

【Stock code: 2702】

HOLIDAY GARDEN  
G R O U P  
HOTELS & RESTAURANTS

# Hotel Holiday Garden

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## Handbook for 2024 Annual meeting of shareholders

Type of Meeting : Physical Meeting

Time : May 30, 2024 Thursday 10:30 AM

Venue: No. 1, Zhong'an Rd., Qianzhen Dist., Kaohsiung  
City 806, Taiwan (R.O.C.)

(Holiday Garden Hotel Kaohsiung Taroko Park)

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# **Hotel Holiday Garden**

## **The 2024 Annual Meeting of Shareholders**

### 1.Meeting procedures

I.Call the meeting to order

II.Speech by the Chairman

III.Reported matters

IV.Acknowledged matters

V.Discussed matters

VI.Extempore motions

VII. Adjournment

# **Hotel Holiday Garden**

## **The 2024 Annual Meeting of Shareholders**

### 2.Meeting agenda

Time : May 30,2024 ( Thursday ) 10:30AM

Place: No. 1, Zhong'an Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan  
(R.O.C.)

I.Call the meeting to order

II.Speech by the Chairman

III.Reported matters

- (1) 2023 Business Report
- (2) Audit Committee Review Report for the 2023 Annual Financial Statements
- (3) 2023 Employee and Director Compensation Distribution Report
- (4) Report on the Revision of Certain Articles of the Rules of Procedure for Board of Directors Meetings

IV. Acknowledged matters

- (1) Approval of the 2023 Annual Financial Statements
- (2) Approval of the 2023 Profit Allocation Statement

V. Discussed matters

- (1) Proposal to Revise Certain Articles of Rules of Procedure for Shareholder Meetings

VI. Extempore motions

VII. Adjournment

### 3. Reported matters

Report No.1 : 2023 Business Report

Explanation : Please refer to pages 4 to 8 of this manual.

Report No.2 : Audit Committee Review Report for the 2023 Annual Financial Statements

Explanation : The company's 2023 financial statements have been reviewed by the Audit Committee, and an audit report has been issued. Please refer to page 9 of this manual.

Report No.3 : 2023 Employee and Director Compensation Distribution Report

Explanation : 1. In accordance with Article 31 of Articles of Incorporation and the recommendations of the Compensation Committee, 1% employee remuneration totaling NTD 209,160 is to be distributed in cash; no distribution of directors' remuneration is proposed.

2. The employee remuneration distributed is NTD 209,160, which differs by NTD 209,160 from the estimated amount of NTD 0 for 2023. This difference is treated as an estimation variance and will be classified under the next fiscal year's profit and loss in accordance with the accounting estimate change standards; no directors' remuneration is distributed, with no difference from the estimated amount for 2023.

3. This proposal was unanimously approved by all attending directors, and will be reported at the annual general meeting of shareholders as required by law, with the related distribution operations proposed to be fully authorized to the chairman for handling.

Report No.4 : Report on the Revision of Certain Articles of the Rules of Procedure for Board of Directors Meetings

Explanation : To comply with legal amendments, it is proposed to revise certain articles of the Rules of Procedure for Board of Directors Meetings. Please refer to page 34 of this manual.(Attachment 4).

## Hotel Holiday Garden

### Business report

Dear ladies and gentlemen:

Thank you all for attending the 2024 Annual General Meeting of Shareholders and for your support and trust in the company over the past year.

Despite the impacts of the broader environment and fierce competition, I am grateful to all the directors and employees for their concerted efforts and hard work.

This year, the company continues to adhere to high service quality as its foundation, improving both software and hardware facilities, actively promoting various marketing activities, and through diverse sales channels, developing a range of products to deepen and expand our market presence to achieve better performance.

Although the operation of our hotels in the United States is in an environment of economic slowdown and rising costs, the accommodation and tourism sector remains sustainable. Recently, with increasing environmental awareness and greater public concern for health and safety, myself and the senior management team have actively implemented energy-saving and plastic-reduction measures, strengthened the protection of guests' health and safety, and continuously monitored economic and market dynamics to adjust our operational strategies flexibly. These efforts are aimed at attracting more customers and enhancing customer loyalty, maintaining the sustainability and stable development of our operations. Leading all employees to continue working hard, we aspire for steady growth and to continue generating greater profits to benefit our shareholders.

## 1. Business Results

### (i) Implementation Results of the Operating Plan

In 2023, the consolidated operating revenue of the group totaled NTD 1,433,125 thousand, which is a 5% increase compared to the consolidated operating revenue of NTD 1,364,208 thousand in 2022.

### (ii) Consolidated Financial Statements

#### a. Financial Income and Profitability Analysis

Unit: NTD thousand dollars ; %

Items analyzed		The year		
		2023	2022	
Financial Income and Expenses	Net operating revenue	1, 433, 125	1,364,208	
	Gross profit	1, 165, 754	1,098,665	
	Net profit	25, 749	402,002	
Profitability	Return of assets(%)	3. 47	6.54	
	Return of equity (%)	0. 81	13.52	
	Ratio to Paid-in Capital(%)	Operating Income	4. 60	3.44
		Pre-tax Profit	-4. 84	48.73
	Net profit margin(%)	1. 80	29.47	
	Earnings per share (dollar)	0. 16	2.57	

#### b. Net Assets Section

As of December 31, 2023, the total assets of the group were NTD 8,303,860 thousand, total liabilities were NTD 5,116,433 thousand, accounting for 62% of total assets, and the total equity was NTD 3,187,427 thousand, representing 38% of total assets.

c. Profit and Loss Section:

For the fiscal year 2023, the group's gross operating profit was NTD 1,165,754 thousand, and the net profit after tax was NTD 25,749 thousand, with a net profit margin of 1.80%.

2. Budget and Budget Execution Status

In 2023, the operating revenue was NTD 1,433,125 thousand, with a budgeted operating revenue of NTD 1,469,224 thousand; the operating profit in 2023 was NTD 72,024 thousand, against a budgeted operating profit of NTD 235,537 thousand.

3. Research and Development Status: Not applicable

4. Annual Business Plan Summary

(i) Annual Management Policy

- a. Diversify catering services and specialize hotel themes, constructing a new landscape for accommodation and dining.
- b. Continuously cultivate marketing talent to increase exposure.
- c. Expand company operations and develop new customer sources.
- d. Continually expand overseas business locations to increase revenue.
- e. Change procurement methods to reduce operating costs.
- f. Flexibly allocate funds to stabilize the company's financial structure.

(ii) Affected by the external competitive environment, regulations, and overall business conditions

a. External Competitive Environment Impact:

- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.
- Environmental Regulations: Requirements for energy efficiency, waste

reduction, and environmental protection.

- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.

b.Regulatory Impact:

- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.
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- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.

c.Overall business conditions:

- Economic Conditions: Economic fluctuations affect consumer spending on travel.
- Economic Conditions: Economic fluctuations affect consumer spending on travel.
- Economic Conditions: Economic fluctuations affect consumer spending on travel.

(iii) Future Development Strategy

We will focus on developing local cultural experiences to attract international tourists, offering specialized services and strengthening cooperation with tourism industry partners. Investment in digital technology will be prioritized to enhance our online brand image, streamline booking processes, and provide personalized services. Unique accommodation experiences such as themed suites or cultural immersions, along with flexible pricing strategies, will be employed to appeal to diverse customer segments.

We will adopt green technology and management practices, including solar energy systems, energy-efficient equipment, and waste recycling initiatives. Enhanced cleaning and disinfection procedures, staff training in hygiene and safety protocols, as well as provision of medical assistance and emergency response measures, will be implemented. Compliance with all labor regulations, fair

wages, benefits, and investment in staff training and development will be ensured.

Flexible pricing strategies and package options will be offered to adapt to economic fluctuations, while reinforcing value propositions to attract budget-conscious consumers. Building brand reputation, providing exceptional customer service, and actively addressing consumer feedback will enhance consumer confidence. Promotion of sustainable tourism practices through collaboration with local communities and cultural institutions will offer educational and culturally enriching travel experiences.

In response to market changes, the company will continually adjust and diversify operations, meeting the evolving needs of consumers. Through strategic planning and adaptation, we will effectively respond to external environmental changes, maintaining competitive advantages and achieving business growth.

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu Su-ling

# **Hotel Holiday Garden**

## **Audit Committee Review Report**

Hereby, the Board of Directors is authorized to submit the company's 2023 Annual Business Report, Individual Financial Statements, Consolidated Financial Statements, and Profit Distribution Proposal. These documents have been thoroughly reviewed by the Audit Committee and found to comply with all regulations. Pursuant to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law, this report is prepared for your review.

Regards

The 2024 Annual Meeting of Shareholders of Hotel Holiday Garden

Convener of the Audit Committee

GUO-YIN LU

March 13,2024

## 4. Acknowledged matters

Report No.1 : (proposed by the Board)

Proposal : Approval of the 2023 Annual Financial Statements

Explanation : The company's 2023 individual financial report and consolidated financial report have been audited and certified by Liao,A-shen and Wang,Kuo-hua of PricewaterhouseCoopers Taiwan. Together with the business report, they have been compiled and reviewed by the Audit Committee, found to be without discrepancies, and the audit report has been filed. Please refer to pages 11 to 32 of this manual (Attachment 1 and 2)

Resolution :

Report No. 2 : (proposed by the Board)

Proposal : Approval of the 2023 Profit Allocation Statement

Explanation : The company's Profit Allocation Statement for the year 2023 has been prepared and reviewed by the Audit Committee. Please refer to page 33 of this manual (Attachment 3).

Resolution :

## 5. Discussed matters

Report No.1 : (proposed by the Board)

Proposal : Proposal to Revise Certain Articles of Rules of Procedure for Shareholder Meetings

Explanation : To comply with legal amendments, it is proposed to revise certain articles of t Rules of Procedure for Shareholder Meetings. Please refer to page 36 of this manual. (Attachment 5).

Resolution :

## 6. Extempore motions

## 7. Adjournment

## Independent Accountant's Report

(2024) Tsai Shen Pao Tzu No.23004084

Holiday Garden International Ltd :

### **Opinion**

We have audited the following financial statements of Holiday Garden International Ltd.: The parent company only balance sheets of December 31, 2023 and 2022, the parent company only statements of comprehensive income of January 1 to December 31 of 2023 and 2022, the parent company only statements of changes in equity, the parent company only statements of cash flows, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material aspects, the financial position of Holiday Garden International Ltd. as at December 31, 2023 and 2022 and its financial performance and cash flows for the period from January 1 to December 31 of 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for opinion**

We conducted the audit in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the generally accepted auditing standards in the Republic of China. Our responsibilities under those rules and standards are described in the section of the responsibilities of accountants auditing parent company only financial statements. Personnel of our accounting firm subject to the independent requirements have complied with the code of professional ethics of certified public accountants of the Republic of China, stayed fully independent of Holiday Garden Hotel Co., Ltd, and fulfilled other responsibilities in accordance with the code. We believe that we have obtained adequate and appropriate audit evidence to form the basis of our audit opinion.

### **Key audit matters**

Key audit matters refer to the most significant matters, according to our professional judgment, in the 2023 parent company only financial statements of Holiday Garden International Ltd. These matters were addressed during the audit of the overall parent company only financial statements and in the formation of our opinion. We do not express our opinion on these matters separately.

We determine the following key audit matters of the parent company only financial statements of 2023 of the Holiday Garden International Ltd.:

Evaluation of investment impairment accounted for using the equity method :

## **Assessment of investment impairment using the equity method**

### Description

For the accounting policy of the investment using the equity method, please refer to Note 4 (13) of the individual financial statements; for the uncertainty of accounting estimates and assumptions for the assessment of investment impairment using the equity method, please refer to Note 5 (2) of the individual financial statements; Please refer to Note 6 (5) of the individual financial statements for the description of the accounting items of the investment under the merger metho

As of December 31, 2023, the property, plant and equipment and intangible assets of the U.S. subsidiary Holiday Garden Hotel Co., Ltd. totaled NT\$4,220,218,000, accounting for 51% of the total consolidated assets. Due to the proliferation of various types of hotels in recent years, the intense competition in the hotel industry and the impact of the novel coronavirus pneumonia epidemic, management has identified signs of impairment of property, plant and equipment and intangible assets of some subsidiaries, so each subsidiary uses estimated future cash flows discounted at an appropriate discount rate to measure the recoverable amount of these assets as a basis for assessing whether to depreciate them. Because the above estimates of future cash flows involve many assumptions that could have a significant impact on the measurement of recoverable amounts, the accountants have included the assessment of impairment of investments using the equity method (impairment assessment of property, plant and equipment and intangible assets of U.S. subsidiaries) ) as a significant item in the current year's review.

### Corresponding audit program

The principal response procedures performed by the accountant for the aforementioned key audit matters are as follows:

1. Understand and evaluate management's process for estimating future cash flows of subsidiaries, including reviewing operating plans for the coming year consistent with the Board's approval
2. Evaluate the reasonableness of key assumptions used by management to estimate future cash flows
3. Evaluate the reasonableness of the parameters and discount rates used to calculate the recoverable amount

## **Responsibilities of management and those charged with governance for the parent company**

## **only financial statements**

The responsibilities of management are to prepare appropriately stated parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Management is also responsible for maintaining necessary internal control relevant to the preparation of the parent company only financial statements to ensure that the parent company only financial statements are free from material misstatement by fraud or error ◦

Management when preparing parent company only financial statements is also responsible for evaluating Holiday Garden International Ltd.'s ability to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting unless management intends to liquidate Holiday Garden International Ltd., to cease the operations, or to liquidate or to have no feasible alternatives but to do so ◦

## **Account's responsibilities for the audit of parent company only financial statements**

The objectives of accounts for auditing parent company only financial statements are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from any material misstatement due to fraud or error and to issue an accountant's report accordingly. Reasonable assurance refers to a high level of assurance, but there is no guarantee that accountants performing in accordance with the generally accepted auditing standards of the Republic of China can detect any material misstatement from the parent company only financial statements. Misstatements may arise from fraud or errors. A misstated dollar amount, individually or in the aggregate, that could be reasonably predicted to influence the economic decision of the user of the parent company only financial statements can be viewed as material.

In accordance with the generally accepted auditing standards of the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also performed the following tasks :

1. We identified and assessed the risks of material misstatement of the parent company only financial statements, whether due to fraud or errors, designed and performed audit procedures according to those risks, and obtained audit evidence that can sufficiently and appropriately form the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error because fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

2. We obtained an understanding of internal control relevant to the audit in order to design audit procedures suitable for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Holiday Garden International Ltd.'s internal control.
3. We evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. We concluded on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Holiday Garden International Ltd.'s ability to continue as a going concern based on the audit evidence we have obtained. If we conclude that a material uncertainty exists, we will need to draw attention in our accountant's report to the related disclosures in the parent company only financial statements or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of this accountant's report. However, future events or conditions may cause Holiday Garden International Ltd. to cease to continue as a going concern.
5. We evaluated the overall presentation, structure and contents of the parent company only financial statements, including the attached notes, and whether the parent company on financial statements represent the underlying transactions and events in a fair manner.
6. We obtained sufficient and appropriate audit evidence regarding the financial information of entities within Holiday Garden International Ltd. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit of the parent company and are responsible for our audit opinion.

We have communicated with those charged with governance regarding the planned scope and the timing of the audit as well as material audit findings (including significant internal control shortcomings identified in the audit).

We have also provided those charged with governance the statement that the personnel of our accounting firm subject to the requirements of independence have complied with the requirements of independence of the code of professional ethics of certified public accountants of the Republic of China and communicate with those charged with governance relationships and other matters that may influence our independence (including related preventive measures).

We determined the key audit matters of the parent company only financial statements of 2023 of Holiday Garden International Ltd. according to matters communicated with those charged with governance. We described these matters in the accountant's report, unless the laws and regulations prohibit such disclosure or under rare condition that we decide not to communicate a given matter because the negative impact from such communication may override its public benefits under reasonable assumption.

PwC Taiwan

Liao A Shen

Accountants

Wang Guo Hua

Financial Supervisory Commission R.O.C.(Taiwan)  
Approval certificate No.: Chin Kuan Cheng Shen Tzu No.  
1010015969  
Former Ministry of Finance Securities and Futures  
Commission  
Approval certificate No.: (87)Taiwan Financial Certificate  
(6) No.68790  
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Holiday Garden International Ltd.  
parent company only Balance Sheet  
December 31 of 2024 and 2023

Unit: NT\$1,000

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current asset</b>						
1100	Cash and cash equivalents	6(1)	\$ 732,789	19	\$ 823,291	21
1110	Current financial assets measured at fair value through profit or loss	6(2)	95,766	3	31,140	1
1136	Current financial assets measured at amortized cost	6(1)&8	1,031,125	26	976,967	24
1170	Net accounts receivable	6(3)	891	-	1,257	-
1200	Other receivables		13,905	-	7,957	-
1220	Current tax assets		7,945	-	2,132	-
130X	Inventories	6(4)	1,074	-	487	-
1410	Advance payments		622	-	584	-
1479	Other current assets, others		219	-	345	-
11XX	<b>Total current asset</b>		<u>1,884,336</u>	<u>48</u>	<u>1,844,160</u>	<u>46</u>
<b>Non-current assets</b>						
1550	Investments accounted for using equity method	6(5)	2,023,166	52	2,108,096	53
1600	Property, plant and equipment	6(6)	6,409	-	8,234	1
1755	Right if use asset	6(7)	4,668	-	7,538	-
1840	Deferred tax assets	6(21)	117	-	159	-
1920	Guarantee deposits paid		1,171	-	1,241	-
15XX	<b>Total non-current assets</b>		<u>2,035,531</u>	<u>52</u>	<u>2,125,268</u>	<u>54</u>
1XXX	<b>Total assets</b>		<u>\$ 3,919,867</u>	<u>100</u>	<u>\$ 3,969,428</u>	<u>100</u>

(Next page)

Holiday Garden International Ltd.  
parent company only Balance Sheet  
December 31 of 2024 and 2023

Unit: NT\$1,000

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(8)&8	\$ 400,000	10	\$ 484,000	12
2110	Short-term notes and bills payable	6(9)	95,000	3	-	-
2130	Contractual liabilities - current	6(14)	1,174	-	654	-
2170	Accounts payable		1,798	-	1,926	-
2200	Other accounts payable		9,239	-	9,104	-
2230	Current income tax liabilities		14,105	1	50,641	2
2280	Current lease liabilities		2,315	-	2,875	-
2399	Other current liabilities: others		328	-	295	-
21XX	<b>Total current liabilities</b>		<u>523,959</u>	<u>14</u>	<u>549,495</u>	<u>14</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(21)	206,030	5	224,735	6
2580	Lease obligations-non-current		2,451	-	4,766	-
2645	Deposits received		-	-	17	-
25XX	<b>Total non-current liabilities</b>		<u>208,481</u>	<u>5</u>	<u>229,518</u>	<u>6</u>
2XXX	<b>Total liabilities</b>		<u>732,440</u>	<u>19</u>	<u>779,013</u>	<u>20</u>
<b>Equity</b>						
Capital stock		6(11)(13)				
3110	Ordinary share		1,566,133	40	1,491,555	37
Capital surplus		6(12)				
3200	Capital surplus		2,169	-	2,169	-
Retained earnings		6(13)				
3310	Legal reserve		294,226	7	254,025	6
3320	Special reserve		5,330	-	30,035	1
3350	Undistributed earnings		1,323,805	34	1,417,961	36
Other equity						
3400	Other equity		( 4,236)	-	( 5,330)	-
3XXX	<b>Total equity</b>		<u>3,187,427</u>	<u>81</u>	<u>3,190,415</u>	<u>80</u>
3X2X	<b>Total liabilities and equity</b>		<u>\$ 3,919,867</u>	<u>100</u>	<u>\$ 3,969,428</u>	<u>100</u>

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report.

Chairperson of the Board : Chen Hai-ni

Manager : Chen Hai-ni

Accounting Director : Yu Su-Ling

Holiday Garden International Ltd.  
parent company only Statements of Comprehensive Income  
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000  
(Except earnings (loss) per share, which is in NT\$1.00)

Item	Notes	2023		2022		
		Amount	%	Amount	%	
4000	Operating revenue	6(14)	\$ 20,919	100	\$ 21,990	100
5000	Operating costs	6(4)(19)(20)	( 15,923)	( 76)	( 14,304)	( 65)
5900	Operating gross profit		4,996	24	7,686	35
	Operating expenses	6(19)(20)				
6200	Management expense		( 42,728)	( 204)	( 46,214)	( 210)
6450	Expected impairment loss	12(2)	-	-	17	-
6000	Total operating revenue		( 42,728)	( 204)	( 46,197)	( 210)
6900	Operating loss		( 37,732)	( 180)	( 38,511)	( 175)
	Non-operating income and expenses					
7100	Interest revenue	6(15)	87,138	417	28,279	129
7010	Other income	6(16)&7	63,446	303	15,128	69
7020	Other gains and losses	6(2)(17)	3,245	15	171,596	780
7050	Financial cost	6(18)	( 8,883)	( 42)	( 6,436)	( 29)
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method	6(5)	( 86,298)	( 413)	402,916	1832
7000	Total non-operating income and expenses		58,648	280	611,483	2781
7900	<b>Net profit before tax</b>		20,916	100	572,972	2606
7950	Income tax expense	6(21)	4,833	23	( 170,970)	( 778)
8200	<b>Net profit (loss) for this year</b>		\$ 25,749	123	\$ 402,002	1828
	<b>Other comprehensive income</b>					
	<b>Components may be subsequently reclassified to profit/loss</b>					
8361	Exchange differences on translation of foreign financial statements	6(5)	\$ 1,368	6	\$ 175,876	800
8399	Income tax of components that may be reclassified	6(21)	( 274)	( 1)	( 35,175)	( 160)
8300	<b>Net amount other comprehensive income (loss) after tax</b>		\$ 1,094	5	\$ 140,701	640
8500	<b>Total comprehensive income (loss)</b>		\$ 26,843	128	\$ 542,703	2468
	Earnings per Share	6(22)				
9750	Basic earnings per share		\$ 0.16		\$ 2.57	
9850	Diluted earnings per share		\$ 0.16		\$ 2.57	

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report.

Chairperson of the Board : Chen Hai-ni

Manager : Chen Hai-ni

Accounting Director : Yu Su-Ling

Holiday Garden International Ltd.  
parent company only Statements of Changes in Equity  
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

N o t e s	<u>R e t a i n e d e a r n i n g s</u>					Exchange differences on translation of foreign financial statements	<u>T o t a l</u>
	<u>Ordinary share</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriate d r e t a i n e d e a r n i n g s</u>		
2	0	2	2				
Balance on January 1, 2022	\$ 1,104,856	\$ 2,169	\$ 82,561	\$ -	\$ 1,714,643	(\$ 146,031)	\$ 2,758,198
Current net profit	-	-	-	-	402,002	-	402,002
Other comprehensive income	-	-	-	-	-	140,701	140,701
Total comprehensive income	-	-	-	-	402,002	140,701	542,703
Allocation and Distribution of Earnings for the Fiscal Year 2021 :							
Legal reserve	-	-	171,464	-	( 171,464 )	-	-
Special reserve	-	-	-	30,035	( 30,035 )	-	-
Stock dividend	6(13) 386,699	-	-	-	( 386,699 )	-	-
Cash dividends	6(13) -	-	-	-	( 110,486 )	-	( 110,486 )
Balance on December 31, 2022	\$ 1,491,555	\$ 2,169	\$ 254,025	\$ 30,035	\$ 1,417,961	(\$ 5,330)	\$ 3,190,415
2	0	2	3				
Balance on January 1, 2023	\$ 1,491,555	\$ 2,169	\$ 254,025	\$ 30,035	\$ 1,417,961	(\$ 5,330)	\$ 3,190,415
Current net profit	-	-	-	-	25,749	-	25,749
Other comprehensive income	-	-	-	-	-	1,094	1,094
Total comprehensive income	-	-	-	-	25,749	1,094	26,843
Allocation and Distribution of Earnings for the Fiscal Year 2022 :							
Legal reserve	-	-	40,201	-	( 40,201 )	-	-
Special reserve	-	-	-	( 24,705 )	24,705	-	-
Stock dividend	6(13) 74,578	-	-	-	( 74,578 )	-	-
Cash dividends	6(13) -	-	-	-	( 29,831 )	-	( 29,831 )
Balance on December 31, 2023	\$ 1,566,133	\$ 2,169	\$ 294,226	\$ 5,330	\$ 1,323,805	(\$ 4,236)	\$ 3,187,427

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report.

Chairperson of the Board : Chen Hai-ni

Manager : Chen Hai-ni

Accounting Director : Yu Su-Ling

Holiday Garden International Ltd.  
parent company only Statements of Cash Flows  
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

	Notes	2	0	2	3	2	0	2	2
<u>Cash flows from operating activities</u>									
Net profit(loss) before tax		\$			20,916	\$			572,972
Adjust item									
Profit and loss items									
Net gain on financial assets at fair value through profit	6(2)(17)				( 9,212 )				( 1,871 )
Expected credit impairment benefit	12(2)				-				( 17 )
Depreciation expense	6(6)(7)(19)				5,218				5,388
Lease modification benefits	6(6)				( 1 )				-
Interest expenses	6(18)				8,883				6,436
Interest income	6(15)				( 87,138 )				( 28,279 )
Share of profit of subsidiaries, associates, joint ventures accounted for using equity method	6(5)								
					86,298				( 402,916 )
Changes in assets/liabilities related to operating activities									
Net changes in assets related to operating activities									
Financial assets at fair value through profit or loss - current					( 55,414 )				( 29,269 )
Notes Receivable					-				323
Accounts Receivable					366				136
Other receivables					( 2 )				( 533 )
Inventory					( 587 )				( 52 )
Prepayments					( 38 )				627
Other Mobile Assets – Other					126				57
Net change in liabilities related to operating activities									
Contract liabilities – current					520				( 28 )
Accounts Payable					( 128 )				980
Other payables					178				( 10,642 )
Other mobile liabilities – Other					33				162
Cash (outflow) inflow from operations					( 29,982 )				113,474
Interest Received					81,192				20,947
Interest paid					( 8,836 )				( 6,465 )
Income tax paid					( 56,453 )				( 581 )
Net cash (outflow) inflow from operating activities					( 14,079 )				127,375
<u>Cash flows from investing activities</u>									
Financial assets measured at amortized cost - current increased					( 54,158 )				( 10,267 )
Acquisition of property, plant and equipment	6(23)				( 755 )				( 3,887 )
(Decrease) Increase in deposits for guarantees					70				( 85 )
Net cash outflow from investing activities					( 54,843 )				( 14,239 )
<u>Cash flows from financing activities</u>									
Increase in short-term borrowings	6(24)				394,000				384,000
Decrease in short-term borrowings	6(24)				( 478,000 )				( 784,000 )
Increase in short-term notes payable	6(24)				155,000				-
Decrease in short-term notes payable	6(24)				( 60,000 )				( 30,000 )
Lease principal repayment	6(24)				( 2,732 )				( 2,984 )
Repayment of long-term loans	6(24)				-				( 13,948 )
Decrease in deposit margin					( 17 )				( 164 )
Payment of cash dividends	6(13)				( 29,831 )				( 110,486 )
Net cash outflow from financing					( 21,580 )				( 557,582 )

activities			
Net decrease in cash and cash equivalents for the period		( 90,502 )	( 444,446 )
Beginning balance of cash and cash equivalents	6(1)	<u>823,291</u>	<u>1,267,737</u>
Ending balance of cash and cash equivalents	6(1)	<u>\$ 732,789</u>	<u>\$ 823,291</u>

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report.

Chairperson of the Board : Chen Hai-ni

Manager : Chen Hai-ni

Accounting Director : Yu Su-Ling

## Independent Accountants' Report

(2024) Tsai Shen Pao Tzu

No. 23004212

Holiday Garden Co., Ltd.

**Audit Opinion**

The consolidated balance sheets of Holiday Garden Co., Ltd. and its subsidiaries (hereinafter referred to as the "Holiday Garden Group") as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2024 and 2023, as well as the accompanying notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited by our auditors.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of the Holiday Garden Group as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the years ended December 31, 2024 and 2023, in conformity with the Financial Reporting Standards for Issuers of Securities and Credit Rating Agencies and the International Financial Reporting Standards, interpretations and interpretations issued by the Financial Supervisory Commission and adopted and published.

**Basis for opinion**

The auditor performed the audit work in accordance with the Auditor's Attestation Rules for Auditing Certified Financial Statements and the Chinese Auditing Standards. The auditor's responsibilities under these standards will be further explained in the auditor's report on the audit of the consolidated financial statements. The personnel of the auditor's firm subject to independence regulations have adhered to the Code of Professional Ethics for Certified Public Accountants in China, maintained independence from the Holiday Garden Group, and fulfilled other responsibilities under those regulations. The auditor believes that sufficient and appropriate audit evidence has been obtained to provide a basis for expressing the audit opinion.

**Key audit matters**

The key audit matters refer to those matters that, in the auditor's professional judgment, are of most significance in the audit of the consolidated financial statements of the Holiday Garden Group for the year ended 2024. These matters have been addressed in the audit of the consolidated financial statements as a whole and have contributed to the formation of the audit opinion. The auditor does not express a separate opinion on these matters individually.

The key audit matters for the consolidated financial statements of the Holiday Garden Group for the year ended 2024 are as follows:

**Property, plant and equipment and intangible asset impairment assessment**Description

For the accounting policy for impairment of intangible assets, please refer to Note 4(17) to

the consolidated financial statements. For the accounting estimates and assumptions regarding the uncertainty of impairment assessment of intangible investments, please refer to Note 5(2) to the consolidated financial statements. For intangible assets, please refer to Note 6(8) to the consolidated financial statements.

As of December 31, 2024, the total amount of property, plant, and equipment, as well as intangible assets, of the U.S. subsidiary of the Holiday Garden Group amounted to NT\$4,220,218 thousand, accounting for 51% of the total consolidated assets. Due to the proliferation of various types of accommodation hotels in recent years and intense competition in the hotel industry, the management identified indications at some subsidiaries that impairment may have occurred in property, plant, and equipment, as well as intangible assets. Therefore, each subsidiary adopted estimated future cash flows and appropriate discount rates to discount them to measure the recoverable amount of these assets as a basis for assessing impairment. As the estimation of future cash flows involves multiple assumptions, which may significantly affect the measurement of recoverable amounts, the auditor considers the assessment of impairment of property, plant, and equipment, as well as intangible assets, to be a key audit matter for the current year.

#### Corresponding audit program

We have implemented the following audit program corresponding to the aforementioned audit matter.

1. We have learned to understand and evaluate management's operating procedure for estimating the subsidiaries' future cash flows and verified that their cash flows for the next year that is consistent with the approval by the Board of Directors.
2. Assess the reasonableness of key assumptions used by management to estimate future cash flows.
3. Evaluate the rationality of various parameters and discount rates used in calculating the recoverable amount.

#### **Other matters: Parent company only financial report**

The Group has prepared the 2024 and 2023 parent company only financial statements, and we have issued an audit report with unmodified opinion. That report is available for reference.

#### **Responsibilities of management and those charged with governance for the consolidated financial statements**

The responsibilities of management is to prepare appropriately stated consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Standards (IFRSs), the international Accounting Standards (IASs), and the related interpretations and interpretative bulletins endorsed by the Financial Supervisory Commission of the Republic of China. Management is also responsible for maintaining necessary internal control relevant to the preparation of the consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement by fraud or error.

Management when preparing consolidated financial statements is also responsible for evaluating the Group's ability to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting unless management intends to liquidate the Group, to cease the operations, or to liquidate or to have no feasible alternatives but to do so.

Those charged with governance (including the supervisors) of Group are responsible for supervising the Group's financial reporting procedure.

### **Account's responsibilities for the audit of consolidated financial statements**

The objectives of the accountants for auditing the consolidated financial statements are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from any material misstatement due to fraud or errors and to issue an accountant's report accordingly. Reasonable assurance refers to a high level of assurance, but there is no guarantee that an audit performed in accordance with the generally accepted auditing standards of the Republic of China can detect any material misstatement from the consolidated financial statements. Misstatements may arise from fraud or errors. A misstated dollar amount, individually or in the aggregate, that could be reasonably predicted to influence the economic decision of the user of the consolidated financial statements can be viewed as material.

In accordance with the generally accepted auditing standards of the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also performed the following tasks:

1. We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or errors, designed and performed audit procedures according to those risks, and obtained audit evidence that can sufficiently and appropriately form the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. We obtained an understanding of internal control relevant to the audit in order to design audit procedures suitable for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. We evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. We concluded on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern based on the audit evidence we have obtained. If we conclude that a material uncertainty exists, we will need to draw attention in our accountant's report to the related disclosures in the consolidated financial statements or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of this accountant's report. However, future events or conditions may cause

the Group to cease to continue as a going concern.

5. We evaluated the overall presentation, structure and content of the consolidated financial statements, including the attached notes, and whether the consolidated financial statements represent the underlying transactions and events in a fair manner.
6. We obtained sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of group audits and are responsible for our audit opinion.

We have communicated with those charged with governance regarding the planned scope and the timing of the audit as well as material audit findings (including significant internal control shortcomings identified in the audit).

We have also provided those charged with governance the statement that the personnel of our accounting firm subject to the requirements of independence have complied with the requirements of independence of the code of professional ethics of certified public accountants of the Republic of China and communicate with those charged with governance relationships and other matters that may influence our independence (including related preventive measures).

We determined the key audit matters of the consolidated financial statements of 2021 of Group according to matters communicated with those charged with governance. We described these matters in the accountant's report, unless the laws and regulations prohibit such disclosure or under rare condition that we decide not to communicate a given matter because the negative impact from such communication may override its public benefits under reasonable assumption.

PwC Taiwan

Liao A Shen

Accountants

Wang Guo Hua

Financial Supervisory Commission R.O.C.(Taiwan)  
Approval certificate No.: Chin Kuan Cheng Shen Tzu No.  
1010015969  
Former Ministry of Finance Securities and Futures  
Commission  
Approval certificate No.: (87)Taiwan Financial Certificate  
(6) No.68790  
March 13, 2024

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31 of 2024 and 2023

Unit: NT\$1,000

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 2,416,615	29	\$ 2,668,664	31
1110	Current financial assets measured at fair value through profit or loss	6(2)	95,766	1	31,140	1
1136	Current financial assets measured at amortized cost	6(1)&8	1,031,125	13	976,967	11
1170	Net accounts receivable	6(3)	43,298	1	29,637	-
1200	Other accounts receivable		15,225	-	8,989	-
1220	Current tax assets		7,948	-	2,145	-
130X	Inventories	6(4)	1,231	-	709	-
1410	Advance payments		27,915	-	16,608	-
1479	Other current assets - others		198	-	357	-
11XX	<b>Total current assets</b>		<u>3,639,321</u>	<u>44</u>	<u>3,735,216</u>	<u>43</u>
<b>Non-current assets</b>						
1535	Financial assets at amortized cost - non-current	6(1),8&9	134,791	2	49,169	1
1600	Property, plants, and equipment	6(5)(8)(9)&8	3,568,247	43	3,806,038	44
1755	Right if use asset	6(6)	94,148	1	103,530	1
1780	Intangible assets	6(7)	687,995	8	737,051	9
1840	Deferred tax assets	6(24)	169,005	2	203,582	2
1915	Prepayments for equipment		558	-	-	-
1920	Guarantee deposits paid		9,588	-	14,141	-
1990	Other non-current assets - others		207	-	207	-
15XX	<b>Total non-current assets</b>		<u>4,664,539</u>	<u>56</u>	<u>4,913,718</u>	<u>57</u>
1XXX	<b>Total assets</b>		<u>\$ 8,303,860</u>	<u>100</u>	<u>\$ 8,648,934</u>	<u>100</u>

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Holiday Garden International Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31 of 2024 and 2023

Unit: NT\$1,000

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	<b>Current liabilities</b>					
2100	Short-term borrowings	6(9)&8	\$ 400,000	5	\$ 484,000	6
2110	Short-term notes and bills payable	6(10)&8	95,000	1	-	-
2130	Contractual liabilities - current	6(17)	4,745	-	5,866	-
2170	Accounts payable		2,801	-	2,709	-
2200	Other accounts payable	6(11)	133,299	2	132,680	1
2230	Current income tax liabilities		14,268	-	135,001	1
2280	Current lease liabilities		8,115	-	8,578	-
2320	Long-term liabilities - current portion	6(12)&8	122,430	2	742,587	9
2399	Other current liabilities: others		397	-	547	-
21XX	<b>Total current liabilities</b>		<u>781,055</u>	<u>10</u>	<u>1,511,968</u>	<u>17</u>
	<b>Non-current liabilities</b>					
2540	Long-term borrowings	6(12)&8	4,016,071	48	3,579,764	42
2570	Deferred income tax liabilities	6(24)	222,448	3	261,796	3
2580	Lease obligations-non-current		96,859	1	104,974	1
2645	Deposits received		-	-	17	-
25XX	<b>Total non-current liabilities</b>		<u>4,335,378</u>	<u>52</u>	<u>3,946,551</u>	<u>46</u>
2XXX	<b>Total liabilities</b>		<u>5,116,433</u>	<u>62</u>	<u>5,458,519</u>	<u>63</u>
	<b>Equity</b>					
	<b>Consolidated net income attributable to owners of the parent company</b>					
	Capital stock	6(14)(16)				
3110	Common share capital		1,566,133	19	1,491,555	17
	Capital surplus	6(15)				
3200	Capital surplus		2,169	-	2,169	-
	Retained earnings	6(16)				
3310	Legal reserve		294,226	3	254,025	3
3320	Special reserve		5,330	-	30,035	-
3350	Undistributed earnings		1,323,805	16	1,417,961	17
	<b>Other equity</b>					
3400	Other equity		(4,236)	-	(5,330)	-
31XX	<b>Total equity attributable to the owners of the parent company</b>		<u>3,187,427</u>	<u>38</u>	<u>3,190,415</u>	<u>37</u>
3XXX	<b>Total equity</b>		<u>3,187,427</u>	<u>38</u>	<u>3,190,415</u>	<u>37</u>
	Significant contingent liabilities and unrecognized contractual commitments	9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 8,303,860</u>	<u>100</u>	<u>\$ 8,648,934</u>	<u>100</u>

Please refer to notes of consolidated financial statements provided at the end, which is part of this consolidated financial report

Chairperson of the Board : Chen Hai-ni

Manager : Chen Hai-ni

Accounting Director : Yu Su-Ling

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000  
(Except earnings (loss) per share, which is in NT\$1.00)

Item	Notes	2023		2022		
		Amount	%	Amount	%	
4000	Operating revenue	6(17)	\$ 1,433,125	100	\$ 1,364,208	100
5000	Operating cost	6(4)(22)(23)	( 267,371)	( 19)	( 265,543)	( 19)
5900	Operating gross profit		<u>1,165,754</u>	<u>81</u>	<u>1,098,665</u>	<u>81</u>
	Operating expenses	6(7)(22)(23)				
6200	Management expense		( 1,093,388)	( 76)	( 1,046,363)	( 77)
6450	Expected impairment loss	12(2)	( 342)	-	( 1,059)	-
6000	Total operating expenses		( 1,093,730)	( 76)	( 1,047,422)	( 77)
6900	Operating profit		<u>72,024</u>	<u>5</u>	<u>51,243</u>	<u>4</u>
	Non-operating income and expenses					
7100	Interest Income	6(18)	118,622	8	31,868	3
7010	Other income	6(19)	66,274	5	70,556	5
7020	Other gains and losses	6(2)(20)	3,245	-	775,887	57
7050	Financial cost	6(21)	( 335,929)	( 23)	( 202,711)	( 15)
7000	Total non-operating income and expenses		( 147,788)	( 10)	675,600	50
7900	<b>Net profit before tax</b>		( 75,764)	( 5)	726,843	54
7950	Income tax expense	6(24)	101,513	7	( 324,841)	( 24)
8200	<b>Net profit (loss) for this year</b>		<u>\$ 25,749</u>	<u>2</u>	<u>\$ 402,002</u>	<u>30</u>
	<b>Other comprehensive income</b>					
	<b>Components may be subsequently reclassified to profit/loss</b>					
8361	Exchange differences on translation of foreign financial statements		\$ 1,368	-	\$ 175,876	13
8399	Income tax of components that may be reclassified	6(24)	( 274)	-	( 35,175)	( 3)
8300	<b>Net amount other comprehensive income (loss) after tax</b>		<u>\$ 1,094</u>	<u>-</u>	<u>\$ 140,701</u>	<u>10</u>
8500	<b>Total comprehensive income (loss)</b>		<u>\$ 26,843</u>	<u>2</u>	<u>\$ 542,703</u>	<u>40</u>
	Net income attributable to					
8610	Owners of the parent company		<u>\$ 25,749</u>	<u>2</u>	<u>\$ 402,002</u>	<u>30</u>
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent company		<u>\$ 26,843</u>	<u>2</u>	<u>\$ 542,703</u>	<u>40</u>
	Earnings per share	6(25)				
9750	Basic earnings per share		<u>\$ 0.16</u>		<u>\$ 2.57</u>	
9850	Diluted earnings per share		<u>\$ 0.16</u>		<u>\$ 2.57</u>	

Please refer to notes of consolidated financial statements provided at the end, which is part of this consolidated financial report

Chairperson of the Board : Chen Hai-ni

Manager : Chen Hai-ni

Accounting Director : Yu Su-Ling

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

		<u>Total equity attributable to the owners of the parent company</u>						
		<u>R e t a i n e d e a r n i n g s</u>						
						Unappropriate d e t a i n e d e a r n i n g s	Exchange differences on translation of foreign financial statements	T o t a l
N o t e s		Ordinary share	Capital surplus	Legal reserve	Special reserve			
	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>				
Balance on January 1, 2022		\$ 1,104,856	\$ 2,169	\$ 82,561	\$ -	\$ 1,714,643	(\$ 146,031)	\$ 2,758,198
Current net profit		-	-	-	-	402,002	-	402,002
Other comprehensive income		-	-	-	-	-	140,701	140,701
Total comprehensive income		-	-	-	-	402,002	140,701	542,703
Allocation and Distribution of Earnings for the Fiscal Year 2021 :								
Legal reserve		-	-	171,464	-	( 171,464 )	-	-
Special reserve		-	-	-	30,035	( 30,035 )	-	-
Stock dividend	6(16)	386,699	-	-	-	( 386,699 )	-	-
Cash dividends	6(16)	-	-	-	-	( 110,486 )	-	( 110,486 )
Balance on December 31, 2022		<u>\$ 1,491,555</u>	<u>\$ 2,169</u>	<u>\$ 254,025</u>	<u>\$ 30,035</u>	<u>\$ 1,417,961</u>	<u>(\$ 5,330)</u>	<u>\$ 3,190,415</u>
	<u>2</u>	<u>0</u>	<u>2</u>	<u>3</u>				
Balance on January 1, 2023		<u>\$ 1,491,555</u>	<u>\$ 2,169</u>	<u>\$ 254,025</u>	<u>\$ 30,035</u>	<u>\$ 1,417,961</u>	<u>(\$ 5,330)</u>	<u>\$ 3,190,415</u>
Current net profit		-	-	-	-	25,749	-	25,749
Other comprehensive income		-	-	-	-	-	1,094	1,094
Total comprehensive income		-	-	-	-	25,749	1,094	26,843
Allocation and Distribution of Earnings for the Fiscal Year 2022 :								
Legal reserve		-	-	40,201	-	( 40,201 )	-	-
Special reserve		-	-	-	( 24,705 )	24,705	-	-
Stock dividend	6(16)	74,578	-	-	-	( 74,578 )	-	-
Cash dividends	6(16)	-	-	-	-	( 29,831 )	-	( 29,831 )
Balance on December 31, 2023		<u>\$ 1,566,133</u>	<u>\$ 2,169</u>	<u>\$ 294,226</u>	<u>\$ 5,330</u>	<u>\$ 1,323,805</u>	<u>(\$ 4,236)</u>	<u>\$ 3,187,427</u>

Please refer to notes of consolidated financial statements provided at the end, which is part of this consolidated financial report

Chairperson of the Board : Chen Hai-ni

Manager : Chen Hai-ni

Accounting Director : Yu Su-Ling

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

	Notes	2	0	2	3	2	0	2	2
<u>Cash flows from operating activities</u>									
Net profit(loss) before tax		(\$		75,764		\$		726,843	
Adjust item									
Profit and loss items									
Net gain on financial assets at fair value	6(2)(20)								
through profit or loss		(		9,212		(		1,871	
Expected credit impairment loss (benefit)	12(2)			342				1,059	
Depreciation expense	6(5)(6)(22)			253,643				254,359	
Amortized expense	6(7)(2)			49,759				60,981	
Lease modification benefits	6(6)(20)	(		1				-	
Interest expenses	6(21)			335,929				202,711	
Interest income	6(18)	(		118,622		(		31,868	
Government Subsidy Revenue	6(12)(19)	(		62,300		(		56,233	
Disposal of property, plant and equipment	6(20)								
interests					-	(		604,291	
Property, plant and equipment transferred to									
expense					-			48	
Changes in assets/liabilities related to operating									
activities									
Net changes in assets related to operating									
activities									
Financial assets at fair value through profit									
or loss - current		(		55,414		(		29,269	
Notes Receivable				-				323	
Accounts Receivable		(		14,192				3,236	
Other receivables		(		559		(		1,279	
Inventory		(		522		(		71	
Prepayments		(		11,465		(		5,506	
Other Mobile Assets – Other				159				73	
Net change in liabilities related to operating									
activities									
Contract liabilities – current		(		1,141				1,977	
Accounts Payable				92				895	
Other payables		(		94				23,600	
Other mobile liabilities – Other		(		150		(		20	
Cash inflows from operations				290,488				545,697	
Interest Received				112,677				24,536	

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

	Notes	2	0	2	3	2	0	2	2
Interest paid		(		333,601	)	(		190,979	)
Refund of income tax				83,711				70,627	
Income tax paid		(		114,783	)	(		847	)
Net cash inflow from operating activities				38,492				449,034	

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Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

	Notes	2	0	2	3	2	0	2	2
<u>Cash flows from investing activities</u>									
Financial assets measured at amortized cost - current increased		(\$		54,158	)	(\$		10,267	)
Financial assets measured at amortized cost - non-current increase		(		86,849	)			44,115	
Acquisition of property, plant and equipment	6(26)	(		2,390	)	(		30,521	)
Disposal of property, plant and equipment				-				1,011,011	
Proceeds from disposal of intangible assets	6(7)			-				75,730	
Increase in prepayments for equipment		(		2,741	)			-	
Decrease (increase) in deposits for guarantees				4,618	(			3,038	)
Decrease in other non-current assets – other decrease				-				46	
Net cash outflow (inflow) from investing activities		(		141,520	)	(		1,087,076	)
<u>Cash flows from financing activities</u>									
Increase in short-term borrowings	6(27)			394,000				384,000	
Decrease in short-term borrowings	6(27)	(		478,000	)	(		784,000	)
Increase in short-term notes payable	6(27)			155,000	(			30,000	)
Decrease in short-term notes payable	6(27)	(		60,000	)			-	
Lease principal repayment	6(27)	(		8,435	)	(		8,236	)
Decrease in deposit margin		(		17	)	(		164	)
Repayment of long-term loans	6(27)	(		124,184	)	(		584,110	)
Payment of cash dividends	6(16)	(		29,831	)	(		110,486	)
Net cash outflow from financing activities		(		151,467	)	(		1,132,996	)
Effect of exchange rate changes				2,446				120,293	
Net decrease (increase) in cash and cash equivalents for the period		(		252,049	)			523,407	
Beginning balance of cash and cash equivalents	6(1)			2,668,664				2,145,257	
Ending balance of cash and cash equivalents	6(1)	\$		2,416,615	)	\$		2,668,664	

Please refer to notes of consolidated financial statements provided at the end, which is part of this consolidated financial report

Chairperson of the Board : Chen Hai-ni

Manager : Chen Hai-ni

Accounting Director : Yu Su-Ling

## Hotel Holiday Garden 2023 Profit Allocation Statement

Unit: NTD

Items	Amount	
	Subtotal	Subtotal
Beginning Unallocated Profit		\$ 1,298,056,589
Add: 2023 Net Profit After Tax	25,749,367	
Subtract: Allocation of 10% Legal Reserve	(2,574,937)	
Add: Reversal of Special Reserves	1,094,576	
	<u>                    </u>	<u>24,269,006</u>
Ending Unallocated Profit		<u>\$ 1,322,325,595</u>

Note:

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu Su-ling

# Hotel Holiday Garden

## Correction comparison table of Rules of Procedure for Board of Directors Meetings

2024.03.13

Article	Clause before amendment	Clause after amendment	Purpose of amendment
Article 8	<p>(Omitted above)</p> <p>If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.</p>	<p>(Omitted above)</p> <p>If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time <u>on the day</u>, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.</p>	<p>To avoid controversies caused by the extension of the board meeting time without a definite decision, it is hereby stipulated that if the number of attendees is insufficient, the chair may announce that the deadline for postponing the meeting is limited to that day.</p>
Article 11	<p>A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p>	<p>A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.</p> <p><u>During the board meeting, if the chair is unable to preside over the</u></p>	<p>In consideration of practical matters, during the progress of the board meeting, if the chair is unable to preside due to certain reasons, or fails to declare the meeting adjourned as per the regulations, to avoid impacting the operation of the board, an additional paragraph 4 is hereby included. It specifies that the appointment</p>

Article	Clause before amendment	Clause after amendment	Purpose of amendment
		<p><u>meeting for any reason, or fails to declare the meeting adjourned in accordance with the provisions of the second paragraph, the appointment of a proxy shall be in accordance with the provisions of Article 7, paragraph 3.</u></p>	<p>of a proxy shall follow the provisions of Article 7, paragraph 3, with the vice-chairperson acting as the proxy. If there is no vice-chairperson, or the vice-chairperson is on leave or unable to perform their duties, a managing director designated by the chair shall act as the proxy. If there are no managing directors, a director designated by the chair shall act as the proxy. If the chair does not designate a proxy, the managing directors or directors shall jointly elect one among themselves to act as the proxy.</p>

# Hotel Holiday Garden

## Correction comparison table of Rules of Procedure for Shareholder Meetings

2024.03.13

Article	Clause before amendment	Clause after amendment	Purpose of amendment
Article 3	<p>Unless otherwise provided by law or regulation, The Company 's shareholders meetings shall be convened by the board of directors.</p> <p>(the following is omitted)</p>	<p>Unless otherwise provided by law or regulation, The Company 's shareholders meetings shall be convened by the board of directors.</p> <p><u>When a company holds a shareholders' meeting via video conference, unless otherwise stipulated by the guidelines for stock affairs of publicly traded companies, it should be specified in the articles of incorporation and approved by a board resolution. Moreover, the video conference shareholders' meeting should be conducted based on a resolution agreed upon by more than two-thirds of the attending directors and a majority of those present.</u></p> <p>(the following is omitted)</p>	<p>As the company holds a video conference shareholders' meeting, shareholders are unable to participate in a physical meeting and can only join via video conference, which imposes more restrictions on their rights. To protect shareholder interests, an additional paragraph 2 is established, specifying that when a company convenes a video conference shareholders' meeting, unless otherwise provided for by the guidelines for stock affairs of publicly traded companies, it should be noted in the articles of</p>

Article	Clause before amendment	Clause after amendment	Purpose of amendment
			incorporation and approved by a board resolution. Moreover, the convening of a video conference shareholders' meeting by the company should be conducted based on a resolution agreed upon by more than two-thirds of the attending directors and a majority of those present (i.e., a special resolution).
Article 6-1	(Omitted above)  3.To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.	(Omitted above)  3.To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. <u>Except for the circumstances stipulated in Article 44-9, Paragraph 6 of the guidelines for stock affairs of publicly traded companies, it should at least provide shareholders with connection equipment and necessary assistance. Additionally, it should specify the period during which shareholders may apply to the company for such assistance, along with other relevant matters that require attention.</u>	1.Considering the convening of a virtual shareholders' meeting, where shareholders can only participate via video conference, appropriate alternative measures should be provided for those who have difficulty participating in this manner. To assist them, the latter part of paragraph 3 is amended to specify that companies

Article	Clause before amendment	Clause after amendment	Purpose of amendment
			<p>holding virtual shareholders' meetings must at least provide the necessary connection equipment, venues, and designated personnel to offer the required assistance to shareholders. It should also be stated in the notice of the shareholders' meeting, specifying the period during which shareholders can apply to the company and other related matters that should be noted.</p> <p>2. Additionally, considering situations as stipulated in Article 44-9, Paragraph 6 of the guidelines for stock affairs of publicly traded companies, where special circumstances arise due to natural disasters, emergencies, or other force majeure events, and the</p>

Article	Clause before amendment	Clause after amendment	Purpose of amendment
			<p>Ministry of Economic Affairs announces that companies can hold shareholders' meetings via video conference within a certain period without specifying in the articles of incorporation, necessary accompanying measures must be provided based on the situation at that time.</p> <p>Therefore, an exception is added to paragraph 3, clarifying that in the event of the situations described in Article 44-9, Paragraph 6, the latter part of paragraph 3 is not applicable.</p>
Article 22	<p>When convening a virtual-only shareholders meeting, The Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p>	<p>When convening a virtual-only shareholders meeting, The Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p> <p>Except in cases stipulated by Article 44-9, Paragraph 6 of the guidelines for stock affairs of publicly traded companies, there should be a provision to at least</p>	<p>The reason for the amendment is the same as for Article 6-1.</p>

Article	Clause before amendment	Clause after amendment	Purpose of amendment
		offer shareholders necessary connection equipment and assistance. Additionally, it should be specified the period during which shareholders can apply to the company for such assistance, along with other related matters that need attention.	

# Hotel Holiday Garden

## Rules of Procedure for Board of Directors Meetings

2024. 03. 13

### Article 1

To establish a strong governance system and sound supervisory capabilities for The Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

### Article 2

The Company shall adopt rules of procedure for meetings of its board of directors; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with these Regulations.

### Article 3

A board of directors shall meet at least quarterly.

The reasons for calling a board of directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.

### Article 4

The designated unit responsible for the board meetings of The Company shall be finance department .

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

### Article 5

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with The Company's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

#### Article 6

A board meeting shall be held at the premises and during the business hours of The Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

#### Article 7

Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.

#### Article 8

When a board meeting is held, the management and finance department shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by The Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time on the day, provided that no more than two such postponements may be made.

If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

#### Article 9

Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be

retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of The Company.

#### Article 10

Agenda items for regular board meetings of The Company shall include at least the following:

1. Matters to be reported:

- a. Minutes of the last meeting and action taken.
- b. Important financial and business matters.
- c. Internal audit activities.
- d. Other important matters to be reported.

2. Matters for discussion:

- a. Items for continued discussion from the last meeting.
- b. Items for discussion at this meeting.

3. Extraordinary motions.

#### Article 11

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.

During the board meeting, if the chair is unable to preside over the meeting for any reason, or fails to declare the meeting adjourned in accordance with the provisions of the second paragraph, the appointment of a proxy shall be in accordance with the provisions of Article 7, paragraph 3.

#### Article 12

A company shall submit the following items for discussion by the board of directors:

1. Corporate business plan.
2. Annual and semi-annual financial reports.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.

6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.

7. The appointment or discharge of a financial, accounting, or internal audit officer.

8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.

9. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

If a company has an independent director or directors, at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

### Article 13

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. show of hands or a vote by voting machine.
2. roll call vote.
3. vote by ballot.
4. vote by a method selected at The Company's discretion.

#### Article 14

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

#### Article 15

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of The Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

#### Article 16

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the

comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.

#### 9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

a. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.

b. If The Company with Audit Committee, a resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of The Company.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of The Company.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of The Company.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

#### Article 17

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or The Company's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific, and carried out in accordance with the principles below:

1. The Company's loans and endorsements to subsidiaries are subsequently reported to the Board of Directors for ratification.
2. The Company's loans to financial institutions are subsequently reported to the board of directors for ratification.

#### Article 18

If the board of directors has managing directors, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 10 shall apply mutatis mutandis to the procedure for meetings of the managing directors and the provisions of paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.

#### Article 19

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

# Hotel Holiday Garden

## Rules of Procedure for Shareholder Meetings

2023. 03. 14

### Article 1

To establish a strong governance system and sound supervisory capabilities for The Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

### Article 2

The rules of procedures for The Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

### Article 3

Unless otherwise provided by law or regulation, The Company 's shareholders meetings shall be convened by the board of directors.

Changes to how The Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, The Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, The Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at The Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to The Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, The Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

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

#### Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by The Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to The Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to The Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to The Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to The Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to The Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5

The venue for a shareholders meeting shall be the premises of The Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when The Company convenes a virtual-only shareholders meeting.

#### Article 6

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which

attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with The Company two days before the meeting date.

In the event of a virtual shareholders meeting, The Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

## Article 6-1

To convene a virtual shareholders meeting, The Company shall include the follow particulars in the shareholders meeting notice:

- 1.How shareholders attend the virtual meeting and exercise their rights.
- 2.Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - a.To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - b.Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - c.In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders

attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

c.Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

## Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

## Article 8

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an

uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, The Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by The Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by The Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, The Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

## Article 9

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, The Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to The Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total

number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

#### Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

## Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of The Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

## Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When The Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that The Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to The Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to The Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in The Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of The Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When The Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When The Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by The Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of The Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be

taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, The Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

#### Article 16

On the day of a shareholders meeting, The Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, The Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During The Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, The Company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by The Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

## Article 18

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

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

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

## Article 19

In the event of a virtual shareholders meeting, The Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

## Article 20

When The Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

## Article 21

In the event of a virtual shareholders meeting, Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When The Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, The Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, The Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

## Article 22

When convening a virtual-only shareholders meeting, The Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

## Article 23

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

# Hotel Holiday Garden

## Articles of Incorporation

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### Chapter 1 General Provisions

#### Article 1

The Company is organized in accordance with the provisions of the Company Act as a joint stock company and is named Hwa Yuan Hotel Co.

#### Article 2

The Company's operations are as follows:

ZZ99999 Except for the permitted business, you may conduct business that is not prohibited or restricted by law.

C104020 Baking and steaming food manufacturing.

C199990 Other food manufacturing, not elsewhere classified

F203010 Retailing of food and beverages

F218010 Retailing of information software

F399040 Non-storefront retailing

F401010 International trade

F501030 Beverage stores

F501060 Restaurants

F501990 Other food and beverage

G202010 Car park operations

H201010 General investment

H701010 Residential and building development, rental and sales

H701050 Investment and construction of public buildings

H703090 Real Estate Trading

H703100 Real Estate Leasing

I101090 Food Consulting

I199990 Other Consulting Services

I103060 Management Consulting

I301030 Electronic information supply service industry

IZ12010 Manpower Dispatching

J701040 Leisure and Entertainment Venues

J701070 Information and leisure industry

J702040 Restaurant business

J799990 Other leisure services

J901020 General hotel industry

JB01010 Convention and Exhibition Service

JE01010 Rental industry

Z9912012 General bathroom industry

JZ99990 Other service industry, not elsewhere classified

F203020 Tobacco and alcoholic beverages retail

F501050 Hotels and restaurants

### Article 3

The Company shall be located in Kaohsiung City, and the Board of Directors may resolve to establish branch offices outside of Kaohsiung in the future to meet business needs.

Article 4: Delete.

## Chapter 2 Shares

### Article 5

The total capital of the Company shall be set at NT\$2,500,000,000 divided into 250,000,000 shares of NT\$10 each, and the Board of Directors is authorized to issue the shares in installments.

### Article 6

The shares issued by the Company shall be issued without any entity, but shall be registered with the centralized custody business.

### Article 7

Changes in the register of shareholders shall not be made within 60 days prior to the date of the regular shareholders' meeting, within 30 days prior to the date of the provisional shareholders' meeting, or within five days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

### Article 8

The Company's share affairs shall be handled in accordance with the "Guidelines for Handling Share Affairs of Publicly Traded Companies" issued by the competent authorities.

### Article 9

The Company shall provide for the transfer of shares acquired by the Company, the issuance of employee stock options, the issuance of new shares to employees, and the issuance of new shares with restricted rights to employees to include employees of control or subordinate companies who meet certain criteria.

### Article 10

The Company's shareholders' meetings may be held by video conference or other means as announced by the central authority.

### Article 11

There shall be two types of shareholders' meetings: regular and extraordinary. Regular meetings shall be held at least once a year, within six months after the

end of each fiscal year. Extraordinary meetings shall be convened when necessary.

#### Article 12

The shareholders shall be notified of the date, place and reason for the meeting at least 30 days in advance of the regular meeting and 15 days in advance of the extraordinary meeting.

#### Article 13

If a shareholder is unable to attend a shareholders' meeting for any reason, he or she may appoint a proxy to attend the meeting by presenting a letter of proxy issued by the Company stating the scope of authority, and signing and stamping it. In addition to the provisions of Article 177 of the Company Act, the method of proxy attendance by shareholders shall be in accordance with the "Rules Governing the Use of Proxy Forms for Attending Shareholders' Meetings of Public Companies" promulgated by the competent authorities.

#### Article 14

The chairman of the board of directors shall be the chairman of the shareholders' meeting. If the Chairman of the Board of Directors is absent from work or is unable to exercise his or her duties for any reason, the Vice Chairman of the Board of Directors shall act on his or her behalf. If the Vice Chairman of the Board of Directors is also absent from work or is unable to exercise his or her duties for any reason, the Chairman of the Board of Directors shall designate a director to act on his or her behalf.

#### Article 15

Except as otherwise provided in the Company Law, the resolution of a shareholders' meeting shall be made by the affirmative vote of a majority of the shareholders present and representing a majority of the total number of outstanding shares.

#### Article 16

Each shareholder of the Company shall have one vote per share, except for those shares subject to restrictions and those shares that are not entitled to vote under the Company Law.

#### Article 17

The minutes of the shareholders' meeting shall be prepared and distributed to the shareholders. The minutes shall contain the date and place of the meeting, the number of shareholders present and the total number of shares represented, the name of the chairman, the manner of resolution, and the subject matter of the resolution, and shall be signed or sealed by the chairman and kept in the Company together with the signature book of the shareholders present and the proxy form. Such minutes may be distributed by way of public announcement.

## Chapter 3 Board of Directors

### Article 18

The Company shall have a board of directors consisting of five to nine directors, who shall be elected by the shareholders' meeting from among persons having the ability to act, and the directors shall be nominated by candidates for a term of three years and shall be eligible for re-election. The Company's directors and supervisors shall be subject to the provisions of the "Rules Governing the Composition of Shareholdings of Directors and Supervisors of Public Companies and the Implementation of the Rules" issued by the competent securities authorities.

The number of independent directors shall not be less than three among the above-mentioned number of directors of the Company and shall be elected by the shareholders' meeting from the list of independent director candidates. The professional qualifications, shareholdings, restrictions on part-time employment, the method of election and other matters to be observed by the independent directors shall be in accordance with the relevant regulations of the competent securities authorities.

The Company may purchase liability insurance for the directors within the scope of their liability under the law for the execution of their business.

In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee in lieu of the Supervisors' duties and responsibilities.

The Audit Committee shall consist of all independent directors. The Audit Committee's duties and responsibilities and other matters to be followed shall be in accordance with the provisions of the Company Law, the Securities and Exchange Act and other relevant laws and regulations, and the Company's Articles of Incorporation.

### Article 19

The Board of Directors shall elect one of its directors to be the Chairman and one of its directors to be the Vice Chairman, and the Chairman shall represent the Company externally.

### Article 20

If the chairman of the board of directors is absent from office or is unable to exercise his or her duties for any reason, his or her proxy shall be governed by the provisions of Article 208 of the Company Act.

### Article 21

The powers and functions of the Board of Directors shall be as follows.

- (1) Determination of business direction.
- (2) Approval of business plans.
- (3) Examination of the budget and financial statements.
- (4) Review of capital increase or decrease.

- (5) The proposed issuance or consolidation of corporate bonds.
- (6) Review of earnings distribution.
- (7) Resolution on foreign investment or cooperation.
- (8) Approval of important articles of incorporation and revocation.
- (9) Approval of important contract amendment or cancellation.
- (10) Approval of the establishment, reorganization or dissolution of branch offices.
- (11) Appointment or dismissal of key employees of the Company.
- (12) The convening of shareholders' meetings.

#### Article 22

The Company's Board of Directors shall meet at least once a quarter. The Board of Directors shall convene a meeting of the Board of Directors with the reasons stated and notify the Directors seven days in advance. However, in case of emergency, it may be convened at any time. The Board of Directors may be convened by written, electronic or facsimile notice to the Directors.

The meeting of the Board of Directors shall be convened by the Chairman of the Board. If a director is unable to attend a board meeting, he/she may appoint another director to act as his/her proxy, and he/she shall issue a proxy form each time, listing the scope of authority for the convening, and the proxy shall be limited to one person's proxy.

The Board of Directors may hold a meeting by video conference. A director who participates in a meeting by video conference shall be deemed to be present in person.

#### Article 23

Resolutions of the Board of Directors shall be made by a majority of the Directors present and approved by a majority of the Directors present, and the minutes shall be signed and sealed by the Chairman.

#### Article 23-1

The minutes of the board of directors' meeting shall be signed or sealed by the chairman and distributed to each director within 20 days after the meeting.

#### Article 24

Directors may pay monthly carriage fees during their term of office.

#### Article 24-1

The remuneration of the directors is authorized to be determined by the Board of Directors based on the extent of their participation in the Company's operations and the value of their contributions, taking into account the usual standards of the industry

## Chapter 4 Manager

#### Article 27

Other employees of the Company shall be appointed and dismissed by the President in accordance with the "Work Rules" of the Internal Regulations.

### Chapter 5 Accounting

#### Article 28

The accounting year of the Company shall be from January 1 of each year to December 31 of the same year.

#### Article 29

At the end of each fiscal year, the Board of Directors shall prepare the following forms and submit them to the shareholders' meeting for recognition in accordance with legal procedures.

(1) Business Report.

(2) Financial statements.

(3) Proposals for distribution of earnings or appropriation of losses.

#### Article 30

The Board of Directors shall consider the Company's future capital expenditure budget and capital requirements, and evaluate the necessity of using earnings to meet capital requirements in order to determine the amount of earnings to be retained or distributed and the amount of dividends or bonuses to be distributed to shareholders in cash.

In addition, the Company shall first set aside 10% of the legal reserve, if any, after appropriating or reversing the special reserve, and then consolidate the undistributed earnings at the beginning of the period into the cumulative distributable earnings of the shareholders, and the Board of Directors shall prepare a proposal for distribution of the earnings and submit it to the shareholders for resolution. The Board of Directors shall prepare a proposal for distribution of earnings and submit it to the shareholders' meeting for resolution.

The Board of Directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders for resolution. 10% or more of the aforementioned distributable earnings shall be set aside for dividends and stockholders' bonuses, of which not less than 10% shall be cash dividends to shareholders.

If two-thirds or more of the board of directors of the Company and a majority of the directors present resolve to distribute all or part of the dividends and bonuses, capital surplus or legal reserve in the form of cash and report to the shareholders' meeting, the second requirement of a resolution of the shareholders' meeting does not apply.

#### Article 31

The Company shall distribute remuneration to employees at 0.1% to 1% and remuneration to directors at not more than 1% of the Company's profitability for the year. However, the Company shall make up for any accumulated losses. Compensation to employees may be in the form of stock or cash, and may be made to employees who meet certain criteria for control or subordination of the Company.

Profitability for the year referred to in Item 1 is defined as income before income taxes for the year before the distribution of employee and director compensation.

The distribution of employee compensation and director compensation shall be made by a resolution of the board of directors with at least two-thirds of the directors present and a majority of the directors present, and reported to the shareholders' meeting.

## Chapter 6 Bylaws

### Article 32

The Company's articles of incorporation and by-laws shall be determined separately.

### Article 33

Matters not provided for in these Articles of Incorporation shall be governed by the provisions of the Company Law.

### Article 34

The total amount of the Company's reinvestment shall not exceed 40% of the paid-in capital as provided in Article 13 of the Company Act. The Board of Directors shall be authorized to make decisions on the operation of the Company's investments.

Article 35: The Company may make external guarantees for business purposes in accordance with the Company's endorsement guarantee policy.

### Article 36

The same shall apply to these Articles of Incorporation when they are amended by the shareholders' meeting in accordance with the law.

### Article 37

These Articles of Incorporation were enacted on May 26, 1959. The first amendment was made on February 1, 1963; the second amendment was made on August 3, 1964; the third amendment was made on September 18, 1968; the fourth amendment was made on June 1, 1969; the fifth amendment was made on July 23, 1973; the sixth amendment was made on May 20, 1978; the seventh amendment was made on December 2, 1979; the eighth amendment was made on June 27, 1981; the ninth amendment was made on November 19, 1981; the tenth amendment was made on March 22, 1982; the eleventh

amendment was made on January 30, 1983; the twelfth amendment was made on December 7, 1987; the thirteenth amendment was made on April 18, 1988; the fourteenth amendment was made on April 26, 1989; and the fifteenth amendment was made on September 20, 1989. The 16th amendment was made on June 4, 1990. The 17th amendment was made on September 20, 1990; the 18th amendment was made on September 20, 1990, the 19th amendment was made on June 20, 1991, the 20th amendment was made on June 22, 1992, the 21st amendment was made on April 13, 1993, the 22nd amendment was made on May 16, 1994. The 23rd amendment was made on April 15, 1995, the 24th amendment was made on May 7, 1996, the 25th amendment was made on April 9, 1997, the 26th amendment was made on April 22, 1998, the 27th amendment was made on May 7, 1999, the 28th amendment was made on May 10, 2000, the 29th amendment was made on June 18, 2002, the 30th amendment was made on June 3, 2003, amended 31st on June 15, 2004, amended 32nd on June 21, 2005, amended 33rd on April 12, 2007, amended 34th on April 15, 2008, amended 35th on June 10, 2009, amended 36th on June 25, 2010, amended 37th on June 17, 2011 June 17, 2011, 38th amendment on June 12, 2012, 39th amendment on June 13, 2014, 40th amendment on June 12, 2015, 41st amendment on June 20, 2016, 42nd amendment on June 19, 2019, 43rd amendment on June 17, 2020, and The 44th amendment became effective on November 1, 2021, after it was approved by the shareholders' meeting. The 45th amendment became effective on June 15, 2022, The 46th amendment became effective on May , 2023, after it was approved by the shareholders' meeting.

### The current shares holding of the directors and supervisors

March 31,2024

Job title	Name	Elect Date	Term	Initial election date	H o l d i n g   s h a r e s		The shareholders' register as of the book closure date		Note
					at the time of election		Record of shares held		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	
Chairman	Representative of Yingchuan International Enterprise Co., Ltd.: Chen Hai-ni	2022.06.15	3 years	1965	21,427,377	19.39%	30,373,305	19.39%	
Chairman	Representative of Yingchuan International Enterprise Co., Ltd.: Lin Shu-hui	2022.06.15	3 years	1965	21,427,377	19.39%	30,373,305	19.39%	
Chairman	Representative of Yingchuan International Enterprise Co., Ltd.: Chen Zeng-dong	2022.06.15	3 years	2022	21,427,377	19.39%	30,373,305	19.39%	
Independent director	Lu Guo-ying	2022.06.15	3 years	2019	15,946	0.01%	22,603	0.01%	
Independent director	Li Te-Ju	2022.06.15	3 years	2016	0	0%	0	0%	
Independent director	Li Ching-ling	2022.06.15	3 years	2019	0	0%	0	0%	
Independent director	Chien Tien-tsai	2023.05.30	3 years	2023	0	0%	0	0%	

1. The paid-in capital of the company is NTD1,566,132,490 number of shares issued is 156,613,249.
2. According to Article 26 of the Securities and Exchange Act, all directors are required to hold a minimum of 9,396,794 shares, meeting the statutory ownership threshold.

**Hotel Holiday Garden**

**Chairman of the Board: Chen Hai-ni**