders?	✓		The registration list of shareholders has the information of the actual shareholders and it can be used to communicate with the major shareholders in a timely manner.	No difference
(III) Does the company create, implement, and manage the risk and its firewall mechanism between the related companies?	✓		The company has established the "Regulations on Business and Financial Transactions with Subsidiaries of Certain Company Groups", "Management Measures for Subsidiaries" and related matters between related companies.	No difference
(IV) Has company stipulated internal regulations that prohibit insiders from buying and selling securities with the unpublished information in the market?	✓		The Company has established "Management Procedures for the Prevention of Insider Trading" and "Procedures for Processing Important Internal Information".	No difference
III. Founding and duties of the board of directors				



Assessment items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
(I) Has the board of directors established a diversity policy, set specific management goals and implemented them accordingly?	✓		The founding of the board members of the company takes consideration of their diverse background, professional competence and experience, as well as their individual ethics and leadership. Including business judgment, management, industry knowledge, international market outlook, leadership and decision-making ability: Chairman Hsieh, Hsien-Chih, Director Chang, Shih-Feng, Director Liu, Tang-Kun, Director Xin, Kang-Yen, Independent Director Liu, Shui-Sheng, Independent Director Chang, Yu; Possessing legal Expertise: Independent Director Wu, Yi-Tsai; accounting and financial analysis skills: Independent Director Chang, Yu, Independent Director Liu, Shui-Sheng.	No difference
(II) In addition to founding the Remuneration Committee and Audit Committee according to the laws and regulations, does the company voluntarily create other committees with similar functions?	✓		The Company established the Sustainable Development Committee on November 8, 2024.	No difference
(III) Has the Company established rules and methods for evaluating the performance of the Board of Directors? Is the performance evaluation conducted on a regular basis every year? Does the Company submit the results of the performance evaluation to the Board of Directors and use it as a reference for individual directors' remuneration and nomination?	✓		The company has stipulated the “Performance Evaluation Methods for Directors and Managers” and conducts the performance evaluation according to the two major perspectives: financial and non-financial indicators. The financial indicator includes: revenue, net profit after tax, and shareholder’s return on equity. The non-financial indicator includes: director’s independent status, professionalism in various fields, meeting participation, participation in educational training and participation in the internal control of the company. 2024 evaluation results: According to the results of the evaluation of the performance of the Board of Directors, the rest of the operations are still good. The results of the Board's evaluation were good. The 2024 Board of Directors' performance evaluation of the Company has been reported on March 13, 2025.	No difference

Assessment items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
(IV) Does the company regularly assess the independent status of the certified public accountant?	✓		The assessment of the independent status and competency for CPAs will be conducted annually. The Board of Directors recently assessed the competency, independent status and the entrusted remuneration for accountant Wu, Kun-Yi and Wu, Hsien-En on November 8, 2024. The assessment content is evaluated based on the account's independent status, ethics, and auditing professionalism.	No difference
IV. Whether the listed company appoints competent and appropriate corporate governance personnel, and appoints a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in compliance laws, handling matters related to the Board of Directors and Shareholders' Meetings in accordance with the law and preparing minutes of the Board of Directors' and Shareholders' meetings)?	✓		To improve corporate governance and the effectiveness of the Board of Directors, our company has hired a Corporate Governance Officer. The primary responsibilities of this role include coordinating with relevant departments to provide timely information required for directors to carry out their duties, assisting directors in complying with laws and regulations, handling board and shareholders' meeting issues in accordance with the law, and implementing corporate governance affairs. This includes managing the board, audit committee, remuneration committee, and shareholder meetings in accordance with the law; assisting directors in their appointment and ongoing education; providing information necessary for directors to carry out their duties; and assisting directors in complying with laws and regulations. The qualifications of the Company's corporate governance officer complies with Article 3-1, Paragraph 1 of the "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies", and have completed professional training as required by laws and regulations.	No difference
V. Does the company have a communication channel with interested parties (including but not limited to shareholders, employees, customers, and supply vendors) and create a stakeholder area on the company's website, and appropriately react and respond to important corporate social responsibility issues to stakeholders?	✓		The company has a dedicated Email for correspondence with interested parties, and the contact information can be found on the stakeholder area on the website of the Market Observation Post System and the company's website, so that interested parties can contact the company if needed and the company can properly respond to the stakeholders' issues.	No difference
VI. Does the company entrust a professional stock agency to conduct the affairs in regard to the shareholders meeting?	✓		The Company has appointed Taishin Securities Co., Ltd. as its stock service agent to assist in the handling of stock matters.	No difference

Assessment items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
VII. Information disclosure				
(I) Has the company created a website to disclose the information of financial business and corporate governance?	✓		The company has created a website (the company's website address is http://www.greenworldhotels.com/), and investors can also find the company's financial, business, and corporate governance information on the website of the Market Observation Post System.	No difference
(II) Does the company use other approaches for information disclosure (such as creating an English website, designating a person to be responsible for collecting and disclosing the company’s information, implementing the spokesperson system, and uploading videos of the investor conferences on the company’s website)?	✓		The company has a spokesperson and acting spokesperson, and also has an investor relation contact window for investors.	The English webpages of the investor area have not been created.
(III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce in advance and declare the first, second and third quarter financial reports as well as the monthly operating report before the deadline?	✓		<p>The announcement and declaration of annual business report have been reported to the competent authority in accordance with Article 36 of the Securities and Exchange Act as follows:</p> <p>I. Announce and declare the annual financial report that has been approved and audited by the CPAs, approved by the Board of Directors and approved by the Audit Committee within three months after the end of each fiscal year.</p> <p>II. Announce and declare the financial report that has been reviewed and audited by the accountant and submitted to the board of directors within 45 days after the end of the first quarter, second quarter, and third quarter of each fiscal year.</p> <p>III. Announce and declare the operation status of the previous month before the tenth of each month.</p>	No difference
VIII. Does the Company have other important information that can help investors to understand the operation of corporate governance (including but not limited to employees rights, employees care, investor relations, relationships with suppliers, stakeholders rights, training for directors and supervisors, the implementation status of risk management policy and risk measurement	✓		<p>1. Employees' rights and interests: All are conducted according to the relevant regulations of the Labor Standards Act, and an employee complaint channel is available for protecting the legitimate rights and interests of the employees.</p> <p>2. Employees care: An employee welfare committee is created and various welfare measures are stipulated.</p> <p>3. Investor relations: The Company regularly releases its financial reports and important business announcements on the website of the Market Observation Post System and on the company’s official</p>	No difference

Assessment items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
standard, the implementation of customer policy, the liability insurance purchased by the company for the directors and supervisors, etc.)			<p>websites according to the regulations, so that investors are fully informed about the company's business development and current status, in order to maximize the interests of shareholders.</p> <p>4. Supplier relations: The Company conducts the relevant supplier management according to the stipulated internal control operating system for procurement and payment, and meets the related rights and obligations based on the contract or purchase order.</p> <p>5. Stakeholders rights: The Company conducts transaction or communication with relevant stakeholders based on the various internal control operating measures, and founded a responsible unit to properly handle the opinions of all related parties to fulfill the corporate social responsibility.</p> <p>6. The Company has arranged refresher courses for directors in 2024. The relevant training status of directors is as follows.</p> <p>7. The implementation status of risk management policies and risk measurement standards: the Company's major operation policies, investment proposals, endorsement guarantees, fund loans and bank financing have been evaluated and analyzed by suitable authorities and implemented in accordance with the resolutions by the board of directors. The audit office also stipulates and implements its annual audit plan based on the results of risk assessment, to practically implement the supervision mechanism and control of various risk management.</p> <p>8. The Company has completed the purchase of liability insurance for the Company's directors and managers every year. The insured amount, scope of coverage and insurance premiums of the liability insurance have been submitted to the recent board of directors' report.</p>	
IX. Please state the improvement of the company's corporate governance and propose the priority matters and measures for reinforcement from among those which have not been improved, according to the evaluation results of the current year issued by the Corporate Governance Center of the Taiwan Stock Exchange Corporation: not applicable				

Note: Regardless of checking "Yes" or "No" on the check box, it is required to state a description in the summary field .

The continuing education courses of the Company's directors and independent directors in 2024 are as follows:

Position	Name	On board date	Date of the first appointment	Date of training	Organizer	Course name	Hours of training
Chairman	Hsieh, Hsien-Chih	2023/06/16	2013/12/30	2024/9/24	Taiwan Investor Relations Institute	ESG Knowledge Sharing – Carbon Cycle	3
				2024/9/24	Taiwan Investor Relations Institute	Smart Office	3
Director	Chang, Shih-Feng	2023/06/16	2023/06/16	2024/9/24	Taiwan Investor Relations Institute	ESG Knowledge Sharing – Carbon Cycle	3
				2024/9/24	Taiwan Investor Relations Institute	Smart Office	3
Director	Xin, Kang-Yen	2023/06/16	2019/07/22	2024/9/24	Taiwan Investor Relations Institute	ESG Knowledge Sharing – Carbon Cycle	3
				2024/9/24	Taiwan Investor Relations Institute	Smart Office	3
Director	Liu, Tang-Kun	2023/06/16	2020/06/15	2024/8/8	Taiwan Corporate Governance Association	Sustainable Transformation and International Trends	3
				2024/8/8	Taiwan Corporate Governance Association	Discussion on Key Issues of Insider Trading and Market Manipulation	3
Independent director	Liu, Shui-Sheng	2023/06/16	2017/06/22	2024/9/24	Taiwan Investor Relations Institute	ESG Knowledge Sharing – Carbon Cycle	3
				2024/9/24	Taiwan Investor Relations Institute	Smart Office	3
Independent director	Wu, Yi-Tsai	2023/06/16	2017/06/22	2024/12/12	Securities and Futures Institute	Shareholders' Meetings, Management Rights, and Equity Strategies	3
				2024/9/26	Securities and Futures Institute	Facts Constituting Directors' and Supervisors' Breach of Trust and Special Breach of Trust	3
Independent director	Chang, Yu	2023/06/16	2023/06/16	2024/9/24	Taiwan Investor Relations Institute	ESG Knowledge Sharing – Carbon Cycle	3
				2024/9/24	Taiwan Investor Relations Institute	Smart Office	3

(IV) The composition, duties and operation of the Remuneration Committee:

- On August 26, 2011, the Board of Directors of the Company established the Remuneration Committee Organizational Charter in accordance with Article 14-6 of the Securities and Exchange Act and the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.” Three independent directors are members of the Company's 7th Remuneration Committee, and their term of office is from June 16, 2023 to June 15, 2026.  
The responsibilities of the Remuneration Committee include stipulating and regularly reviewing the policies, systems, standards and structure of performance assessment and remuneration for directors and managerial officers, as well as regularly evaluate and determine the remuneration for directors and managerial officers. The Company has convened 2 Remuneration Committee meetings in 2024 and the relevant resolutions have been reported to the Board of Directors.
- The members of the Remuneration Committee are listed as follows:

Identity	Criteria		Status of independence	Also serving on the Remuneration Committee of other public offering companies
	Name	Professional qualifications and experience		
Convener/Independent Director	Wu, Yi-Tsai	Professional and technical personnel who have more than five years of work experience in law and crisis management and have passed the national exams and certifications required by lawyers. Director and executive attorney of Yuanta Law Offices. With his legal expertise, he can provide opinions on risk management, legal strategy/compliance and management decision-making. Does not meet any of the conditions stated in Article 30 of the Company Act.	(1) Not employed by the Company or its affiliated companies. (2) Not a director or supervisor of the Company or its affiliated companies. (3) Not a natural-person shareholder who holds 1% or more of the Company's issued shares or a top-10 natural-person shareholder by shareholding in the name of spouse, minor children or someone else in the name of the shares issued by the Company. (4) Not the spouse, a relative within the second degree of kinship or a direct blood relative within the third degree of kinship of a manager listed in (1) or any of the personnel listed in (2) or (3). (5) A director who is not a director of an institutional shareholder who directly holds 5% or more of the total number of the Company's issued shares or who holds the top five shares or who designates a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act , supervisor or employee.	0
Independent director	Liu, Shui-Sheng	More than 5 years of work experience required for company operations, graduated from International University of Kagoshima in Japan with a doctoral degree in economics, currently serves as the Chairman of HELIN Trading CO., LTD. and is not booked in accordance with Article 30 of the Company Act.	(6) Not a director, supervisor, or employee of another company, who is controlled by the same person with more than half of the number of directors or voting shares of the Company. (7) Not a director, supervisor, or employee of another company or institution where the chairman, general manager or equivalent of the Company is the same person or the spouse. (8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of the shares of a specified company or institution that has financial or business dealings with the Company.	0
Independent director	Chang, Yu	More than five years of work experience in commerce, finance, and accounting and served as the President of Yuanta Venture Capital Co., Ltd. and none of the conditions described in Article 30 of the Company Act.	(9) Not an owner, partner, director of a professional individual, sole proprietorship, partnership, company, or institution that provides auditing services or business, legal, financial, or accounting services for which he or she has received remuneration in the last two years for the Company or its affiliates), supervisors, managers and their spouses. (10) Not a spouse or a relative within the second degree of kinship to any other director of the Company.	0

3. The operation status of the Remuneration Committee is as follows:

(1) The Company's Remuneration Committee has three members.

(2) The term of office of the current members: June 16, 2023 to June 15, 2026. The Remuneration Committee met 2 times (A) in the most recent year. The qualifications and attendance of members are as follows:

Position	Name	Number of attendances in person (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remarks
Convener	Wu, Yi-Tsai	2	0	100	-
Committee member	Liu, Shui-Sheng	2	0	100	-
Committee member	Chang, Yu	2	0	100	-
<p>Other items that shall be recorded:</p> <p>I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date and time of the board meeting, the content of the motion, the results of the resolutions of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee (e.g., the remuneration received by the Board of Directors is superior to the recommendations of the Remuneration Committee and explain the difference and the reasons thereof): No such situation.</p> <p>II. If members have objections or reserved opinions and have retained a record or written statement for the Remuneration Committee's resolutions, the meeting date of Remuneration Committee, term of office, content of the motion, the opinions of all members and the handling of the members' opinions: No such situation.</p>					

4. Members of the Nomination Committee and their operational status: Not applicable.

(V) Implementation of sustainable development initiatives and differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?		✓	The Company has established the "Sustainable Development Best Practice Principles" but has not yet established a governance structure to promote sustainable development. A full-time (part-time) unit to promote sustainable development will be established when necessary.	In the future, the Company will discuss setting up the relevant accountable units.
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality and establish relevant risk management policies or strategies?	✓		The Company has established the "Sustainable Development Best Practice Principles" to understand and comply with the relevant contents set by the competent authorities, and will continue to pay attention to whether relevant environmental, social and corporate governance issues have a significant impact on the Company's investors and other stakeholders.	No difference
III. Environmental issues				
(I) Does the Company create a suitable environmental management system according to its characteristics in the industry?	✓		(I) The waste recycling, treatment or usage of the Company is conducted in accordance with the environmental management system and environmental protection laws and regulations, and the implementation effectiveness will be reviewed from time to time for continuous improvement.	No difference
(II) Is the company committed to the efficiency of energy use and the use of recycled materials with low impact on the environment?	✓		(II) The Company is continuously dedicated to improving the efficiency usage of various resources: such as employees are encouraged to bring their own cups, lunch boxes and environmentally friendly chopsticks to reduce the use of paper lunch boxes; envelopes and kraft paper bags are reused and they are used as delivery bags for internal documents. To avoid environmental pollution and waste of resources caused by discarding ink cartridges, the used ink cartridges of photocopiers or printers will be	No difference



Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(III) Has the Company assessed the current and future potential risks and opportunities of climate change and adopted climate-related response measures?	✓		<p>returned to the original manufacturers for disposal and treatment; the environmentally friendly ink cartridges are used.</p> <p>(III) The objective of the establishment of the Company is to facilitate the development of the circular economy and hence we pay attention to issues related to climate change. The Company encourages reuse of resources in the office environment: such as the use of electronic invoices and the introduction of exchange mechanism for governmental electronic documents, so to make the receiving and submitting documents more convenient and save the time for official document delivery, paperwork and save the postage costs. We try to use both sides of the papers as much as possible and place a resource recycling rack next to the photocopier for paper recycling and reuse, to greatly reduce the paper consumption. In addition, the office promotes to set the air-conditioning temperature to 26 degrees in the summer, use the energy-saving LED T5 lamps, and lights off during lunch break and after work hours, to reduce power consumption and slow down the effect of global warming.</p>	No difference
(IV) Does the Company keep statistics on the amount of greenhouse gas emission, water consumption and total weight of waste in the past two years, and establish policies for greenhouse gas reduction, reduction of water consumption or management of other wastes?	✓		<p>(IV) In response to climate change, the Company has established conservation measures for the use of water and electricity resources and regularly evaluates the implementation to reduce the impact on the environment.</p>	No difference
IV. Social issues				
(I) Does the Company stipulate relevant management policies and procedures according to the relevant regulations and conventions of international human	✓		(I) On the basis of the Labor Standards Act and other relevant labor laws and regulations, the Company has stipulated the human resource	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
<p>rights?</p> <p>(II) Does the Company stipulate and implement reasonable welfare regulations for employees (including remuneration, holidays and other benefits), and appropriately distribute the revenue of operating performance or results to employees' remuneration?</p>	✓		<p>management rules and employees' work rules. The employees' labor insurance, national health insurance and retirement pension are conducted in accordance with relevant laws and regulations. In addition, on the basis of the "Sexual Harassment Prevention Act" and the "Act of Gender Equality in Employment," the Company has stipulated the "Sexual Harassment Prevention Measures and Regulations for Complaint and Punishment" to provide employees with a work and service environment that is free of sexual harassment.</p> <p>(II) The employees' salary and compensation policy are determined according to individual's ability, contribution to the Company, performance, competitiveness, and operational risks of the Company in the future. With respect to Article 22 of the Articles of Incorporation, if the Company has profit in the current year, it shall reserve 0.7% to 10% for the employee's remuneration and the directors and supervisors' remuneration shall not be more than 1%. However, if the Company still has accumulated losses, the amount shall be reserved in advance.</p> <p>The Company has stipulated the "Employees' Work Rules," "Regulations for Employees' Assessment Management," and "Regulations for Labor-Management Meeting and Organization." In addition to promoting relevant corporate ethics, employees' performance and rewards, and disciplinary system, the Company also includes talents and systems, and prospective arrangement as the assessment indicator, as well as emphasizes the importance of corporate</p>	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(III) Does the Company provide a safe and healthy working environment for employees and regularly conduct safety and health educational training for employees?	✓		<p>social responsibilities and human-oriented sustainable corporate development, to enhance the international competitiveness of the Company in the future.</p> <p>(III) With respect to relevant occupational safety and health laws and regulations, the Company conducts safety and health education, training of disaster prevention and health management measures that are necessary for the operations of employees. Emergency escape routes and exits are available in the workplace and maintenance of elevator equipment is conducted on a regular basis. The fire-fighting facilities are available, and the fire drills are conducted on a regular basis; the work environment is disinfected and cleaned, and the water quality is tested on a regular basis; the access control is also implemented. Other protective measures regarding personal safety of employees shall be conducted in accordance with relevant labor regulations and the Company's internal welfare measures.</p> <p>The Company regularly offers health examination and cares to employees to practically take care of the employees' health issues.</p> <p>There has been no fire incident in the Company. Fire extinguishers and emergency exits are installed in the Company and its hotels and promotion of such activities is conducted on a regular basis.</p>	No difference
(IV) Does the Company propose an effective career development training plan for employees?	✓		<p>(IV) All departments of the Company have participated in external training based on their work content, to enhance their professionalism. We also provide</p>	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(V) Has the Company complied with applicable laws, regulations, and international standards on issues such as customer health and safety, customer privacy, marketing, and labeling of products and services and established relevant policies and grievance procedures for the protection of consumers' or customers' rights and interests?	✓		<p>comprehensive and diverse resources to help our employees to continuously improve their knowledge. The Company is continuously dedicated to constructing a comprehensive and diverse career development path.</p> <p>(V) The Company follows the regulations of the "Auditing and Certification Manual for Recycling, Disposal and Treatment of Recyclable Waste" announced by the Environmental Protection Administration of the Executive Yuan.</p> <p>The "integrity management operation procedures and operational guidelines" of the Company clearly stipulated that the Company and its directors, supervisors, managers, employees, appointers and substantial controllers should follow the relevant laws and regulations on intellectual property to ensure information transparency and safety of products and services. The Company has stipulated and disclosed its protection policies for consumers' and other stakeholders' rights, and they are implemented in operating activities to prevent the products or services from directly or indirectly violating the rights, health and safety of consumers or other stakeholders.</p>	No difference
(VI) Does the Company have a supplier management policy defined to require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights and the implementation status thereof?	✓		<p>(VI) The Company is in the hotel industry and its hotel waste is entrusted to waste disposal business vendors.</p> <p>At present, the Company has implemented the concepts and management indicators of sustainable development management, social responsibilities, environmental responsibilities and occupational health and safety requirements into the cooperative</p>	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
			model with the Company's suppliers, to establish a high-quality management system of supply chain.	
V. Does the Company prepare reports disclosing the Company's non-financial information, such as the Sustainability Report, with reference to international reporting standards or guidelines? Does the preceding report obtain assurance or opinion from a third-party authentication unit?		✓	The Company has not prepared standards or guidelines. It will consider the international trends and market variation to prepare standards or guidelines in the future.	No difference
VI. If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the current practices and any deviations from the Principles established: The Company has established the "Sustainable Development Best Practice Principles," which are in operation without any material deviation.				
VII. Other important information helpful to understand the implementation of sustainable development: Please refer to the Company's official website.				

(VI) Climate-related information of TPEX-listed companies:

1. Implementation of climate-related information

Items	Implementation status
1. Description of the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	<p>The Company has established the “Environmental Sustainability Team,” responsible for promoting climate change response mechanisms, enhancing resource utilization efficiency, and establishing an environmental management system, with designated personnel assigned to carry out these tasks. The Company continues to promote environmental protection and sustainable operations in accordance with environmental regulations and international standards.</p> <p>The Board of Directors and management, recognizing the Company's environmental responsibilities, continue to monitor the potential impacts of climate change and extreme weather events. The Company plans to establish and implement crisis management guidelines to enhance its ability to respond to natural disasters and ensure operational resilience.</p> <p>In response to potential climate risks, the Company has conducted preliminary assessments and implemented adaptation measures, including preparedness for natural disasters such as typhoons and earthquakes. These measures include purchasing earthquake insurance and regularly inspecting elevators and fire safety equipment to ensure the safety of residents and employees. In addition, the Company has observed a shift in traveler preferences toward in-depth travel and sustainable accommodations driven by increased climate awareness, which serves as one of the bases for future business strategy adjustments.</p>
2. Description of how the identified climate-related risks and opportunities impact the Company's business, strategy, and financial performance (short-term, mid-term, and long-term).	<p>Extreme weather events caused by climate change, such as high temperatures and heavy rainfall, have not yet had a significant impact on the Company's current operations. However, in the long term, traveler preferences for sustainable tourism and in-depth experiences are expected to increase concurrently.</p> <p>In alignment with the ban on disposable amenities and other environmental policies, the Company actively adjusts its operational strategies by promoting eco-friendly housing programs and implementing energy-efficient lighting and air-conditioning systems, not only to comply with regulatory requirements but also to reduce operating costs and resource consumption risks.</p> <p>In addition, climate change also presents opportunities for brand development and market expansion. As traveler recognition of green accommodations increases, the Company enhances the lodging experience by evaluating the adoption of low-carbon facilities and digital management, thereby improving customer experience and loyalty and further strengthening its market competitiveness. In response to both risks and opportunities, the Company has incorporated climate change issues into its mid- and long-term business strategies, gradually promoting transformation and risk adaptation measures.</p>

Items	Implementation status
3. Description of the financial impact of extreme climate events and transformation actions.	<p>Extreme climate events such as typhoons, sudden heavy rainfall, and high temperatures have not yet caused significant operational disruptions to the Company. However, as the hotel industry relies on on-site services and spatial comfort, natural disasters may potentially affect room occupancy rates, the safety of operational facilities, and maintenance expenses, leading to financial impacts. To address this, the Company has purchased earthquake insurance and continuously maintains electrical and fire safety facilities to reduce the risk of facility damage.</p> <p>On the other hand, to address transformation risks arising from policy changes such as the ban on disposable amenities, carbon pricing systems, and energy efficiency requirements, the Company has gradually procured high-efficiency air conditioning and lighting equipment and adjusted the supply chain for amenities. Although such transformations involve increased capital expenditures and operating costs, they are expected to drive customer recognition and attract subsidy resources in the long term.</p> <p>In addition, the implementation of climate-related policies or carbon costs may also increase overall operating expenses. Therefore, the Company continuously monitors regulatory trends and conducts advance assessments of financial impacts, planning to establish a climate financial risk assessment model in the future to facilitate investment recovery and cost forecasting within the decision-making process.</p>
4. Description of how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	<p>The Company has incorporated climate-related risks into its overall risk management framework as part of its efforts to monitor operational stability and financial sustainability. Climate risk identification encompasses potential facility damage, operational disruptions, and fluctuations in insurance costs caused by extreme weather events, as well as compliance expenditures and changes in operating costs resulting from policy and market transformation.</p> <p>In terms of evaluation, climate-related issues are reviewed alongside other financial and operational risks, and are incorporated as a basis for mid- and long-term capital expenditures and operating cost planning. Each unit takes climate variables into consideration during the annual budgeting and strategic planning stages to strengthen the decision-making foundation and ensure rational allocation of resources.</p> <p>Sustainability-related units assist in consolidating interdepartmental information and coordinating risk response measures. Going forward, efforts will continue to strengthen collaboration with the finance department to advance climate risk management toward a financial indicator-oriented approach, thereby enhancing the organization's sensitivity and responsiveness to the financial impacts of climate change.</p>
5. If scenario analysis is used to assess resilience against climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial impacts employed should be explained.	<p>The Company has not yet formally implemented quantitative climate scenario analysis tools. However, the Company has preliminarily focused on potential impacts to lodging operations caused by temperature rise and increased frequency of extreme weather events, and plans to conduct risk scenario simulations for major operational sites based on climate simulation data in the future.</p> <p>The Company also monitors government policy trends, including the implementation of carbon fees, energy price fluctuations, and increased disaster frequency due to extreme weather. In the future, it will evaluate incorporating scenario analysis into financial forecasting and equipment replacement strategies as a reference for mid- to long-term climate adaptation and capital allocation. The related plans are also expected to integrate TCFD with internal risk control procedures to strengthen the organization's ability to oversee and respond to financial resilience under climate change.</p>

Items	Implementation status
<p>6. If there are transition plans to manage climate-related risks, describe the plan content and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>To respond to regulatory and market transition risks under climate change, the Company has implemented multiple sustainability transformation measures, including:</p> <ol style="list-style-type: none"> <li>1. In line with policy directions, starting May 15, 2023, the Company proactively ceased providing disposable amenities and adopted a refillable supply approach. The Company has evaluated cost-effectiveness and cooperated with eco-friendly product suppliers to develop sustainable alternatives that balance user experience with environmental considerations.</li> <li>2. The Company promotes guest participation in low-carbon lodging programs, including eco-friendly housekeeping and selective linen replacement, designed as incentives for carbon reduction behaviors. During the transformation process, the Company simultaneously reviews potential financial impacts, including changes in capital expenditures and operating costs, and will gradually introduce applicable ESG indicators as tracking tools (such as energy use intensity and room carbon footprint) to enhance management transparency and internal monitoring capabilities. These related actions have been incorporated into the mid-term operational plan and serve as part of an integrated strategy to address climate regulations, shifts in customer preferences, and brand image management.</li> </ol>
<p>7. If internal carbon pricing is used as a planning tool, the Company should explain the basis for price setting.</p>	<p>The Company has not yet implemented an internal carbon pricing system, primarily because its current operational scale and industry characteristics place it outside the scope of government carbon fees or carbon trading schemes in the short term. Actual operations have not incurred significant financial pressure due to carbon costs. However, to enhance carbon management capabilities and flexibility in responding to future policy changes, the Company has been monitoring the development of related regulations and has begun collecting carbon emission data along with corresponding emission factors for operational activities, aiming to gradually establish carbon cost awareness and internal management logic in the future. In the future, the Company will prudently evaluate the feasibility of internal carbon pricing or related simulation mechanisms based on policy developments and the maturity of its climate governance, aiming to enhance carbon risk anticipation and support mid- to long-term planning.</p>
<p>8. If climate-related targets have been established, the Company should specify the covered activities, GHG emission scopes, planning timeline, and annual progress; if carbon offsets or RECs are used to achieve these targets, the Company should disclose the sources and quantities of the offset emission reductions or the number of RECs.</p>	<p>The Company has completed the 2024 GHG inventory in accordance with ISO 14064-1 standards, covering Scope 1 and Scope 2 emission sources. The total emissions amounted to 6,974.53 metric tons of CO<sub>2</sub>e, with purchased electricity accounting for approximately 88.5%. The Company has not yet conducted third-party assurance but will consider promoting it in the future based on disclosure requirements and regulatory demands. For emission reduction, the Company has initiated multiple energy-saving actions in operations, including gradually replacing lighting fixtures with energy-efficient ones, implementing a digital housekeeping management system, discontinuing the proactive provision of disposable amenities, and allowing guests to opt out of daily linen changes. These measures not only reduce resource consumption and carbon emissions but also enhance customers' awareness of participating in low-carbon initiatives. Although a science-based carbon reduction target has not yet been established, the Company will continue to accumulate emission reduction data as a basis for setting future reduction targets and evaluating performance benchmarks, gradually strengthening the organization's carbon management capabilities and corresponding strategies.</p>



Items	Implementation status
<p>9. GHG inventory and assurance status, reduction targets, strategies, and specific action plans (to be filled in separately in 1-1 and 1-2).</p>	<p>The Company has actively established a GHG management system in recent years and conducts emission inventories in accordance with ISO 14064-1. The inventory scope covers Scope 1 and Scope 2 emission sources at the headquarters and operational sites, with data sources including energy use, fuel consumption, and electricity purchases. The Company has not yet obtained third-party verification; however, the inventory data has been incorporated into internal operational reviews and improvement references. Future evaluation of the necessity for external verification will be based on disclosure requirements and regulatory developments.</p> <p>Regarding reduction actions, the Company will promote energy-saving management and waste reduction measures, and is currently evaluating the feasibility of including supply policies, guest participation behaviors, and resource efficiency management within the scope of environmental improvements. The operating units are also planning to strengthen monitoring of energy consumption items and review water usage intensity, while considering the implementation of digital management systems to enhance overall monitoring capabilities.</p> <p>The Company has not yet established science-based or time-bound carbon reduction targets, but has begun compiling energy and emissions data for each facility as the foundation for setting target values, defining a base year, and tracking future performance. The Company will continue to strengthen data transparency and consistency of actions to enhance overall carbon governance capabilities.</p>

1-1 GHG inventory and assurance for the last 2 years

1-1-1 GHG inventory information

Describer the GHG emissions (in metric tons of CO <sub>2</sub> e), intensity (metric tons of CO <sub>2</sub> e per NTD million), and data coverage for the most recent two years.				
The Company has completed the 2024 GHG inventory in accordance with the ISO 14064-1 international standard, covering major emission sources in Scope 1 and Scope 2. Currently, only a single year of data is disclosed, but it is representative and can serve as a basis for subsequent tracking and comparison.				
Year	Category	Emissions volume (metric tons of CO <sub>2</sub> e)	As a percentage of total volume	Remarks
2024	Scope 1 (direct emissions)	800.18	11.47%	Including fixed and fugitive emissions
2024	Scope 2 (energy indirect)	6,174.35	88.53%	Mainly purchased electricity
2024 Total emissions volume		6,974.53	100%	
<p>Emission intensity (CO<sub>2</sub>e per NTD million in revenue): Based on annual revenue estimates, the emission intensity for 2024 was 6.54 metric tons CO<sub>2</sub>e per NTD million.</p> <p>Scope: This inventory covered the headquarters and major operational sites across Taiwan. Data sources included purchased electricity, air conditioning systems, and energy use of certain fixed facilities. Scope 3 emissions have not yet been included and are expected to be gradually incorporated in the future.</p> <p>Standards and basis for inventory: The Company adopted the ISO 14064-1 standard and conducted the emissions calculation independently, applying the Global Warming Potential (GWP) values from the IPCC 6th Assessment Report.</p>				

Note 1: Direct emissions (Scope 1 refer to GHG emissions from sources that are owned or controlled by the Company), energy indirect emissions (Scope 2 refer to GHG emissions from the generation of purchased electricity, heating, or steam consumed by the Company), and other indirect emissions (Scope 3 refer to GHG emissions that result from Company activities but occur from sources not owned or controlled by the Company and are not classified as energy indirect emissions).

Note 2: The coverage of data for direct emissions and energy indirect emissions shall comply with the timeline specified in the order issued in accordance with Article 10, Paragraph 2 of these Principles. Information on other indirect emissions may be disclosed on a voluntary basis.

Note 3: GHG inventory standards: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: GHG emissions intensity may be calculated per unit of product/service or revenue; however, data calculated based on revenue (in NTD million) must be disclosed at a minimum.

### 1-1-2 GHG assurance information

Description of the assurance status for the most recent two years as of the publication date of the annual report, including the assurance scope, assurance institution, assurance standards, and assurance opinion.
<p>As of the reporting year, the Company has not yet conducted third-party assurance of its GHG emissions. Considering the Company's current operational scale, applicability of carbon fees, and limited disclosure requirements, the Company currently adopts a self-inventory as the basis for the initial phase of carbon management, prioritizing the establishment of internal data and the confirmation of organizational boundaries.</p> <p>However, considering potential future disclosure pressures, trends in carbon management policies (such as expanded applicability of carbon fees), and capital markets' demands for the credibility of ESG information, the Company has included the feasibility of third-party verification in its evaluation. The Company will develop appropriate verification schedules and execution methods based on actual operational conditions, data maturity, and information usage needs.</p> <p>If third-party verification is implemented in the future, the Company will prioritize limited or reasonable assurance verification of Scope 1 and Scope 2 inventory results, conducted in accordance with GHG assurance standards (such as ISO 14064-3), to enhance information transparency and external communication credibility.</p>

Note 1: According to the timetable stipulated by the order under Article 10, Paragraph 2 of these Principles, if the Company has not obtained complete GHG assurance opinions by the publication date of the annual report, it shall indicate that "complete assurance information will be disclosed in the ESG report." If the Company does not prepare a ESG report, it shall indicate that "complete assurance information will be disclosed on MOPS," and the complete assurance information shall be disclosed in the following year's annual report.

Note 2: The assurance institution shall comply with the relevant regulations for ESG report assurance institutions established by Taiwan Stock Exchange Corporation and the Taiwan Stock Exchange Corporation (TPEX).

Note 3: Disclosure content may refer to the best practice reference examples available on the Corporate Governance Center website of the Taiwan Stock Exchange.

### 1-2 GHG Reduction Targets, Strategies, and Specific Action Plans

Description of the GHG reduction base year and its data, reduction targets, strategies, specific action plans, and the status of achieving those targets.
<p>The Company plans to designate 2026 as the base year for GHG reduction in accordance with regulatory guidelines. Relevant operations are currently being progressively planned and prepared, including optimization of the inventory process, data refinement, baseline consolidation, and target scenario evaluation.</p> <p>Regarding reduction strategies, the Company initially focuses on energy-saving practices in operations and guest participation incentives as the main approaches, while gradually establishing energy and emission intensity management indicators to serve as the basis for future target setting and performance tracking.</p> <p>The Company has not yet established formal reduction targets or base values. Going forward, these will be gradually incorporated into the annual sustainability action plans for implementation and disclosure, depending on the maturity of the inventory process and the development of management systems.</p>

Note 1: The timeline for implementation shall comply with the schedule stipulated in Article 10, Paragraph 2 of these Principles.

Note 2: The base year should be the year in which the inventory was completed based on the consolidated financial report boundary. For example, according to the Order prescribed in Article 10, Paragraph 2 of these Principles, companies with a capital of over NTD 10 billion are required to complete the inventory of the consolidated financial statements for the year 2024 by 2025; therefore, the base year is 2024. If the Company has completed the inventory of the consolidated financial statements earlier, the earlier year may be used as the base year. In addition, the base year data may be calculated using either a single year or the average of multiple years.

Note 3: Disclosure content may refer to the best practice reference examples available on the Corporate Governance Center website of the Taiwan Stock Exchange.

(VII) Implementation of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons or causes

1. The Company has requested that all directors, managers or employees of the Company shall not directly or indirectly accept any inappropriate benefit or make improper promises during the business process. Furthermore, the promotion of the importance of ethical corporate management is thoroughly carried out during the training of new employees.
2. The company has created an effective accounting system and internal control system during the stage of designing the company's system, in order to prevent any possible corruptive practice during business activities.
3. As for avoidance of conflict of interest, the director or manager shall not participate in the decision-making or voting if the person is related to any conflict of interest during the decision-making or trading process.
4. The company has implemented the ethical corporate management as follows:

7. The company has implemented the ethical corporate management as follows:					
Evaluation items		Operational status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons or causes
		Yes	No	Summary of the description	
I. Stipulate the ethical corporate management policy and plan					
(I)	Does the Company stipulate the integrity management policy approved by the board of directors and clearly express its commitment to the ethical corporate management policy and practices in its regulations and external documents, and reinforce the commitment to the board of directors and high management for the implementation of the business policies?	✓		The Company has stipulated and implemented the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct" and "Codes of Ethical Conduct for Employees".	No difference
(II)	Does the Company establish an assessment mechanism for the risk of unethical conducts to regularly analyze and assess the business activities with high risks of unethical conducts defined in the business scope and stipulate a program to prevent dishonest behaviors, including each of the preventive measures in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The company has stipulated and implemented the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct" and "Codes of Ethical Conduct for Employees" and "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct".	No difference
(III)	Does the Company have the operational procedures, behavior guidelines, punishment and complaint systems clearly defined in the program to prevent unethical conduct, and implemented, and the program is regularly reviewed and amended?	✓		The company has stipulated and implemented the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct" and "Codes of Ethical Conduct for Employees" and "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct".	No difference
II. The implementation of ethical corporate management					

Evaluation items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons or causes
	Yes	No	Summary of the description	
(I) Has the company evaluated the ethical record of the transaction counterpart and clearly specified the terms of ethical conduct in the contract with the transaction counterpart?		✓	The company has a credit check mechanism, but does not specify the terms of ethical conduct in the contract.	In the evaluation process
(II) Does the Company create a dedicated unit under the Board of Directors to promote the ethical corporate management and regularly (at least once a year) report the ethical corporate management policies and plans, prevention program of unethical conduct and the implementation and supervision status to the Board of Directors?		✓	The company does not have a special unit (or part-time unit) under the board of directors for the promotion of ethical corporate management.	In the evaluation process
(III) Does the company stipulate a policy to prevent conflicts of interest, provide a proper channel for communication, and practically implement the policy?	✓		In the case of conflict of interest, the company will request all of the relevant personnel to properly state the situation and have them avoid the resolution process.	No difference
(IV) Does the Company establish an effective accounting system and internal control system to implement the integrity management and stipulate relevant auditing plan based on the assessment results of risk for dishonest behaviors conducted by the internal audit unit for verifying the compliance status of prevention for dishonest behaviors or entrust an accountant to conduct auditing?	✓		The company has stipulated and practically implemented the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", "Codes of Ethical Conduct for Employees", and "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct". The internal audit unit will carry out the audit and the accountant will audit the accounting system.	No difference
(V) Does the company regularly conduct internal and external educational training regarding ethical corporate management?	✓		The company promotes ethical corporate management during the internal convocation.	No difference
III. The implementation of the company's whistleblowing system				
(I) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate and dedicated personnel to deal with the respondent?	✓		The company has stipulated the "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct", and it also has a dedicated Email for reporting illegal and immoral or unethical conduct.	No difference
(II) Does the Company establish standard operating procedures for the investigation of whistle-blowing matters, the follow-up measures to be taken after the investigation is completed and the related confidentiality mechanism?	✓		The company has stipulated the "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct", and it also has a dedicated Email for reporting illegal and immoral or unethical conduct.	No difference

Evaluation items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons or causes
	Yes	No	Summary of the description	
(III) Does the company take preventive measures to protect the whistleblower from improper treatment due to the report?	✓		The company has stipulated the “Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct”, and it also has a dedicated Email for reporting illegal and immoral or unethical conduct.	No difference
IV. Reinforcement of information disclosure				
Does the company reveal the content of Ethical Corporate Management Best Practice Principles and the effectiveness of implementation on its website and on the website of the Market Observation Post System?	✓		The company has revealed the relevant Ethical Corporate Management Best Practice Principles information in the annual report of the company and also posted it on the company's website and on the website of the Market Observation Post System for the reference of the relevant personnel.	No difference
V. If the company has stipulated its Ethical Corporate Management Best Practice Principles according to the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please describe the difference between the principles and implementation operations: The company has stipulated the "Ethical Corporate Management Best Practice Principles", and no significant abnormality has occurred as of now.				
VI. Other important information that can help others to understand the company's operations of ethical corporate management: None.				

(VIII) Other important information that enhances the understanding of the Company's corporate governance: Go to the Company's website <https://greenworldhotels.com> for inquiry.

(IX) Implementation status of internal control system:

1. Internal control declaration

**Green World Hotels Co., Ltd.**  
**Statement of Internal Control System**

Date: March 13, 2025

On the basis of the results of self-assessment, the declaration of the Company's internal control system in 2024 is as follows:

- I. The Company understands that the creation, implementation, and maintenance of the internal control system is the responsibility of the board of directors and managerial officers of the Company. The Company has already created the system. Its purpose is to provide reasonable information on the effect and efficiency of operations (including profitability, performance and protection of asset security), the reliability, timeliness, and transparency of reporting, and compliance with relevant laws and regulations. guarantee.
- II. The internal control system has its limitations, regardless of how the structure is designed, an effective internal control system can only provide reasonable assurance for achieving the abovementioned three objectives, and the effectiveness of the internal control system may also vary due to changes in the environment and circumstances. However, the company's internal control system has a self-monitoring mechanism. Once the shortcoming is identified, the company will take corrective measures right away.
- III. The Company determines the items for the effectiveness of the internal control system according to the "Regulations for the Establishment of Internal Control Systems for Listed Companies" (hereinafter referred to as the "Regulations"), to determine whether the design and implementation of the internal control system is effective. The judgment items of the internal control system used in the "Regulations" are based on the five components of the internal control system in the process of management control: 1. Control environment 2. Risk assessment 3. Control operations 4. Information and communication 5. Supervision. Each component includes several sub-items. Please refer to the "Regulations" for the preceding item.
- IV. The Company has already adopted the abovementioned judgment items of the internal control system to determine and evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the aforementioned evaluation results, the Company believes that the Company's internal control system (including the supervision and management of subsidiaries) as of December 31, 2024, including the design and implementation of a reliable, timely, transparent and compliant internal control system with relevant regulations and applicable laws and regulations are effective and can reasonably ensure the achievement of the above objectives.
- VI. This declaration will be included in the main content of the company's annual report and will be announced to the public. If the abovementioned content is false or not disclosed, it will be involved with legal liabilities such as Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This Statement was approved by the Board of Directors of the Company on March 13, 2025. Among the 7 attending directors, there were 0 objections and the rest of the attending directors agreed to the content of this Statement.

Green World Hotels Co., Ltd.

Chairman: Hsieh, Hsien-Chih

Signature

General Manager: Hsieh, Hsien-Chih

Signature

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(X) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and as of the publication date of the annual report:

1. Important resolutions of the Board of Directors

Meeting date	Content of meeting
2024.3.13	<ol style="list-style-type: none"> <li>1. Approved the ratification of the distribution of year-end bonuses to managerial officers for 2023.</li> <li>2. Approved the replacement of the CPA for audit of the financial statements.</li> <li>3. Approved the 2023 business report and financial statements.</li> <li>4. Approved the proposal for the distribution of earnings in 2023.</li> <li>5. Approved the 2023 remuneration to employees and directors.</li> <li>6. Approved the 2023 statement of internal control system.</li> <li>7. Approved the 2023 director and manager performance evaluation and the remuneration policy, system, standard and structure.</li> <li>8. Approved matters related to the convening of the 2024 annual general meeting of the Company.</li> </ol>
2024.5.8	None
2024.8.9	1. Approved the 2024 Q2 financial statements.
2024.11.8	<ol style="list-style-type: none"> <li>1. Approved the 2025 budget and operation plan.</li> <li>2. Approved the evaluation of the suitability and independence of CPAs and proposal of remuneration for 2025.</li> <li>3. Approved the amendments to the "Rules of Procedure for Board of Directors Meetings."</li> <li>4. Approved the amendments to the "Audit Committee Organizational Charter".</li> <li>5. Approved the renewal of lease contract with related parties.</li> <li>6. Approved the salary adjustment plan for the Chairman, managers, and full-time employees.</li> <li>7. Approved the establishment of the 1st Sustainable Development Committee and appointment of committee members.</li> <li>8. Approved the amendments to the Company's "Organizational Charter".</li> <li>9. Approved the amendments to the "Approval Authority Table".</li> <li>10. Approved the establishment of the "Sustainable Information Management Procedures".</li> <li>11. Approved the 2025 annual audit plan.</li> </ol>
2025.3.13	<ol style="list-style-type: none"> <li>1. Approved the ratification of the distribution of year-end bonuses to managers for 2024.</li> <li>2. Approved the 2024 business report and financial statements.</li> <li>3. Approved the proposal for the distribution of earnings in 2024.</li> <li>4. Approved the 2024 remuneration to employees and directors.</li> <li>5. Approved the 2024 Statement of Internal Control System.</li> <li>6. Approved the 2024 director and manager performance evaluation and the remuneration policy, system, standard and structure.</li> <li>7. Approved the amendments to the Company's "Articles of Incorporation".</li> <li>8. Approved the change of managers of the branch office.</li> <li>9. Approved the renewal of the lease agreement ratification.</li> <li>10. Approved matters related to the convening of the 2025 annual general shareholders' meeting.</li> </ol>

2. Important resolutions of the shareholders' meeting

Meeting date	Important resolutions	Implementation status
2024.6.18 General Shareholders' Meeting	<p>Matters recognized:</p> <ol style="list-style-type: none"> <li>1. 2023 business report and financial statements .</li> <li>2. Distribution of the 2023 annual earnings.</li> </ol>	<p>Completed in accordance with the resolution of the shareholders' meeting.</p> <p>Completed in accordance with the resolution of the shareholders' meeting.</p>

(XI) In the most recent year and as of the publication date of the annual report, the directors or supervisors have different opinions on the important resolutions passed by the Board of Directors and have retained a record or written statement. The main content is: None.



IV. Information on CPAs' audit fees

NTD thousands

Name of the accounting firm	Name of the accountant	Audit period	Audit professional fees	Non-audit professional fees (Note)	Total	Remarks
Moore Stephens DaHua (Taiwan) CPAs	Wu, Kun-Yi Wu, Hsien-En	2024.1.1 to 2024.12.31	1,820	580	2,400	None

1. When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: Not applicable.
2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage and reason(s) therefor shall be disclosed: Not applicable.

Note: The non-audit fees for 2024 primarily consisted of NTD 400 thousand for tax certification, NTD 150 thousand for transfer pricing documentation, and remuneration for non-manager employees.

V. Information regarding changing CPAs: None.

VI. The Company's Chairman, General Manager and the managers responsible for financial or accounting affairs, who has worked in the office of the CPA or the affiliates in the most recent year, his or her name, position title and employment period in the office of the CPA or the affiliates shall be disclosed: None.

VII. In the most recent year and as of the publication date of the annual report, the shareholding transfer and change of equity pledge status for the directors, supervisors, managers, and shareholders holding more than 10% of the total issued shares:

(I) Changes of shareholding status for the directors, supervisors, managerial officers and major shareholders

Unit: stock share

Position	Name	2024		As of April 30, 2025	
		Increase (decrease) of shares held (Note 1)	Increase (decrease) in shares pledged	Increase (decrease) of shares held	Increase (decrease) in shares pledged
Chairman	Shenyang Investment Co., Ltd.	0	0	0	0
	Representative: Hsieh, Hsien-Chih	0	0	0	0
Director	H.I.S Hotel Holdings Co., Ltd.	0	0	0	0
	Representative: Xin, Kang-Yen	0	0	0	0
Director	Shenyang Investment Co., Ltd.	0	0	0	0
	Representative: Chang, Shih-Feng	0	0	0	0
Director	Yiyuan Investment Co., Ltd.	0	0	0	0
	Representative: Liu, Tang-Kun	0	0	0	0
Independent director	Liu, Shui-Sheng	0	0	0	0
Independent director	Wu, Yi-Tsai	0	0	0	0
Independent director	Chang, Yu	0	0	0	0
General manager	Tsui, Chieh-Min (Note 1)	0	0	0	0
Deputy General Manager	Hsu, Shuo-Heng (Note 1)	0	0	0	0
Manager	WU, YU-CHI	0	0	0	0
Manager	YANG, KUN-HUI	0	0	0	0
Associate Manager	Peng Fei-Hsiu	0	0	0	0
Manager	Lin Meng-Yue (Note 2)	0	0	0	0
Major shareholder	H.I.S. Hotel Holdings Co., Ltd.	0	0	0	0

Note 1: Position adjustment resolved by the Board of Directors on March 13, 2025.

Note 2: Lin, Meng-Yue Manager of the Finance Department and Head of Corporate Governance, retired on February 28, 2025.

(II) Information of directors, supervisors, managers and major shareholders' equity transferring to their related parties: None.

(III) Information of directors, supervisors, managers and major shareholders' equity pledge to their related parties: None.

VIII. Information on the relationships between the top ten shareholders of the Company

April 22, 2025

Name	Shares held by the owner		Spouse and minor children's holding shares		Shares held through nominees		The name and relationship of the top ten shareholders who are a spouse or a relative within the second degree of kinship to another top ten shareholder.		Remarks
	Number of shares	Shareholdings ratio (%)	Number of shares	Shareholdings ratio (%)	Number of shares	Shareholdings ratio (%)	Name	Relationship	
H.I.S. Hotel Holdings Co., Ltd.	11,192,291	51	—	—	—	—	None	None	None
Representative: Hideo Sawada	—	—	—	—	—	—			
Shenyang Investment Co., Ltd.	1,586,100	7.23	—	—	—	—	Hsieh, Hsien-Chih	A relative within the second degree of kinship of Mr. Hsieh, Hsien-Chih is the Chairman of Shenyang Investment Co., Ltd.	None
Representative: HSIEH,CHANG-CHENG	4,400	0.02	—	—	—	—			
Hsieh, Hsien-Chih	1,036,770	4.72	—	—	1,097,627	5.00	Shenyang Investment Co., Ltd.	A relative within the second degree of kinship of Mr. Hsieh, Hsien-Chih is the Chairman of Shenyang Investment Co., Ltd.	None
							Nian Fu Investment Co., Ltd.	Mr. Hsieh, Hsien-Chih is the Chairman of Nian Fu Investment Co., Ltd.	
Nian Fu Investment Co., Ltd.	795,318	3.62	—	—	—	—	Shenyang Investment Co., Ltd.	A relative within the second degree of kinship of Mr. Hsieh, Hsien-Chih is the Chairman of Shenyang Investment Co., Ltd.	None
Representative: Hsieh, Hsien-Chih	1,036,770	4.72	—	—	1,099,427	5.00			
Yu Shan-Ni	691,415	3.15	—	—	—	—	None	None	None
BAO MA ASSET DEVELOPMENT & MANAGEMENT CO., LTD	530,000	2.42	—	—	—	—	None	None	None
Representative: Liao, Yu-Hsin	—	—	—	—	—	—			
Cheng, Ya-Ying	521,275	2.38	—	—	—	—	None	None	None
Yiyuan Investment Co., Ltd.	362,359	1.65	—	—	—	—	Hsieh, Hsien-Chih	A relative within the second degree of kinship of Mr. Hsieh, Hsien-Chih is the Chairman of Shenyang Investment Co., Ltd.	None
Representative: HSIEH,CHANG-CHENG	4,400	0.02	—	—	—	—			
Peng, Wan-Ting	348,400	1.59	—	—	—	—	None	None	None
Lai, Ching-Kung	320,000	1.46	—	—	—	—	None	None	None

- X. The number of shares on the same reinvested business, held by the company, the company's directors, supervisors, managers and the business directly or indirectly controlled by the company, and the calculation is based on the sum of the comprehensive shareholding ratio: None.

## Three. Fundraising status

### I. Capital and shares:

#### (I) Source of shares

Unit: NTD thousand; thousand shares/as of April 30, 2025

Year Month	Price of issuance (Dollars)	Authorized capital		Paid-up capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Amount of stock shares is pledged by the property other than cash	Others
1998.9	15	47,000	470,000	32,000	320,000	Cash increase of 50,000,000 NTD	-	None
1999.5	10	47,000	470,000	16,000	160,000	Capital reduction of 160,000,000 NTD (Note 1)	-	None
1999.7	10	47,000	470,000	32,000	320,000	Cash increase of 160,000,000 NTD	-	None
2000.9	10	47,000	470,000	47,000	470,000	Cash increase of 150,000,000 NTD (Note 2)	-	None
2001.3	20	99,000	990,000	60,000	600,000	Cash increase of 130,000,000 NTD (Note 3)	-	None
2002.1	12	99,000	990,000	70,000	700,000	Cash increase of 100,000,000 NTD (Note 4)	-	None
2002.7	15	99,000	990,000	90,000	900,000	Cash increase of 200,000,000 NTD (Note 5)	-	None
2003.9	10	99,000	990,000	99,000	990,000	Cash increase of 90,000,000 NTD (Note 6)	-	None
2004.2	12	130,000	1,300,000	119,000	1,190,000	Cash increase of 240,000,000 NTD (Note 7)	-	None
2004.8	11	150,000	1,500,000	133,250	1,332,500	Cash increase of 142,500,000 NTD (Note 8)	-	None
2005.12	7.83	200,000	2,000,000	134,757	1,347,570	The convertible corporate bonds transferred to common shares (Note 9)	-	None
2006.3	6.26	200,000	2,000,000	141,786	1,417,860	The convertible corporate bonds transferred to common shares	-	None
2006.8	10	200,000	2,000,000	51,386	513,860	Capital reduction of 904,000,000 NTD (Note 10)	-	None
2006.9	3.5	200,000	2,000,000	111,386	1,113,860	Private cash fundraising increase of type A preferred shares of 600,000,000 NTD (Note 11)	-	None
2006.12	3.5	250,000	2,500,000	178,758	1,787,583	The first issuance of private cash fundraising increase of type B preferred shares of 673,723,000 NTD (Note 12)	-	None
2007.1	3.5	250,000	2,500,000	211,386	2,113,860	The second issuance of private cash fundraising increase of type B preferred shares of 326,277,000 NTD (Note 13)	-	None
2007.10	10	250,000	2,500,000	212,101	2,121,010	The convertible corporate bonds transferred to common shares (Note 14)	-	None
2007.12	10	250,000	2,500,000	213,284	2,132,836	The convertible corporate bonds transferred to common shares (Note 15)	-	None
2008.1	10	250,000	2,500,000	75,711	757,108	Capital reduction of 1,375,728,000 NTD (Note 16)	-	None
2008.1	12.14	250,000	2,500,000	89,125	891,252	The first issuance of private cash fundraising increase of type C preferred shares of 134,144,000 NTD (Note 16)	-	None
2008.3	10	250,000	2,500,000	89,136	891,361	The convertible corporate bonds transferred to common shares (Note 17)	-	None
2009.10	16.4	250,000	2,500,000	89,219	892,190	The first employee stock option subscription conducted in 2006 was 828,000 NTD (Note 18)	-	None
2010.4	-	250,000	2,500,000	89,923	899,235	The first employee stock option subscription conducted in 2006 was 2,196,000 NTD (Note 19) The second employee stock option subscription conducted in 2006 was 654,000 NTD (Note 19) The first employee stock option subscription conducted in 2007 was 4,195,000 NTD (Note 19)	-	None
2010.7	7.63	250,000	2,500,000	109,603	1,096,035	Private cash fundraising increase of common stock of 196,800,000 NTD (Note 20)	-	None
2013.3	5	250,000	2,500,000	118,803	1,188,035	Private placement of common shares through cash capital increase in the amount of NTD 46,000 thousand (Note 21)	-	None
2014.8	-	250,000	2,500,000	30,295	302,949	Capital reduction for covering the losses of 885,085,940 dollars (Note 22)	-	None
2014.9	19.02	250,000	2,500,000	40,295	402,949	Private cash fundraising increase of common stock of 100,000,000 NTD (Note 23)	-	None
2014.11	35	250,000	2,500,000	50,295	502,949	Private cash fundraising increase of common stock of 100,000,000 NTD (Note 24)	-	None
2016.8	36	250,000	2,500,000	53,767	537,669	Private cash fundraising increase of common stock of 34,720,000 NTD (Note 25)	-	None
2017.2	20.06	250,000	2,500,000	80,634	806,339	Private cash fundraising increase of common stock of 268,670,000 NTD (Note 26)	-	None
2017.6	20.04	250,000	2,500,000	109,728	1,097,283	Private cash fundraising increase of common stock of 290,944,000 NTD (Note 27)	-	None
2022.12	-	250,000	2,500,000	21,945	219,456	Capital decrease to make up for losses of NTD 877,826,740 (Note 28)	-	None

Note 1: Approved by the Science and Industrial Park Administration on June 9, 1999, with No. 12455.

Note 2: Approved by the Securities and Futures Commission of the Ministry of Finance on July 5, 2000, with (89) Tai-Cai-Zheng-(I) No. 57780.

Note 3: Approved by the Securities and Futures Commission of the Ministry of Finance on January 5, 2001, with (90) Tai-Cai-Zheng-(I) No. 104483.  
Note 4: Approved by the Securities and Futures Commission of the Ministry of Finance on November 14, 2001, with (90) Tai-Cai-Zheng-(I) No. 169191.  
Note 5: Approved by the Securities and Futures Commission of the Ministry of Finance on May 31, 2002, with (91) Tai-Cai-Zheng-(I) No. 129614.  
Note 6: Approved by the Securities and Futures Commission of the Ministry of Finance on July 11, 2003, with Tai-Cai-Zheng-(I) No. 0920131173.  
Note 7: Approved by the Securities and Futures Commission of the Ministry of Finance on November 18, 2003, with Tai-Cai-Zheng-(I) No. 0920154648.  
Note 8: Approved by the Securities and Futures Commission of the Ministry of Finance on August 18, 2004, with Jin-Guan-Zheng-Yi-Zi No. 0930136859, and the amendment was approved by the Securities and Futures Commission of the Ministry of Finance on October 26, 2004, with Jin-Guan-Zheng-Yi-Zi No. 0930147512.  
Note 9: Approved by the Securities and Futures Commission of the Ministry of Finance on July 27, 2005, with Jin-Guan-Zheng-Yi-Zi No. 0940125495.  
Note 10: Approved by the Financial Supervisory Commission of the Executive Yuan on August 14, 2006, with Jin-Guan-Zheng-Yi-Zi No. 0950129898.  
Note 11: Approved by the Science and Industrial Park Administration on November 1, 2006, with Yuan-Tou-Zi No. 0950029233.  
Note 12: Approved by the Science and Industrial Park Administration on February 6, 2007, with Yuan-Tou-Zi No. 0960003829.  
Note 13: Approved by the Science and Industrial Park Administration on April 9, 2007, with Yuan-Tou-Zi No. 0960008954.  
Note 14: Approved by the Science and Industrial Park Administration on October 4, 2007, with Yuan-Tou-Zi No. 0960027010.  
Note 15: Approved by the Science and Industrial Park Administration on December 19, 2007, with Yuan-Tou-Zi No. 0960034680.  
Note 16: Approved by the Science and Industrial Park Administration on January 29, 2008, with Yuan-Tou-Zi No. 0970002590.  
Note 17: Approved by the Science and Industrial Park Administration on April 25, 2008, with Yuan-Tou-Zi No. 0970011434.  
Note 18: Approved by the Ministry of Economic Affairs on October 20, 2009, with the letter of Shou-Shang-Zi No. 09801241400.  
Note 19: The first employee stock option subscription conducted in 2006 was 2,196,000 NTD. The second employee stock option subscription conducted in 2006 was 654,000 NTD. The first employee stock option subscription conducted in 2007 was 4,195,000 NTD. It was approved by the Ministry of Economic Affairs on May 6, 2010, with the letter of Shou-Shang-Zi No. 09901089310.  
Note 20: Approved by the Ministry of Economic Affairs on September 28, 2010, with the letter of Shou-Shang-Zi No. 09901218600.  
Note 21: Approved by the Ministry of Economic Affairs on May 7, 2013, with the letter of Shou-Shang-Zi No. 10201083890.  
Note 22: It was approved by the Financial Supervisory Commission on August 12, 2014, with Jin-Guan-Zheng-Fa-Zi No. 1030029549.  
Note 23: Approved by the Ministry of Economic Affairs on September 23, 2014, with Shou-Zhong-Zi No. 10333705610.  
Note 24: Approved by the Ministry of Economic Affairs on November 26, 2014, with Shou-Zhong-Zi No. 10301244780.  
Note 25: Approved by the Ministry of Economic Affairs on September 8, 2016, with the letter of Shou-Shang-Zi No. 10501221690.  
Note 26: Approved by the Ministry of Economic Affairs on February 14, 2017, with the letter of Shou-Shang-Zi No. 10601015920.  
Note 27: Approved by the Ministry of Economic Affairs on June 07, 2017, with the letter of Shou-Shang-Zi No. 10601071030.  
Note 28: Approved by Letter Fu-Chan-Ye-Shang-Zi No.11156398200 of Taipei City Government on December 29, 2022.

Type of stock shares	Approved stock capital			Remarks
	Outstanding shares	Unissued shares	Total	
common shares	10,058,978	251,827,893	250,000,000	Stocks listed on Taipei Exchange
Private placement of common shares	11,886,691	0	0	

Related information on the general declaration system: Not applicable.

## (II) List of major shareholders

April 22, 2025

Name of major shareholders	Shares	Number of shares held	Shareholding ratio (%)
H.I.S. Hotel Holdings Co., Ltd.		11,192,291	51.00
Shenyang Investment Co., Ltd.		1,586,100	7.23
Hsieh, Hsien-Chih		1,036,770	4.72
Nian Fu Investment Co., Ltd.		793,518	3.62
Yu Shan-Ni		691,415	3.15
BAO MA ASSET DEVELOPMENT & MANAGEMENT CO., LTD		530,000	2.42
Cheng, Ya-Ying		521,275	2.38
Yiyuan Investment Co., Ltd.		362,359	1.65
Peng, Wan-Ting		348,400	1.59
Lai, Ching-Kung		320,000	1.46

## (III) The dividend policy and implementation status:

### 1. Dividends policy stipulated in the Company's Articles of Incorporation

If the Company's annual final accounts have a surplus, it should first be reserved to pay taxes and cover the losses in the past, and then 10% should be reserved for the legal reserve. However, it is not limited to the legal reserve that has reached the Company's paid-in capital. Moreover, it depends on the operational needs and legal requirements whether to reserve or reverse the special reserves. The remaining surplus and the undistributed surplus at the beginning of the period will be distributed upon the resolution of the shareholders' meeting proposed by the Board of Directors. Article 23 of the Company's Articles of Incorporation: When distributing dividends, the cash dividends will be given priority as the Company considers the future operation and the cash flow demands of the company, and the ratio of surplus

distribution in cash shall not be less than 20% of the shareholders' dividends in the current year.

2. Distribution of dividends for the year: On March 13, 2025, the Board of Directors proposed a cash dividend of NTD 2 per share for 2024, subject to approval by the 2025 annual general shareholders' meeting.

(IV) The impact of the proposed non-compensated shares distribution on the Company's business performance, earnings per share and return on shareholders' investment: Not applicable.

(V) Remuneration to employees and directors:

1. The percentage or range of remuneration to employees and directors as set forth in the Company's Articles of Incorporation:

Article 22 of the Articles of Incorporation:

If the company has profit in the current year, it shall reserve 0.7% to 10% for the employee's remuneration and the directors and supervisors' remuneration shall not be more than 1%. However, if the Company still has accumulated losses, the amount shall be reserved in advance.

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

Article 22-1 of the Articles of Incorporation:

If the company's annual final accounts have a surplus, it should first be reserved to pay taxes and cover the losses in the past, and then 10% should be reserved for the statutory surplus reserve. However, it is not limited to the statutory surplus reserve that has reached the company's paid-in capital. Moreover, it depends on the operational needs and statutory requirements whether to reserve or reverse the special surplus reserves. The remaining surplus and the undistributed surplus at the beginning of the period will be distributed upon the resolution of the shareholders meeting proposed by the board of directors.

2. In the current period, if there is a difference between the estimated number of shares and the estimated amount of the remuneration for the employees, directors, and supervisors, the calculated cash amount based on the number of shares and the actual distribution amount, the handling of accounting is: Not applicable.

3. The distribution of remuneration approved by the Board of Directors:

Amount of remuneration for employees, directors and supervisors paid in cash or stock. If there is any discrepancy between the amount and the estimated amount of the expense recognized, the discrepancy, cause and treatment shall be disclosed:

On March 13, 2024, the Board of Directors approved the remuneration of employees and directors for 2023 as follows:

Unit: NTD

Items	The board had resolved to distribute	The annual estimated amount of recognized expenses	Amount of difference
Employee remuneration	437,312	437,312	0
Directors Remuneration	0	0	0

4. The actual distribution of remuneration to employees, directors, and supervisors in the previous (2022) year (including the number of shares, amount, and price of shares) and, if any, discrepancy from the recognized remuneration to employees, directors and supervisors, the amount, causes and actions taken:

Unit: NTD

Items	Recognized expense amount	Actual distributed amount	Amount of difference
Employee remuneration	0	0	0
Directors Remuneration	0	0	0

(VI) Shares repurchased by the Company: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred shares: None.

IV. Handling of overseas depositary receipts: None.

V. Handling of employee stock option subscriptions and restrictions on employee's entitlement to new shares: None.

VI. The status of acquiring or transferring new shares of other company: not available.

VII. Implementation of the fund utilization plan: None.

## Four. Operational Overview

### I. Content of business

#### (I) Business scope

##### 1. The company's resisted businesses are as follows:

(1)	F401010	International Trade.
(2)	JE01010	Rental and Leasing.
(3)	F601010	Intellectual Property Rights.
(4)	I199990	Other Consulting Service.
(5)	I301010	Information Software Services.
(6)	IZ99990	Other Industrial and Commercial Services.
(7)	J202010	Industry Innovation and Incubation Services.
(8)	J901020	Regular Hotel.
(9)	J701020	Amusement Parks.
(10)	J701040	Recreational Activities Venues.
(11)	JA03010	Laundry.
(12)	I103060	Management Consulting.
(13)	JZ99080	Beauty and Hairdressing Services.
(14)	F102050	Wholesale of Tea Leaves.
(15)	F102170	Wholesale of Foods and Groceries.
(16)	F201010	Retail Sale of Agricultural Products.
(17)	F203010	Retail Sale of Food, Grocery and Beverage.
(18)	F206020	Retail Sale of Daily Commodities.
(19)	F501030	Beverage Shops.
(20)	F501060	Restaurants.
(21)	G202010	Parking Area Operators.
(22)	H703090	Real Estate Business.
(23)	H703100	Real Estate Leasing.
(24)	F203020	Retail Sale of Tobacco and Alcohol.
(25)	F399040	Retail Sale No Storefront.
(26)	J901011	Tourist Hotel.
(27)	ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

## 2. Operating percentage

Unit: NTD thousands; %

Year Items	2023		2024	
	Amount	Percentage of revenue (%)	Amount	Percentage of revenue (%)
Hotel room revenue	897,150	91.70	970,417	91.00
Hotel catering services revenue	67,347	6.88	77,092	7.23
Lease revenue	13,849	1.42	18,912	1.77
Total	978,346	100.00	1,066,421	100.00

## 3. Current products (services)

In 2024, the operating revenue was mainly from the revenue of providing hotel rooms in the hotels. The Company currently has the following hotels:

District in Taipei City	Hotel name	Related information
Ximending Shopping District Wanhua Shopping District	New World Hotel	Address: No.141, Kunming St., Wanhua Dist., Taipei City Tel.: 02-23118863
Ximending Shopping District Taipei Main Station Shopping District	Green World Station	Address: No. 21, Section 1, Chongqing South Road, Zhongzheng District, Taipei City Tel.: 02-23819119
Ximending Shopping District Taipei Main Station Shopping District	Green World Hotel ZhongHua	Address: 13F., No. 41, Section 1, Zhonghua Road, Zhongzheng District, Taipei City Tel.: 02-23705158
Ximending Shopping District Taipei Main Station Shopping District	Green World Flora Division	Address: No. 36, Section 1, Hankou Street, Zhongzheng District, Taipei City, Taiwan (R.O.C.) Tel.: 02-23123811
Nangang Financial Area Shopping District	Green World Grand Nanjing	Address: No.8, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City Tel.: 02-25098882
Nangang Financial Area Shopping District	Green World Jianpei	Address: B1F., No. 140, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City Tel.: 02-25095151
Nangang Financial Area Shopping District	Green World Mai – Nanjing	Address: No. 163, Section 2, Nanjing East Rd., Zhongshan District, Taipei City Tel.: 02-25035511
Linsen North Road Shopping District	Green-World-Linsen Branch Office	Address: No.617, Linsen N. Rd., Zhongshan Dist., Taipei City Tel.: 02-25955225
Zhongshan N. Rd Shopping District Linsen North Road Shopping District	Green-World- Sansui Green-World- Qingtian Green-World-Xiemei	Address: No.181, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City Tel.: 02-25971281
Eastern District of Taipei	Green World Zhongxiao	Address: 1F., No.180, Sec. 4, Zhongxiao E. Rd., Daan Dist., Taipei City Tel.: 02-27116869
Raohe Street Shopping District	Green World Songshan Branch Office	Address: 1F., No.149, Yucheng St., Nangang Dist., Taipei City Tel.: 02-27837088
Nankang Railway Station Nankang Economic and Trade Park	Green World NanGang	Address: No.528, Sec. 7, Zhongxiao E. Rd., Nangang Dist., Taipei City Tel.: 02-27893009
Taipei Arena Songshan Cultural and Creative Park	Green World Triplebeds Branch Office	Address : No.16, Sec. 4, Bade Rd., Songshan Dist., Taipei City Tel.: 02-27630555



#### 4. New products (services) planned to be developed

Digital transformation, introducing self-service kiosks

Facing the widespread labor shortage challenge in the accommodation industry, the Company has proactively introduced self-service kiosks, not only serving as an effective supplement to human resources but also marking a significant step in innovating service processes. Through the introduction of self-service kiosks, we aim to achieve the following objectives:

- (1) Address labor shortages: The kiosks are capable of handling basic processes such as check-in, check-out, and payment, thereby reducing the burden on front desk staff, effectively lowering reliance on real-time manpower, and ensuring operational stability.
- (2) Streamline processes and enhance efficiency: Redefine standardized operating procedures to shorten customer waiting times and improve overall service speed and accuracy.
- (3) Reallocate manpower and enhance service capability: Enable staff to focus on higher-value tasks such as customer reception, issue resolution, and local recommendations, thereby reinforcing a "people-oriented" approach to warm and personalized service.
- (4) Enhance customer experience and feedback: Self-service offers greater autonomy and flexibility, aligning with modern travelers' expectations for convenience and technological integration, thereby improving guest satisfaction and strengthening the brand image.

## (II) Overview of the industry

### 1. The current situation and development of the tourism industry in Taiwan

#### (1) Analysis of the current situation and development trend of the tourism industry in Taiwan

The international tourism market has experienced a strong post-pandemic recovery. The United Nations World Tourism Organization (UNWTO) expects the global tourism industry to return to pre-pandemic levels by the end of 2024. However, due to factors such as earthquakes, typhoons, the depreciation of JPY, and cross-strait tensions, 2024 has been a challenging year for Taiwan's tourism industry. In particular, the loss of Hualien and Taitung as key "tourism brands" has brought to light the longstanding difficulties faced by Taiwan's tourism sector.

#### (2) Composition and trends of international visitors to Taiwan

Looking back, Taiwan's primary source markets for tourists were concentrated in neighboring Asian regions, including China, Japan, South Korea, and Hong Kong and Macau. However, in the post-pandemic period, cross-strait policy restrictions have limited the recovery of Chinese tourists to only 15% of pre-pandemic levels. In Japan, the depreciation of JPY has significantly increased the cost of outbound travel, and the Japanese government's domestic travel subsidies have further reduced the willingness of Japanese citizens to travel abroad. As a result, the number of Japanese visitors to Taiwan in 2024 has only recovered to 60% of pre-pandemic levels. Although recovery in other regions has been relatively faster, it is still insufficient to offset the shortfall in visitors from China and Japan.

According to statistics from the Tourism Administration, Ministry of Transportation and Communications, the total number of visitors to Taiwan in 2024 was 7,857,686, representing a 21% year-on-year increase. However, this figure was approximately 22% lower than the government's projected 10 million visitors and had only recovered to 62% of the pre-pandemic level in 2019.

#### (3) Government response and revitalization measures

To attract international independent travelers, the Tourism Administration launched the "NTD 5,000 Consumption Voucher Lottery Program," targeting non-group travelers staying in Taiwan from 3 to 90 days. The program is scheduled to run until the end of June 2025, with an expected issuance of 500,000 vouchers. This initiative not only increases visitors' spending power in Taiwan but also enhances the overall tourism multiplier effect.

In addition, in response to the sharp decline in tourist arrivals following the magnitude 7.2 earthquake in Hualien on April 3, 2024, the government launched special subsidy measures, including subsidies for independent and group travelers, as well as the promotion of Hualien attractions outside the Taroko area, aiming to rebuild visitor confidence and revitalize local tourism.

#### (4) Current challenges and structural constraints

Although the tourism industry is gradually emerging from the shadow of the pandemic, it still faces several structural challenges, including:

- ① Labor shortages and delayed training.
- ② International flights have not yet fully resumed, resulting in insufficient seat availability.
- ③ Inflation has led to rising costs.
- ④ Intense international competition, with brand recognition still needing improvement.

These factors have prevented tourism revenue and visitor numbers in 2024 from fully returning to pre-pandemic levels.

**(5) Mid- and long-term strategies: Advancing sustainability, digitalization, and branding in parallel**

The Tourism Administration is promoting three core directions to build a resilient tourism industry chain:

- ① Deepening international markets: Expanding overseas offices and marketing efforts, strengthening international visibility, and gradually preparing a national tourism team.
- ② Enhancing industry momentum: Focusing on sustainability, digital transformation, and international brand development, while integrating ESG concepts and certification systems.
- ③ Smart management of scenic areas: Strengthening site management and visitor experience, promoting smart tourism and upgrading scenic areas.

In response to the "green tourism" trend advocated by the UNWTO, Taiwan has proposed multiple strategies. For example, starting in 2025, the accommodation industry will be prohibited from proactively providing disposable amenities in hotel rooms, will actively promote eco-label certifications and green building certifications, and will include sustainability as one of the criteria in star-rating evaluations and the Taiwan Host scoring standards.

**(6) Opportunities under the new normality of international tourism**

Research institutions such as RoamRealm have pointed out that in 2025, global tourism trends will focus on:

- ① Sustainable travel and ESG orientation.
- ② Technology application and personalized experience.
- ③ Rail travel, solo travel, and workation formats.
- ④ Bleisure.

These trends provide a clear direction for Taiwan's tourism transformation. Only by simultaneously advancing in areas such as environmental friendliness, digital innovation, and enhanced experiences can Taiwan stand out on the international tourism map.

**(7) Conclusion**

Although Taiwan's tourism industry still faces external challenges in the post-pandemic era, it also holds many opportunities for transformation. Effectively leveraging the new traffic brought by the tourism boom, combined with government policies, local revitalization efforts, and industry innovation, will be key for the tourism industry to achieve sustainable and high-quality development. Only by leading transformation with a forward-looking vision can Taiwan truly become a new highlight of tourism in Asia.

Foreign visitor arrivals and growth (decline) rate in the past 10 years:

Year \ Items	Visitors to Taiwan	Annual growth (decline) rate
2015	10,439,785	5.34%
2016	10,690,279	2.40%
2017	10,739,601	0.46%
2018	11,066,707	3.05%
2019	11,864,105	7.21%
2020	1,377,861	(88.39%)
2021	140,479	(89.80%)
2022	895,962	537.79%
2023	6,486,951	624.02%
2024	7,857,686	21.13%

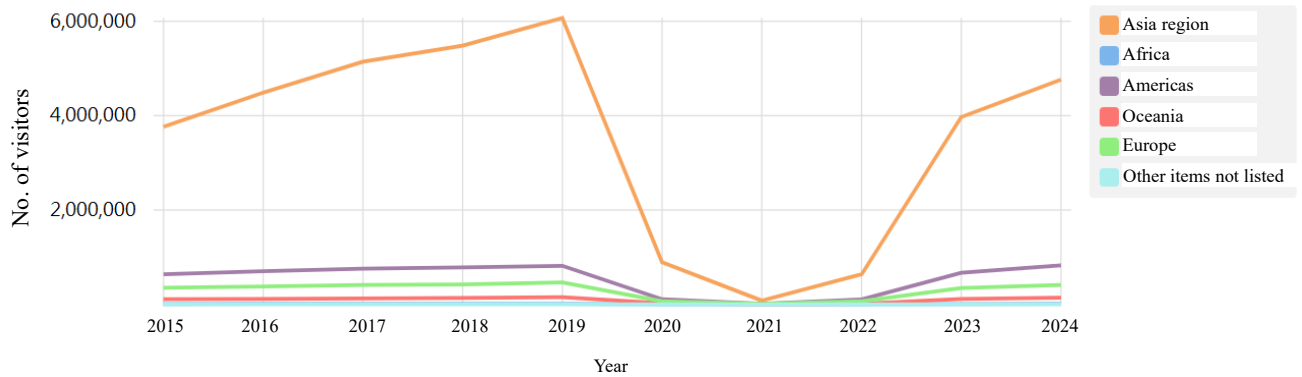
Source: Tourism Administration, M.O.T.C

Purposes of visitors to Taiwan in the last 3 years:

Year Purpose	2022		2023		2024	
	No. of visitors	%	No. of visitors	%	No. of visitors	%
Business activities	96,620	10.78	435,743	6.72	507,421	6.46
Sightseeing	254,686	28.43	4,316,832	66.55	5,376,199	68.42
Visiting family members	85,921	9.59	368,437	5.68	362,461	4.61
Meeting	5,893	0.66	41,130	0.63	42,157	0.54
Studying	14,269	1.59	43,557	0.67	57,771	0.74
Exhibition	1,666	0.19	19,943	0.31	26,157	0.33
Medical treatment	2,015	0.22	12,280	0.19	14,648	0.19
Others	434,892	48.54	1,249,029	19.25	1,470,872	18.72
Total	895,962	100	6,486,951	100	7,857,686	100

Source: Tourism Administration, M.O.T.C

**Changes in the total number of visitors to Taiwan from Asia, Japan, South Korea, Malaysia, China and Hong Kong in the past ten years (2015 to 2024)**



Source: Tourism

Administration, M.O.T.C

## 2. Future development of the hotel industry

- (1) Various types of hotels joining the competition will lead to a reshuffling of market supply and demand  
As the tourism boom gradually returns, Taiwan's hotel market has also experienced rapid expansion, resulting in a continuous increase in supply. Although Taipei City has higher reception capacity and demand from international travelers, enabling it to absorb new supply in the short term, the central and southern regions or non-metropolitan areas will face pressure of "oversupply" and operational challenges in the future.

Currently, the hotel market is diverse, covering hostels, budget hotels, chain brand hotels, business hotels, and high-end five-star hotels. Price ranges vary from under NTD 1,000 per day to over NTD 10,000, catering to different customer segments. However, such diversified competition also means that each hotel must have a clearer positioning and differentiation strategy.

In facing the upcoming market reshuffle, strengthening one's hotel features and brand value will be the key to standing out. Whether focusing on design style, emphasizing service experience, incorporating local cultural elements, or integrating technology and sustainability concepts, hotels need to move beyond price competition and create lodging experiences that encourage customers to return and share.

- (2) New hotel operation models are shifting toward lease-and-renovate, allowing flexible control of costs and risks

With rising property prices and increasing difficulty in land acquisition, the development costs for new hotels have significantly increased. Constructing new buildings requires substantial investment and time, with the process from planning and construction to operation often taking several years. The long payback period and high capital pressure increase the overall risk for operators.

As a result, especially in metropolitan areas, the operation model for new hotels has gradually shifted toward "leasing existing buildings and renovating them for operation." This approach can significantly reduce initial investment thresholds and financial risks, shorten the time to market and payback period, and offer greater flexibility. Since lease-based hotels require less capital expenditure, operators have more flexibility to offer competitively priced products that cater to price-sensitive travelers.

This model not only helps operators enter the market quickly and gain a first-mover advantage, but also aligns with the current trend in hotel management toward "asset-light and rapid deployment."

However, attention must also be given to lease terms, building conditions, renovation limitations, and long-term fluctuations in rental costs to ensure operational stability and brand consistency.

- (3) Online sales have become mainstream, with direct-to-customer operations as the key battleground for hotel brands.

During the pandemic, people heavily relied on online shopping and became more familiar with digital consumption patterns. This habit has continued into post-pandemic travel behavior, making online travel agencies (OTAs) such as Agoda, Booking.com, and Expedia key drivers in the hotel industry's recovery.

In contrast, traditional travel agencies that rely primarily on manpower for sales have seen slower recovery due to labor shortages and limited product flexibility, compounded by the sluggish rebound of large group tours. The hotel industry is increasingly relying on OTAs as the primary channel for marketing exposure and customer acquisition.

However, the high commissions required by OTAs (typically ranging from 15% to 25%) pose a significant pressure on revenue. Therefore, while leveraging OTAs to expand customer acquisition, strengthening the direct booking capabilities on official websites to enhance brand loyalty and customer retention is a key issue that hotel operators urgently need to address.

- (4) Towards sustainable lodging: Transforming the industry from concept to action

Sustainable tourism has become a core trend in the global tourism industry. It is not only a way of traveling but also embodies a new tourism value system and sense of responsibility. This concept emphasizes that while engaging in tourism activities, equal attention should be given to protecting the natural environment, respecting social and cultural aspects, and promoting local economic prosperity, making tourism a positive force for driving sustainable local development.

For the hotel industry, practicing the spirit of sustainable tourism goes beyond image building; it has become a key factor for future competitiveness and market entry barriers. By adopting sustainable standards, designing low-carbon operational processes, encouraging customers to consume locally, and promoting responsible travel behaviors, hotels can gradually transform into sustainable hubs that connect local society and natural values.

A. Legal general hotel:

County/ City	2023		2024		Increase or decrease	
	Number of hotels	Number of rooms	Number of hotels	Number of rooms	Number of hotels	Number of rooms
New Taipei City	230	12,936	225	12,711	(5)	(225)
Taipei City	574	31,659	583	31,981	9	322

Source: Tourism Administration, M.O.T.C

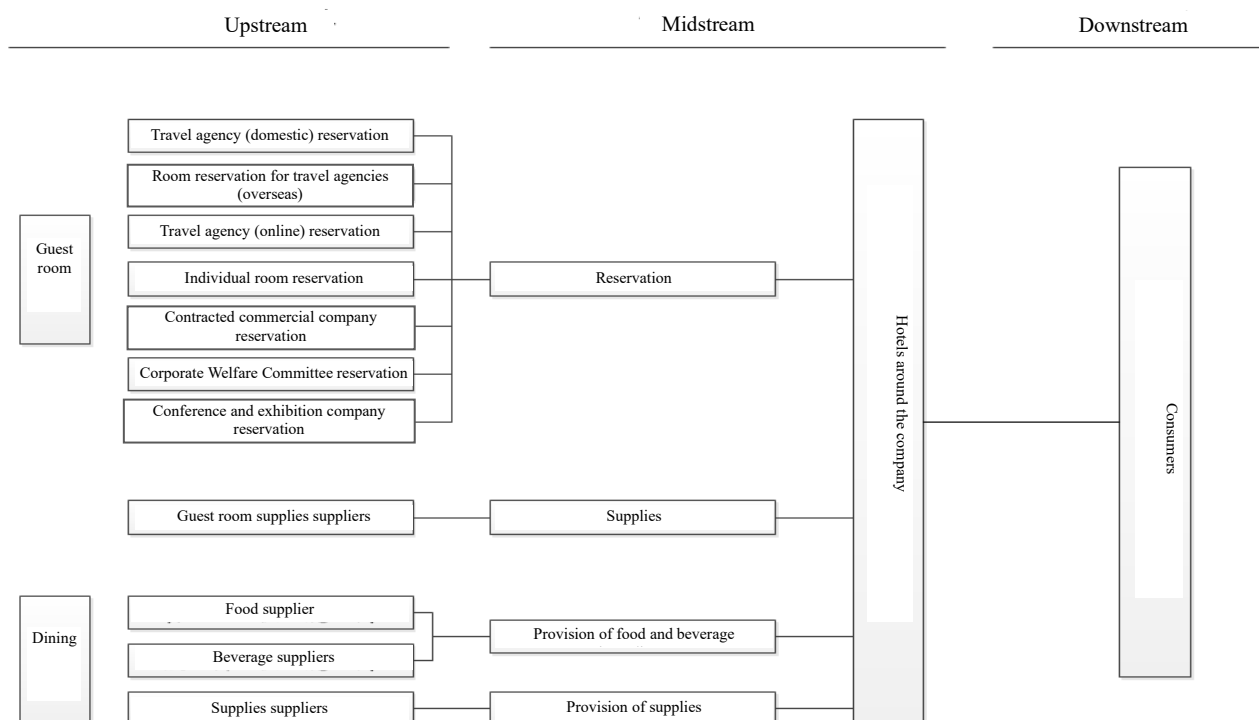
B. Tourist Hotel:

Year	Regions	International Tourist Hotel					General tourist hotel					Total				
		Number of hotels	Single room	Double Room	Suite room	Sub- total	Number of hotels	Single room	Double Room	Suite room	Sub- total	Number of hotels	Single room	Double Room	Suite room	Sub- total
2024	New Taipei City	4	162	700	72	934	4	173	195	21	389	8	335	895	93	1,323
	Taipei City	21	2,194	4,028	879	7,101	15	1,150	899	390	2,439	36	3,344	492	1,269	9,540
2023	New Taipei City	4	162	700	72	934	4	173	195	21	389	8	335	895	93	1,323
	Taipei City	21	2,194	4,032	879	7,105	16	1,187	958	395	2,540	37	3,381	4,990	1,274	9,645

Source: Tourism Administration, M.O.T.C

3. Relevance of industry, middle and lower reaches

The hotel industry aims to provide safe and comfortable accommodations and catering services for travelers and the following are related to the industry:



#### 4. Different trends of development and the competition situation of the products provided

##### (1) Competition in the market is getting more intense

With the end of the pandemic and the recovery of tourism, hotels that had temporarily ceased operations are returning to the market. Many operators are also taking the opportunity to renovate and upgrade, introducing themed features such as design hotels, family-friendly, and pet-friendly accommodations to stand out in the market. On the other hand, international hotel brands such as Four Seasons Taipei, Park Hyatt, and The Capella Taipei are actively entering the Taiwan market, driving a steady increase in overall supply. However, although the number of travelers has increased, the recovery pace remains conservative compared to pre-pandemic levels, and market supply-demand tensions are gradually emerging.

##### (2) Digital transformation and flexible manpower

During the pandemic, a large number of hotel staff were lost, with many frontline service workers changing jobs permanently. The hotel industry has long faced difficulties in recruiting staff, high training costs, and high turnover rates. Facing operational cost pressures and service quality demands, digital transformation and flexible workforce mechanisms have become urgent priorities.

##### (3) Expand the breadth of customer sources

Affected by geopolitical and international circumstances, the recovery of Japanese and Chinese travelers remains highly uncertain, posing a challenge of unstable customer structure for Taiwan's tourism market. To reduce the impact of fluctuations in a single market on operations, it is necessary to actively expand into emerging Asian markets such as South Korea and Southeast Asia in the future, strengthening a diversified customer base.

##### (4) Changes in travel patterns

After the pandemic, travelers have placed significantly greater emphasis on "safety," "hygiene," and "flexibility." Traditional large group tours, due to their large size and tight schedules, increasingly fail to meet the needs of modern travelers. They are increasingly replaced by small group and family travel. At the same time, with the rapid development of online shopping and digital platforms during the pandemic, people's ability to plan trips independently has increased, causing the traditional travel agency-arranged itinerary model to gradually decline. Even though travel demand has rebounded, the recovery rate of travel agency bookings remains below expectations, indicating that traveler behavior is continuously shifting toward "independent planning, self-guided travel, and we media."

##### (5) Low-carbon tourism is gradually taking shape, and green accommodations have become new choices for businesses and travelers.

As global goals for carbon neutrality and sustainable development continue to advance, an increasing number of companies are beginning to factor in "carbon emissions" as a key consideration when planning employee business trips and selecting accommodations. The energy consumption, cleaning procedures, and use of disposable amenities in hotels are all regarded as significant sources of carbon footprint. Therefore, how to implement energy conservation and carbon reduction while ensuring a comfortable experience for guests has become a critical issue that hotel operations can no longer overlook. In particular, amid increasingly clear trends in corporate ESG evaluations, government subsidy reviews, and international traveler preferences, hotels that offer "green accommodations" will enjoy greater competitive advantages and potential for collaboration.

#### (III) Overview of technology and R&D:

In the most recent year and as of the published date of the annual report, no investment in the research and development, technology and products.

#### (IV) Long-term and short-term business development plan

##### 1. Short-term business development plan

###### (1) Group resource integration

Effective use of our own resources and combined with the Company's largest shareholder, the well-known Japanese tourism group H.I.S., which has strong cross-regional customer gathering capabilities to quickly obtain accommodation needs from tourists from Hong Kong, Macao, Japan, South Korea, China, Southeast Asia and other countries.

###### (2) Strengthen domestic market

Actively expanding membership service offerings through collaboration with allied suppliers and cross-industry partners to create more diverse and appealing lodging experiences, thereby differentiating from other hotels and enhancing competitive advantage in the domestic market.

###### (3) Introducing self-service kiosks

In response to the widespread labor shortage in the lodging industry, the active adoption of self-service kiosks not only serves as an effective supplement to human resources but also facilitates the restructuring of operational workflows and the enhancement of efficiency. This approach helps to free up manpower, boost service momentum, and create a better experience and higher satisfaction for guests. A major step forward in service process innovation. Through the introduction of self-

service kiosks, we are able to:

- ① Strengthen social media marketing  
Customers' decisions no longer rely solely on OTAs or price comparison websites; instead, travel inspiration, actual reviews, and genuine recommendations on social media platforms have become the primary sources influencing accommodation choices. To this end, the official social media management will be actively strengthened in the future by leveraging KOL collaborations, user-generated content (UGC), and short video marketing to expand brand reach and enhance reputation influence. Simultaneously, the brand's digital presence will be optimized by redesigning the official website and booking interface to align with the aesthetics and usability preferences of the new generation, thereby enhancing user experience and conversion efficiency.
- ② Minimize guest room inventory  
Through the assistance of the joint reservation center, more efficient room vacancy control can be achieved. At the same time, sales of short-stay and late-night bookings are being strengthened, utilizing a regional room allocation mechanism to maximize support across locations and reduce the number of vacant rooms daily.
- ③ Effective use of idle space  
By effectively utilizing the vacant space in each hotel, we can create income from non-accommodation sources and increase the overall revenue of the group.

## 2. Long-term business development

- (1) Expanding locations across regions to enhance brand influence and revenue momentum  
As hotel operations gradually enter a stable phase and brand image along with customer recognition continue to accumulate, the next step will be to actively evaluate expanding new locations across regions, with a particular focus on potential markets outside Taipei City, in order to broaden the service footprint, strengthen market coverage, and further drive revenue growth momentum.
- (2) From data collection to data monetization, building an intelligent revenue management system  
As brand awareness increases and the proportion of direct bookings through the official website rises, the collection of first-party customer data gradually becomes richer, marking a transition from passive data collection to an active stage of "data monetization." Through AI data analytics tools, the Company gains deep insights into customer behavior, preferences, and booking patterns, enabling more precise marketing and service optimization.
- (3) Implementing a dynamic pricing system allows real-time adjustment of room rates based on multiple factors such as occupancy rate, market demand, festive events, and competitors' pricing, optimizing revenue management. This makes pricing more flexible and competitive, achieving maximum revenue.
- (4) Talent acquisition and training: Establish collaborations with the government, universities, and related enterprises to provide employees with more vocational training opportunities. In addition, enhance multitasking capabilities. Meanwhile, we actively expand internship and job opportunities at home and abroad to establish a strong talent pool.
- (5) Planning the introduction and retention mechanisms for foreign employees: Proactively provide language communication and cultural integration training, while assessing accommodation, living support, and other logistical conditions to enhance job stability and service quality. In the future, participation in cross-ministerial migrant worker transformation projects or industrial migrant worker training policies can be pursued to secure more legal and flexible labor resources.
- (6) Promote sustainable transformation: Low-carbon tourism and green tourism have gradually become tourism trends, and we are planning to obtain green tourism-related labels and certifications to respond to future customer needs for sustainable development.

## II. Market and production and sales overview

### (I) Market analysis

#### 1. Target countries of sales

Unit: %

Target \ Year	2023	2024
Taiwan	32.81	29.02
Japan	16.25	23.19
China	3.02	8.16
Korea	4.97	6.07
USA	5.34	4.78
Singapore	5.97	3.77
Hong Kong	7.04	3.15
Philippines	2.86	3.10
Malaysia	3.51	2.45
Others	18.23	16.31
Total	100.00	100.00

The company is in the hotel industry in Taipei City. The company currently does not have any overseas business location, hence the service areas are only limited to the domestic market.

#### 2. Market share:

According to the statistics from the Tourism Bureau, the number of guest rooms of the Group accounts for 3.94% of the total number of hotel rooms in Taipei City. If the total number of hotel rooms in New Taipei City is added up, the number of guest rooms is 2.82%.

#### 3. The supply and demand condition, and growth of the future market

##### (1) Future supply and demand in the market

From 2018 to 2019, the occupancy rate of tourist hotels was over 73%, and the average room price was over NTD 4,300. In 2020, due to the impact of the COVID-19 pandemic, and strengthened border restrictions in March of the same year, the occupancy rate and average room price of tourist hotels in Taipei were 28.08% and NTD 3,480, respectively. The occupancy rate and average room price of tourist hotels were 24.95% and NTD 3,428, respectively in mid-May 2021, marking a record low in recent years. With the increase in the domestic vaccination rate and the opening of Taiwan's borders on October 13, 2022, Taiwan's tourism industry has shown a slow rebound, and occupancy rates and average room rates showed an upward trajectory in 2022.

In May 1, 2023, the CECC was formally decommissioned. COVID-19 was downgraded from a Category 5 to a Category 4 communicable disease. It is estimated that the occupancy rate of tourist hotels and the demand and supply of rooms will gradually return to pre-pandemic levels in 2020.

Taipei City Tourist Hotel occupancy rate and average room price, 2018 to 2024

Year	2018	2019	2020	2021	2022	2023	2024
Occupancy rate (%)	73.41	75.12	28.08	24.95	43.02	67.79	69.11
Average room price (NT\$)	4,357	4,385	3,480	3,428	3,778	4,960	5,089

Source: 2024 Annual Report (Statistical) - Tourism Administration, M.O.T.C.



The analysis of tourists traveling to Taiwan:

Region	Number of tourists visiting Taiwan in 2023	Number of tourists visiting Taiwan in 2024	Increase or decrease %	Increase or decrease number
Southeast Asia	2,253,483	2,365,391	4.97	111,908
Japan	928,235	1,319,592	42.16	391,357
Korea	744,727	1,003,086	34.69	258,359

Based on the above data and market conditions, the number of visitors to Taiwan in 2024 was 7,857,686, an increase of 21.13% over 2023.

## (2)Market growth in the future

With the strong recovery of the global travel market, according to international statistics, in 2024 the number of international travelers to North Africa and Central America has surpassed pre-pandemic levels by 22% and 17%, respectively. Southern Europe, the Caribbean, and Northern Europe have also shown steady growth, indicating that global travel demand has significantly rebounded and the industry continues to recover. However, Taiwan's recovery momentum has fallen short of expectations due to the impacts of earthquakes, typhoons, and geopolitical factors.

Observing the structure of the inbound tourism market to Taiwan, currently Northeast Asian (Japan and South Korea) travelers account for about 30%, Southeast Asian countries (New Southbound Policy markets and India) about 30%, and Hong Kong, Macau, and emerging markets in Europe and America make up 40%. As tourism demand from emerging markets rebounds, Taiwan's tourism market is steadily developing toward a "three-way split" structure. Although the recovery of travelers from China remains uncertain, Taiwan has actively expanded into emerging markets such as South Korea and Southeast Asia, while consolidating traditional markets like Japan and Hong Kong to reduce the operational impact caused by fluctuations in a single source market.

At present, the proportion of individual travelers visiting Taiwan has increased year by year, with most visitors concentrated in the northern region. However, there is a growing demand for in-depth travel experiences extending to central and southern Taiwan. The government's policy focus will shift toward planning regional tourism products and marketing strategies to enhance Taiwan's overall tourism image and extend tourism benefits, thereby shaping a distinctive tourism brand for Taiwan beyond the traditional single-region focus.

At the same time, themed tourism will become an important tool for Taiwan to attract international travelers. Key areas include specialty cuisine, sports tourism, concert tourism, eco-tourism, and aesthetic medicine tourism. By integrating Taiwan's unique festival events and promoting them under the "Taiwan Tourism Events" brand, international publicity efforts will be strengthened to enhance market visibility.

According to the latest survey, a majority of experts (64%) believe that the outlook for the tourism industry in 2025 will be better or significantly better than in 2024. Meanwhile, 26% expect performance to remain similar to last year, and only 9% believe that 2025 will be worse or significantly deteriorate compared to the previous year.

The tourism confidence index for 2025 stands at 130 (based on a 0–200 scale), indicating expectations of positive growth in international tourism. However, the level of optimism is lower compared to 138 in 2024 and 152 in 2023, reflecting a gradual normalization of international tourism following two years of post-pandemic rebound.

In response to the global changes and shifts in consumer behavior following the pandemic, travel market trends in 2025 are gradually moving toward greater depth, digitalization, and sustainability. The following are the seven major trends expected to drive the development of the tourism industry:

### ① From frequency to depth

Amid rising travel costs, growing awareness of climate change, and the influence of domestic travel habits developed during the pandemic, global travelers' preferences have clearly shifted toward fewer trips with longer stays that offer meaningful experiences. Compared to the pre-pandemic trend of frequent and short trips, today's travelers are more inclined to choose fewer trips with longer stays, placing greater emphasis on immersive and experiential travel. According to international statistics, the share of short trips lasting 1 to 3 nights has declined significantly, replaced by a rapid increase in demand for mid to long trips of 4 nights or more.

### ② The group and family travel markets are rebounding rapidly, becoming the main segments driving tourism demand

In the global travel market, small groups and family trips of 3 to 5 people are recovering rapidly, especially in the Americas, where levels have surpassed those before the pandemic in 2019. The recovery rate of couples and spouses traveling together closely follows, especially among travelers

from the Asia-Pacific and the Americas. This trend indicates that the sense of security and shared experiences brought by traveling with close companions have become important demands in post-pandemic travel.

- ③ High-end travel demand continues to grow, with luxury experiences remaining unaffected by economic pressures  
The luxury travel market has shown a strong recovery after the pandemic, especially in the Asia-Pacific region. Even facing inflationary pressures and rising living costs, high-net-worth consumers from the Americas and the Middle East and Africa continue to show strong demand for premium cabins and high-value experiences. This indicates that luxury travelers have lower price sensitivity and place greater emphasis on service quality, privacy, and personalized experiences.
- ④ Hybrid work models drive growth in off-season travel, shaping year-round travel patterns  
The widespread adoption of remote and hybrid work models has freed travelers from the constraints of traditional holidays and schedules. These travelers tend to prefer traveling during the off-season to avoid crowds and enjoy better prices. Taking the United States as an example, in 2023, the travel volume of couples during the off-season (January to May and September to December) already surpassed that of the traditional summer peak season, making the off-season the new normal travel season.
- ⑤ Pre-pandemic booking behaviors are gradually returning, with trip planning becoming more stable and rational  
With the lifting of global travel restrictions, booking behaviors in the European and Middle East-Africa markets have fully returned to pre-pandemic levels. Although the Asia-Pacific and Americas regions are still affected by price fluctuations, the average planning period overall has moved about 5 days earlier than before the pandemic, indicating that consumers are gradually returning to normal travel decision-making, with booking behaviors developing toward stability and rationality.
- ⑥ Online travel platforms leading the way, with digital transformation becoming the key to travel agencies' survival  
During the pandemic, direct flight bookings and independent travel surged, with online travel agencies (OTAs) demonstrating greater recovery resilience compared to physical travel agencies. Although traditional travel agencies' booking services are gradually recovering, the overall trend indicates that digital business models and online marketing capabilities have become the core competencies for future competition in the travel industry.
- ⑦ Climate change is reshaping travel preferences, with increased attention to summer retreat tourism  
In 2023, the world experienced consecutive extreme weather events such as heatwaves, wildfires, and heavy rain floods. Although the short-term impact on travel behavior was limited, climate safety has gradually become a potential consideration in travel choices. In the future, regions frequently affected by heatwaves will face challenges in attracting summer tourists, while climate-pleasant mid- to high-latitude areas will have growth potential.

#### 4. The advantages, disadvantages, and countermeasures of competitiveness and development prospects

##### (1) Competitiveness

- ① Since 2017, after introducing the resources and professional management of Japan's H.I.S. Group, the Company's operational performance and financial condition have significantly improved. Through the integration of internal group resources and synergy among its lodging products, the Company has effectively enhanced overall operational efficiency and brand competitiveness. In the future, it will further leverage H.I.S.'s global resources to gradually expand its visibility in the international market.
- ② During the pandemic, the Company actively shifted to the domestic travel market, successfully increasing the proportion of local guests and establishing a stable local customer base. In the future, the Company will continue to promote cross-industry alliances by integrating resources from retail, transportation, culture, and other sectors, expanding membership service offerings, enhancing member growth and retention, and creating a "lifestyle brand ecosystem."
- ③ The Company will introduce self-service equipment to improve operational efficiency and customer convenience, and collaborate with startups to develop differentiated lodging applications and marketing models, establish an innovative management paradigm, and enhance the benefits of digitalized operations.
- ④ The Company strategically positions itself in the sustainable tourism sector, leading the market in implementing ESG practices, promoting green lodging certification, low-carbon operations, and local community partnership programs, demonstrating a long-term commitment to environmental and social responsibilities, while simultaneously enhancing the brand's international image and market appeal.

- (2) Favorable factors in the development prospect
- ① The Company positions itself with the core value of "providing accommodation options that exceed expectations" and establishes a quality yet affordable national brand image. The Company continues to make value-enhancing investments in existing locations, strengthens marketing strategies, talent development, and pricing integration, effectively enhancing the operational competitiveness of each hotel.
  - ② The Company establishes a "quality yet affordable national brand image." Since most hotels are located in prime areas of Taipei City, they offer high accessibility and a preferred choice for foreign travelers. Compared to other regions, despite the overall decline in inbound travelers to Taiwan, the impact has been relatively lower, resulting in greater resilience to risks and more stable ongoing revenue.
- (3) Unfavorable factors in the development prospect
- ① External environmental risks
    - A. Geopolitical risks
 

Tensions in cross-strait relations and international political uncertainties may affect the willingness of travelers from certain countries to visit Taiwan. Chinese travelers remain one of the largest markets in the past; if policy restrictions continue, recovery may be limited.
    - B. Natural disasters and abnormal climate
 

Taiwan is situated along seismic belts and typhoon paths; major natural disasters (such as the 2024 Hualien earthquake) can easily result in a large number of cancellations and reputational damage. Long-term climate risks such as extreme weather and temperature changes will reshape peak travel seasons and regional preferences.
    - C. International economic fluctuation
 

International oil prices, exchange rates, inflation, and interest rate fluctuations directly affect airfare, accommodation costs, and travelers' willingness to spend.

Economic slowdown in Europe and the United States may affect the willingness of long-trip markets to travel to Taiwan.
    - D. Recurrence of pandemic or unexpected public events
 

Although the world has entered the "post-pandemic" era, risks of emerging infectious diseases and new viruses still exist, which may lead to the reinstatement of border controls. Public safety incidents (such as major accidents and protests) can also suppress travel demand.
  - ② Industry internal challenges
    - A. Labor shortage and service quality discrepancies
 

The long-term labor shortage, especially among frontline reception and housekeeping staff, affects service stability and customer experience.

Training challenges and high turnover rates often lead to inconsistent brand evaluations, weakening repeat visits and positive word-of-mouth.
    - B. Excessive competition and price wars in the hotel market
 

The recovery of inbound tourism to Taiwan remains uncertain, potentially leading to an oversupply in the market. Without establishing differentiated value, the industry may fall into a vicious cycle of price-cutting competition.
    - C. Insufficient brand strength and international marketing
 

Compared to neighboring competitors such as Japan, South Korea, and Thailand, Taiwan's tourism brand still lacks a strong central theme and international recognition.

The lack of a unified image and language marketing strategy has led to fragmented marketing resources and limited effectiveness.
- (4) Countermeasures
- "Three Strategic Directions × Countermeasures":
- ◆ Market Diversification → Diversified Customer Sources × Expansion of Themed Tourism
  - ◆ Smart Service → Digital Transformation × Flexible Staffing × Process Automation
  - ◆ Brand Internationalization → Targeted Marketing × Brand Consistency × ESG Integration
- ① Market diversification
    - A. Diversify customer sources: Strengthen marketing efforts in Southeast Asia, Japan, South Korea, Europe, and the United States.
    - B. Promote non-politically sensitive themed tourism such as sports, music, and medical aesthetics tourism.
  - ② Smart service
    - A. Invest in official website UX and direct booking incentive design.
    - B. Establish data analysis mechanisms to promote targeted marketing and retargeting.
    - C. Collaborate with KOLs and social media platforms to drive traffic to the official website.

- D. Strengthen insurance, cancellation mechanisms, and flexible booking policies.
- E. Implement smart hotel solutions by introducing automated systems.
- F. Strengthen industry-academia collaboration and internship channels with technical and vocational schools.
- G. Establish a foreign employee hiring system and cultural integration training.
- ③ Brand internationalization
  - A. Focus on the core brand concept (exceeding expectations).
  - B. Enhance multilingual official websites and cross-platform marketing materials.
  - C. Integrate local culture by launching distinctive themed packages and festive events.
  - D. Establish tourism risk management SOPs and crisis response procedures.
  - E. Develop indoor itineraries or attractions for "all-weather, year-round enjoyment".

Looking ahead to 2025, the growth of Taiwan's tourism market will not only be reflected in increased visitor numbers but will also move toward a comprehensive upgrade in service quality and experiential value. Technology and sustainability will become the dual core drivers of industry transformation. With the gradual introduction of technologies such as AI and digital innovation, from accelerated customs clearance through airport biometric identification to the application of personalized travel recommendation systems, the travel experience will become more convenient, intelligent, and tailored to individual needs.

At the same time, amid the rising global environmental awareness, sustainable lodging, low-carbon itineraries, and plastic reduction initiatives are rapidly becoming mainstream in the market, driving a profound transformation and redefinition of the overall travel model.

To respond to the expectations and values of the new generation of travelers, the Tourism Bureau launched the new Tourism Brand 3.0, "TAIWAN - Waves of Wonder," in 2024, and positioned 2025 as a critical year for brand deepening and expansion. By strengthening international marketing strategies and brand consistency, Taiwan will showcase its cultural diversity and natural charm with a renewed image, further enhancing its competitiveness and appeal in the global tourism market.

Observe market trends through data and explore future blueprints through technology and sustainability. Taiwan's tourism industry will steadily advance amid the global recovery wave, continuously exert international influence, and drive progress through the dual axes of innovative thinking and sustainable practices, creating more possibilities and development opportunities.

(II) Important use of main products and the production process

1. Important use of main products

The main products of the company are hotels and hotel services. Please refer to the following for details:  
The business scope - current products (services).

2. Production process

Provide accommodations and catering services to generate revenue.

(III) The supply status of main supply materials

The company is in the hotel industry, and the main supply materials are hotel room products, fresh food materials, etc., and the company has a good relationship with suppliers, thus supply status is very stable.

(IV) List of the main invoicing customers in the most recent two years

1. The vendor that accounts for more than 10% of the total purchase amount in the most recent two years:  
None.

2. The customer that accounts for more than 10% of the total sales amount in the most recent two years:  
None.

Unit: NTD thousands

Items	2023				2024			
	Name	Amount	Ratio of net annual sales amount [%]	Relationship with the issuer	Name	Amount	Ratio of net annual sales amount [%]	Relationship with the issuer
1	Travelers B customer	70,294	7.18	The chairman is the same person	Travelers B customer	125,782	11.79	The chairman is the same person
2	Others	908,052	92.82		Others	940,639	88.21	
	Net sales amount	978,346	100		Net sales amount	1,066,421	100	

### III. Information on the employees

Year		2023	2024	As of March 31, 2025
Number of employees	Direct employees	242	236	241
	Indirect employees	37	36	35
	Total	279	272	276
Average age		43.25	44.20	44.14
Average years of service		3.66 years	5.94 years	6.04 years
Education distribution ratio	PhD	0	0	0
	Master's degree	0.72%	0.74%	0.72%
	University and college	56.99%	59.96%	60.87%
	Senior high school	32.97%	30.88%	30.43%
	Below senior high school	9.32%	8.46%	7.97%

### IV. Information on environmental protection expenditures

- (I) Total losses and disposition amount due to environmental pollution in the most recent year: None.
- (II) The countermeasures and possible expenses in the future: The sewage produced by the customers of the Company during the accommodation period is handled in accordance with the regulations. Currently, there is no pollution in violation of the regulations, thus major capital expenditures for environmental protection are not required.

### V. Labor-management relations

#### (I) Important labor-management agreement and implementation status

##### 1. Employee welfare

The Company's welfare for employees includes the welfare provided by the company and the welfare provided by the Employee Welfare Committee.

- (1) Welfare provided by the company: In addition to the labor insurance and national health insurance for employees according to the laws, the company also provides a year-end bonus, 3 free accommodation for employees every year and 10 discount employee accommodations, coupon for employee discount accommodation in the hotels of the parent Japanese company, regular health checkups for current employees, and special checkup items for particular employees to their benefits.
- (2) Welfare provided by the Employee Welfare Committee: In addition to the basic care for laborers according to the laws, the company has established the Employee Welfare Committee to take care of the employees and provide them with welfare benefits. The committee will coordinate the development of various employee welfare plans and is responsible for the planning and implementation of various employee welfare plans. The welfare offered includes festival and event subsidies, birthday gifts, wedding and funeral subsidies, educational subsidies, maternity subsidies, and hospitalization subsidies.
- (3) Other descriptions: All are conducted in compliance with the relevant provisions of the Labor Standards Act, and the employee complaint channel is created to protect the legitimate rights of the employees. Automated External Defibrillators (AED) are also available and employees are instructed of their usage. The fire-fighting set is available at each hotel and regular drills are conducted to prevent any accident due to incidents.

##### 2. Additional studies, trainings, and the implementation status:

In addition to the required education and training for the job position, the appropriate education, training, technology, and experience for our employees at all levels will be provided to cultivate the company's employees and meet the needs of the company's development, so that the employee development plan will be able to progress with the company's growth. Therefore, it will not only enhance the competitiveness of the company but also motivate the employees' self-development.

##### 3. Retirement system and implementation status:

The company's pension system is conducted according to the Labor Pension Act. Every month, 6% of the employee's salary will be deposited into their personal account at the Labor Insurance Bureau. At present, all employees adopt the new retirement pension system.

##### 4. The status of the labor-management agreement:

The company adopts an open and two-way communication on policy promotion and employee opinions. Each hotel will conduct a monthly meeting to maintain a good relationship between employers and employees, and a labor-management meeting will be convened every three months for two-way communication.

- (II) Losses due to labor disputes in the previous three years, and reveal the estimated amount for now and the future, and the measures in response:
  - 1. The company's labor-management relations are harmonious and there is no loss due to labor disputes. The possibility of losses due to labor disputes in the future is extremely low.
  - 2. Measures in response: Not applicable.

VI. Cybersecurity management

- (I) Describe the cybersecurity risk management framework, cybersecurity policies, specific management plans, and resources invested in cybersecurity management:
  - 1. Information security risk management framework.
    - (1) The IT Department of the Company is responsible for planning, executing and promoting information security management matters and promoting information security awareness.
    - (2) The Company's Audit Office is the audit unit for information security supervision. If any deficiencies are found during the audit, the audited unit is required to propose relevant improvement plans and submitted to the Board of Directors. The improvement results are regularly tracked to reduce internal information security risks.
  - 2. Information security policy.
    - (1) Maintain the sustainable operation of each information system.
    - (2) Prevent hackers and various viruses from invading and destroying.
    - (3) Prevent improper and illegal use by human beings.
    - (4) Prevent leakage of sensitive data.
    - (5) Avoidance of human error.
    - (6) Maintain physical environment security.
  - 3. Specific management plan for information security
    - (1) The Company's computer mainframes and various application servers are installed in dedicated computer rooms, and access records are kept for records.
    - (2) Independent air-conditioning has been installed in the computer room to maintain the operation of computer equipment in an appropriate temperature environment; dry powder fire extinguishers are also set up to be suitable for fires caused by general or electrical appliances.
    - (3) The main machine in the computer room is equipped with UPS and stabilized voltage equipment to prevent the system from crashing due to unexpected instantaneous power failure, or to ensure that the operation of the computer application system will not be interrupted during a temporary power failure.
    - (4) Reminder: Employees are required to change system passwords regularly to maintain account security.
    - (5) Information security promotion: Provide information security example documents for colleagues' reference.
- (II) In the most recent year and up to the publication date of the annual report, the losses suffered as a result of major cybersecurity incidents, the possible impacts, and countermeasures. If it cannot be reasonably estimated, please explain the fact that it cannot be reasonably estimated: None.

# VII. Important contracts

Nature of contract	The party	Start date of the contract	Main content	Restriction
Lease contract	(Green-World-Sansui) Lee O O et al.	2020/01/01-2029/12/31	Lease for hotel and hotel operations	None
Lease contract	(Green World Taipei Station) Baisi Asset Management Co., Ltd.	2013/06/15-2028/06/14	Lease for hotel and hotel operations	None
Lease contract	(Green World Zhonghua) WANHWA ENTERPRISE COMPANY	2013/07/20-2027/07/19	Lease for hotel and hotel operations	None
Lease contract	(Green World JianPei) Tokyo Marine Insurance Co., Ltd.	2013/10/16-2028/10/15	Lease for hotel and hotel operations	None
Lease contract	(Green World Linsen) Green World Co., Ltd.	2024/01/01-2032/12/31	Lease for hotel and hotel operations	None
Lease contract	(Green World Grand NanJing) Foundation of Taiwan Sugar Association, Green World Co., Ltd.	2019/10/01-2034/02/28 2014/03/01-2034/02/28	Lease for hotel and hotel operations	None
Lease contract	(New World Hotel) Chen O O et al. Hsieh O O et al.	2024/06/01-2029/05/31 2024/01/01-2029/12/31	Lease for hotel and hotel operations	None
Lease contract	(Green World SongShan) Fentai Investment Co., Ltd., Liu OO et al	2014/08/01-2034/07/31	Lease for hotel and hotel operations	None
Lease contract	(Green World ZhongXiao) Jifu ZhongHua Investment Co., Ltd.	2014/11/15-2029/11/14	Lease for hotel and hotel operations	None
Lease contract	(Green World Mai - NanJing) Guangxing Asset Management Co., Ltd.	2023/08/01-2033/07/31	Lease for hotel and hotel operations	None
Lease contract	(Green World Flora Annex) Green World Co., Ltd.	2016/10/01-2026/12/31	Lease for hotel and hotel operations	None
Lease contract	(Green World NanGang) Minkai Construction Co., Ltd., National Petroleum Co., Ltd.	2017/03/01-2031/05/31	Lease for hotel and hotel operations	None
Lease contract	(Headquarters) Green World Co., Ltd.	2024/01/01-2032/12/31	Lease of office space for the head office	None
Lease contract	(Green World Triple Beds) Green World Co., Ltd.	2018/03/01-2038/12/31	Lease for hotel and hotel operations	None
Loan contract	Sumitomo Mitsui Banking Corporation	2024/05/31-2025/05/30	The short-term loan contract of one year	None
Loan contract	Mega Bank Zhongxiao Branch	2021/10/01-2026/10/01	Five-year medium-term and long-term loan agreement	None
Lease contract	(Green-World-Sansui) Lee O O et al.	2020/01/01-2029/12/31	Lease for hotel and hotel operations	None

## Five. Review and Analysis of Financial Position, Financial Performance, and Risk Matters

### I. Financial position

Unit: NTD thousands

Items \ Year	2023	2024	Increase (or decrease) amount	Change ratio
Total assets	3,056,070	2,884,505	(171,565)	(5.61)
Total liabilities	2,741,478	2,473,367	(268,111)	(9.78)
Total shareholders' equity	314,592	411,138	96,546	30.69

Analysis and explanation of the main reasons for the changes of more than 20% between the previous and the current period, and the amount of the changes is more than NTD 10 million:

Total shareholders' equity: Mainly increased due to the rise in operating revenue and net income for 2024.

### II. Financial performance

Unit: NTD thousands

Items \ Year	2023	2024	Increase (or decrease) amount	Change ratio
Net operating revenue	978,346	1,066,421	88,075	9.00
Operating profit (loss)	110,968	170,347	59,379	53.51
Net profit (loss) before tax	62,035	122,188	60,153	96.97

- (I) Analysis and description of the rate of increased or decreased change: (the rate of increased or decreased change is 20% or more, or the amount of change reaches 10 million dollars)
1. Net operating revenue: Mainly increased due to the rise in inbound travelers to Taiwan in 2024, resulting in higher occupancy rates, increased average room rates, and substantial growth in operating revenue.
  2. Operating profit (loss): Mainly due to the increase in operating revenue in 2024, resulting in an increase in operating profit.
  3. Net profit (loss) before tax: Due to the increase in operating revenue and operating profit in 2024, resulting in an increase in net profit before tax in the current period.
- (II) The expected sales quantity and its reference, and the possible impact on the company's future financial operations and its plan in response
- The Company intended to achieve more comprehensive development by integrating group resources, strengthening the domestic market, reducing room inventory, investing in peripheral income, expanding operations to other counties and cities and developing new business models. These steps are designed to ensure that the Company can respond quickly and adapt to the competitive market environment.

### III. Cash flow

#### (I) Analysis of change in cash flows in the current year

Unit: NTD thousands

Beginning balance of cash	Net cash flow of business operations throughout the year	Annual total of cash inflow (outflow)	Remaining (insufficient) amount of cash	Remedial measures for insufficient cash
264,463	580,377	34,519	298,982	None

The Company's net cash inflow from operating activities in 2024 was NTD 580,377 thousand, mainly due to an increase in revenue and no shortage of funds has occurred.

- (II) Current analysis and improvement plan for insufficient current: The improvement plan for cash shortage is not applicable.

#### (III) Analysis of cash flow for the coming year

As of the end of Q1 2025, the Company held cash equivalents of NTD 420,878 thousand, which are expected to be used for daily operating expenses. There are no plans for major equipment investments or business expansion in the coming year. Based on the current operating status, no liquidity shortages are anticipated over the next year.



- IV. The impact of major capital expenditures on financial operations in the most recent year: No material capital expenditures in the most recent year.
- V. Investment policy in the most recent year, primary reasons for profit or loss, improvement plans, and investment plans for the coming year: The Company has had no investment plans in recent years and does not have any for the coming year.
- VI. Risk assessment
- (I) The impact of interest rate, exchange rate, and inflation on the company's profit and loss and the adopted response measures in the future
1. The impact of changes in interest rate on the company's profit and loss and the adopted response measures in the future
    - (1) The impact of changes in interest rate on the company's profit and loss  
The Company's revenue has grown steadily and cash is abundant. Its debt ratio decreased from 90% in 2023 to 86% in 2024; therefore, interest rates have a relatively low impact on the Company's current profit and loss.
    - (2) Countermeasures for changes of interest rate in the future:  
The Company will prudently evaluate investment decisions and enhance operational efficiency to avoid excessive debt-financed investments and effectively reduce liabilities.
  2. The impact of exchange rate changes on the company's operations and revenue, and the response measures in the future
    - (1) The impact of exchange rate changes on the company's operations and revenue  
The Company currently conducts all transactions with customers in NTD and does not engage in foreign currency transactions; therefore, exchange rate fluctuations have no impact on the Company's revenue and profitability.
    - (2) The specific measures adopted by the company to respond to the changes in exchange rate:  
The foreign currency purchased by the Company will be exchanged to NTD in a short period of time. Therefore, the amount of foreign currency remaining on the account is not very high and the changes in exchange rate do not have a significant impact on the Company.
  3. The impact of inflation on the company's profit and loss and future response measures  
The government of Taiwan has effectively managed domestic inflation, which remains within an acceptable range at present. In the event of severe inflation in the future, the Company will formulate appropriate countermeasures based on the circumstances.
- (II) The main reasons and future response measures for engaging the high-risk investment, high-leverage investment, loans to others, endorsement guarantees, and trading of derivative commodities.  
The Company does not engage in any high-risk investments, high-leverage investments, loans to others, endorsement guarantees, and trading of derivative commodities.
- (III) The future R&D plan and the estimated expenditures for R&D  
The Company is in the hotel business. Other than investing in smart hotels, the Company currently does not have any R&D plans.
- (IV) The impact of domestic or international amendment of the important policies and laws, on the company's financial operations and its measures in response  
The company always pays close attention to the domestic and international amendment of important policies and laws that may affect the company's operations, and the company will consult relevant legal experts in necessary. As of the published date of the annual report, the changes in the relevant laws and regulations have no significant impact on the Company.
- (V) Impacts of changes in technology (including information communication security risks) and industry changes on the Company's financial operations, and responsive measures
1. The impact of changes in the technology and industry on the company's financial operations  
The cross-strait relations will affect the number of Chinese tourists traveling to Taiwan. Although the company has adopted a diverse business strategy for the sources of hotel guests, the impact is still inevitable.
  2. The measures in response to the changes in the technology and industry  
In addition to actively developing the Southeast Asia market and the Muslim market to increase revenue for shareholders, we also invest in intelligent hotels to reduce the manpower costs and actively enhance the operational efficiency of the official website.
- (VI) The impact of corporate image changes on the corporate crisis management and the measures in response  
The corporate image shall be ethical and illegal interests shall be avoided. The culture of the company has always been focusing on this principle. Therefore, the integrity of corporate governance has become the essence of the company.
- (VII) Expected benefits and possible risks of mergers and acquisitions, and countermeasures  
During the most recent year and as of the printing date of this annual report, the Company did not have any merger or acquisition plan. However, should there be any merger or acquisition plan in the future, the

- Company will proceed with it in accordance with the "Procedure for the Acquisition or Disposal of Assets" and carefully evaluate whether the merger will bring concrete and synergistic effects to the Company in order to ensure the protection of the Company's interests and shareholders' rights and interests.
- (VIII) Expected benefits and possible risks associated with any plant expansion and countermeasures  
The Company currently does not have a plan for factory expansion, thus it is not applicable.
- (IX) The risk encountered for the high quantity of incoming or outgoing products, and the measures in response
1. The risk encountered for the high quantity of incoming or outgoing products  
The Company's main source of revenue is hotel room sales. The sales channels are scattered through travel agencies, OTA channels and the official website. However, before the pandemic, customers based on nationality were the major source of Japan, which was a risk of sales.  
The company's main purchased products include the hotel room supplies and fresh foods. The supply status is very stable and there are many hotel room supply vendors, thus there is no risk for the purchase of hotel room supplies.
  2. The risk encountered for the high quantity of outgoing products and the countermeasures  
Develop customer groups other than in the Japanese market and use various sales channels to reduce the risk of customers coming from the same region.
- (X) The impact of a large transfer or replaced amount of shares on the company, by the directors, supervisors, or major shareholders holding more than 10% of the total issued shares of the company and the risk and countermeasures: None.
- (XI) The impact of changes in management on the company, and risk and measures in response: None.
- (XII) Litigation or non-litigation incident
1. The major litigation, non-litigation, or administrative disputes with determined judgment for the directors, supervisors, general manager of the Company, or major shareholders holding more than 10% of the total issued shares of the company in the current year: None.
  2. The company's major litigation, non-litigation, or administrative disputes in the process: None.
- (XIII) Other important risks, and mitigation measures being or to be taken:  
The following information security goals have been established in line with the Company's information security policy, taking into account applicable information security requirements, and the results of risk assessment and risk treatment:
- Protect the Company's business-critical information from unauthorized access.
  - To maintain the continuous operations of the core information system to ensure that the Company has an information environment that allows the continuous operation of its business.
  - Organize information security training to promote employees' information security awareness and strengthen their understanding of related responsibilities.

VII. Other important matters: None.

## **Six. Special notes or remarks**

- I. Related information of the affiliates: Not applicable
- II. The status of the privately placed securities in the most recent year and as of the published date of the annual report: None
- III. Other matters and supplementary descriptions: None.

**Seven. The occurrence of matters that have a significant impact on shareholders' rights and interests or the price of securities, as stipulated in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act: None.**

Green World Hotels Co., Ltd.

Chairman: HSIEH,HSIEN-CHIH