

Stock Code: 2706

First Hotel Company Ltd.
2021 Annual Shareholders' Meeting
Meeting Handbook

Meeting Date: June 29, 2021

Meeting Venue: No. 63, Section 2, Nanjing East Road, Taipei
City

Where any discrepancy arises between the English translation
and the original Chinese version of this Handbook, the Chinese
version shall prevail.

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2021 Annual Shareholders' Meeting Agenda of First Hotel Company Ltd.

Time: June 29, 2021, 9:30 a.m.

Venue: No. 63, Section 2, Nanjing East Road, Taipei City

I. Call the meeting to order (announce the total number of shares represented by the attending shareholders)

II. Chair in place

III. Chair opening address

IV. Presentation topics

V. Ratification topics

VI. Discussion topics

VII. Election Matters

VIII. Motions

IX. Adjournment

Rules of Procedure for the Shareholders' Meeting of First Hotel Company Ltd.

Article 1: Except as otherwise provided by law, all matters of the Company's shareholders' meetings shall be governed by these Rules.

Article 2: The Company shall provide a signature book for the attending shareholders to sign in or have the attending shareholders turn in their attendance cards to sign in. The number of shares attended will be calculated based on the signature book or the attendance card turned in. Attendance and voting at a shareholders' meeting shall be calculated based on the number of shares.

Article 3: Shareholders' meeting should be held at the location of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm.

Article 4: The chairperson should chair the Shareholders' meeting convened by the Board of Directors. Vice-chairperson is to chair the meeting on behalf of the chairperson if the chairperson is on leave or for any reason cannot exercise the power. The chairperson is to appoint a managing director on behalf of the vice-chairperson if there is no vice-chairperson or the vice-chairperson cannot attend the meeting due to the aforementioned reasons. A director is assigned if there is no managing director. In the event that the chairperson does not appoint anyone, the managing director or the directors are to recommend one person.

For the meeting that is convened by those with the convening authority outside of the Board, the chair of the meeting shall be the person prescribed by the Company Act.

Article 5: The chair should call the meeting to order at the scheduled meeting time. However, when the attending shareholders do not represent over 50% of the total number of issued shares, the chair may announce a postponement. No more than two such postponements may be made for a combined total of no more than one hour. If attending shareholders are below 50% but above one-third of the total issued shares after two postponements, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act.

Before the meeting's conclusion, if the attending shareholders represent over 50% of the total number of issued shares, the chair may submit the aforementioned tentative resolution for voting by the shareholder meeting in accordance with Article 174 of the Company Act.

Article 6: 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 of that meeting). The meeting should proceed in the order set by the agenda, which may not be changed

without a resolution of the shareholder meeting.

For the meeting that is convened by the ones with the convening authority outside of the board, the aforementioned rule still applies.

The chair must not declare the meeting adjourned before the conclusion of the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholder meeting. After the meeting is adjourned by resolution, the shareholders shall not elect another chair for the meeting to be held at the same place or another venue. If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders may elect a new chair in accordance by agreement of over 50% of the votes represented by the attending shareholders, and then continue the meeting.

Article 7: Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number) or account name and allow the chair to determine the order to give the speech.

The attending shareholders are considered to offer no statement if they only provide speech notes without giving statements. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.

When an attending shareholder is making a statement, other shareholders shall not speak unless given permission by the chair and the speaking shareholder. Violators shall be halted by the chair. After an attending shareholder speaks, the chair may personally answer or designate a person to answer.

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 topic, the chair may terminate the speech.

If a legal entity (e.g., corporation) is entrusted to attend a shareholders' meeting, it shall appoint only one natural person representative to attend. The legal entity shareholders who assign more than two natural persons to attend the meeting can only have one person giving a speech for a motion.

Article 8: The chair shall give proposals and shareholder proposed revisions or provisional motions sufficient time for clarification and discussion. Once the chair perceives that voting can proceed, the chair may stop the discussion, initiate the voting process, and allocate sufficient time for voting.

Article 9: Unless otherwise provided in the Company Act and the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of over 50% of the voting rights represented by the attending shareholders.

The chair shall appoint monitoring and counting personnel for voting on a proposal, but all monitoring personnel should be shareholders. The results of the voting shall be reported on the spot and recorded. If no objection is raised as the chair consulting all shareholders present, the proposal shall be deemed to be passed and shall have the same effect as voting.

Article 10: For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the voting order. If one of the proposals has been passed, the other proposals are viewed as denied and no more voting will be conducted.

Article 11: The Company may summon its lawyers, certified public accountants or any relevant personnel to be present at shareholder meetings. The personnel administering the shareholder meeting should wear identification cards or armbands.

The chair may direct proctors or security personnel to help maintain order at the meeting venue. When helping maintaining order at the scene, proctors or security officers should wear armbands or identification cards with the word "Proctor."

Article 12: The Company shall make an audio or video recording of the entire shareholders' meeting and keep it for at least one year.

Article 13: During the meeting, the chair may announce a break at his or her discretion. In the event of an air raid alert, the meeting will be suspended, and the attendees will be evacuated. The meeting will be resumed an hour after the alert has been lifted.

Article 14: The Rules were established on May 19, 1997, amended for the first time on June 25, 1999, amended for the second time on June 28, 2002 and amended for the third time on June 15, 2020, and shall come into force after being approved by the shareholders' meeting.

[Presentation Item]

I. 2020 Business Overview of First Hotel Company Ltd.

First of all, I would like to thank all shareholders for taking the time out of their busy schedules to attend the 2021 Annual Shareholders' Meeting of the Company. The following is a report on the Company's business performance in 2020:

(i) For 2020, the Company's operating revenues were NT\$264,866 thousand, down 23.61% from NT\$346,735 thousand for the previous year (2019).

Profits before tax for 2020 were NT\$201,122 thousand, down NT\$458,533 thousand, or 69.51%, from the profits before tax of NT\$659,655 thousand for the previous year (2019).

Net profits after tax for 2020 were NT\$160,741 thousand, down NT\$371,291 thousand, or 69.79%, from the net profits after tax of NT\$532,032 thousand for 2019.

(ii) For 2020, the Company's travel service revenues were NT\$55.093 million, down 52.06% from those of the previous year of NT\$114.917 million.

(iii) Domestic and foreign investments of the Company.

A. Domestic investments

1. Wan Hwa Enterprise Company Ltd. paid cash dividends of NT\$35,924 thousand for 2019.
2. Dah Chung Bills Finance Corp. paid cash dividends of NT\$22,841 thousand for 2019.
3. Mega Financial Holding Company Limited paid cash dividends of NT\$85 thousand for 2019.
4. Chunghwa Telecom Co., Ltd. paid cash dividends of NT\$56 thousand for 2019.

B. Foreign investments

1. The Company's investment in Today's Hotel Corporation in the United States had losses after tax of around US\$3,534 thousand for 2020, and the Company recognized a loss of NT\$50,349 thousand under the equity method.
2. The Company's investment in F&W Hotel Corporation in the United States had the net profits after tax of around US\$888 thousand for 2020, and the Company recognized a gain of NT\$8,135 thousand under the equity method.

iv. Future Outlook and Business Objective

Due to the outbreak of the coronavirus pandemic at the end of 2019, the epidemic has spread worldwide, causing damages to all industries. The tourism industry is also facing a significant challenge. In the coming year, the Company will continue to reduce costs, strengthen employee training, and expand the domestic tourism market while continuing to look for other diversified investments in order to increase revenues in the face of adversity. In addition, the Company will follow the government's policies. It is our sincere hope that the epidemic will soon be under control, the border will open shortly, and all industries can resume to their normal operations.

Lastly

We wish all shareholders, ladies and gentlemen,
good health and all the best.

General Manager: Hsiao-Hua Hsu

Comparison of the Company's revenues and profits for 2020 and 2019

Unit: Thousand NTD

Item	2020	%	2019	%	Increase or Decrease amount	Increase or decrease %
Operating revenue	264,866	100	346,735	100	(81,869)	(23.61)
Travel service revenues	55,093	21	114,917	33	(59,824)	(52.06)
Guest room revenues	16,529	6	74,706	21	(58,177)	(77.87)
Food service revenues	36,726	14	37,512	11	(786)	(2.10)
Post and telecommunication service revenues	4	0	14	0	(10)	(71.43)
Other revenues	1,834	1	2,685	1	(851)	(31.69)
Rental income	209,773	79	231,818	67	(22,045)	(9.51)
Operating costs	(72,247)	(27)	(88,499)	(26)	(16,252)	(18.36)
Gross profit	192,619	73	258,236	74	(65,617)	(25.41)
Operating expenses	(27,245)	(11)	(32,623)	(9)	(5,378)	(16.49)
Operating profit	165,374	62	225,613	65	(60,239)	(26.70)
Non-operating income and expenses	35,748	14	434,042	125	(398,294)	(91.76)
Profit before tax	201,122	76	659,655	190	(458,533)	(69.51)
Net profit	160,741	60	532,032	153	(371,291)	(69.79)

Chairperson: An-sheng Ku

Managerial Officer: Hsiao-hua Hsu

Accounting Officer: Hsiu-mei Lin

[Presentation Topic]

II. Presentation of 2020 remuneration for employees and directors

In accordance with the resolution of the Board of Directors' Meeting held on March 24, 2021, the Company shall appropriate NT\$2 million as remuneration to employees and authorize the general manager to pay the remuneration in cash. The directors' remuneration amounted to NT\$6 million, accounting for 2.87% of the profits before tax, which is in line with Article 25 of the Company's Articles of Incorporation, "If the Company has annual earnings, it shall set aside NT\$2 million as employees' remuneration; the Company may set aside not more than 3% of the above-mentioned earnings as directors' remuneration.

[Presentation Topic]

III. 2020 Final Accounting Reports of First Hotel Company Ltd.

Audit Committee's audit report

The Board of Directors has prepared and presented the Company's 2020 financial statements, business report and earnings distribution proposal. Among them, the company's 2020 financial statements have been audited by CPA Ying-chou Chen and Wang-sheng Lin of Deloitte & Touche, who have issued an audit report.

The above statements have been examined by the Audit Committee and found to be in compliance. With the consent of all members, the Committee hereby presents the above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

First Hotel Company Ltd.

Convener of the Audit Committee: Hsieh-Hung Li

March 30, 2021

[Presentation Topic]

IV. Independent auditor's audit report of the financial statements of First Hotel Company Ltd.

To First Hotel Company Ltd:

Opinions

We have audited the balance sheets of First Hotel Company Ltd. as of December 31, 2020 and as of December 31, 2019, as well as the comprehensive income statements, the statements of changes in equity and cash flow statements, and notes to the financial statements (including a summary of significant accounting policies) for the years 2020 and 2019, from January 1st to December 31st.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the Other Information), the financial statements referred to above present fairly, in all material respects, the financial position of First Hotel Company Ltd. as of December 31, 2020 and 2019, and its financial performance and cash flows from January 1st to December 31st, 2020 and 2019, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission

Basis for Opinions

We conducted our audits in accordance with the “Regulations Governing Auditing” and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that were of most significance in our audit to First Hotel Company Ltd. of the 2020 financial statements of the current period in our professional judgment. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the 2020 financial statements of First Hotel Company Ltd. are as follows:

Investments accounted for under the equity method

As of December 31, 2020, the balance of the investment in Today's Hotel Corporation of the USA under the equity method was NT\$4,114,738 thousand, accounting for 39% of total assets. As of December 31, 2020, the **amount of** loss recognized under the equity method in relation to Today's Hotel Corporation USA was NT\$50,349 thousand, accounting for (25%) of net profits before tax. Since the amounts of the aforementioned items are significant in relation to the overall financial statements, if the investee's financial statements do not properly reflect the results of operations for the year or do not correctly calculate the investment income or loss, the amount in the investment using the equity method and its share of the income or loss will be adjusted for deviations and is therefore considered a key audit matter for the year ended December 31, 2020. Please refer to Notes 4 and 9 for related accounting policies and disclosures.

In order to address the above risks, we understood the planning of the audit teams of these affiliated companies, assessed the professional competence of the audit teams and communicated the materiality of the audit and the risk of a material misstatement by means of audit contact letters. Upon completing the audit, we assessed whether the audit teams had obtained sufficient and appropriate audit evidence and obtained audited financial statements to confirm and verify the accuracy of the amount in profit or loss and related investments recognized under the equity method.

Other Information

Among the affiliated companies accounted for under the equity method in the financial statements of First Hotel Company Ltd., the 2020 and 2019 financial statements of Forward Time Corporation, Today's V, Inc. and Today's VI, LLC accounted for under the equity method by F&W Hotel Corporation and Today's Hotel Corporation of USA have not been audited by us. Therefore, our opinion on the financial statements referred to above is based on the report of the other auditors as to the amounts of the above-mentioned investments accounted for under the equity method and the shares of income or loss of the affiliates accounted for under the equity method. For the years ended December 31, 2020 and 2019, the above balances audited by other accountants amounted to NT\$1,471,744 thousand and NT\$1,474,791 thousand, respectively, accounting for 14% of total assets. The share of income or loss of affiliates recognized under the equity method amounted to NT\$76,283 thousand and NT\$25,988 thousand, respectively, accounting for 38% and 4% of net profits before tax in 2020 and 2019.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing First Hotel Company Ltd.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence users' economic decisions based on these financial statements.

As part of an audit in accordance with the generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also conduct the following tasks:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. Fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control of First Hotel Company Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting. Based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of First Hotel Company Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause First Hotel Company Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within First Hotel Company Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion of First Hotel Company Ltd.

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

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

From the matters communicated with those charged with governance, we determine those of most significance in the audit of First Hotel Company Ltd.'s financial statements for the year ended December 31, 2020 and are the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Ying-Chou Chen

CPA Wang-Sheng Lin

Financial Supervisory Commission
Approval
Jin-Guan-Zheng-Shen-Zi No.
1050024633

Financial Supervisory Commission
Approval
Jin-Guan-Zheng-Shen-Zi No.
1060023872

March 29, 2021

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

[Ratification Topics]

Case 1:

Proposed by the Board of Directors

Subject: Please ratify the “2020 final accounting reports” of the Company

Attachments:

I. Business report (please refer to pages 5~7)

II. Financial statements (please refer to pages 15~22)

Please ratify.

Resolution:

First Hotel Company Ltd.
Balance sheets
December 31, 2020 and 2019

Unit: Thousand NTD

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 267,017	2	\$ 297,605	3
1110	Financial assets at fair value through profit or loss - current	11,220	-	11,177	-
1120	Financial assets at fair value through other comprehensive income - current	1,456	-	1,470	-
1136	Current financial assets at amortized cost	2,265,022	22	2,239,538	21
1150	Notes receivable	114	-	501	-
1170	Accounts receivable	606	-	3,982	-
1476	Other financial assets - current	6,671	-	9,269	-
1479	Other current assets	1,294	-	1,366	-
11XX	Total current assets	2,553,400	24	2,564,908	24
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - noncurrent	2,092,716	20	2,179,063	20
1550	Investments accounted for under the equity method	4,454,346	42	4,734,708	44
1600	Property, plant and equipment	375,910	4	377,330	3
1760	Real estate investment	948,509	9	950,230	9
1840	Deferred income tax assets	64,348	1	18,158	-
1920	Refundable deposit	2,939	-	3,110	-
1990	Other non-current assets	361	-	671	-
15XX	Total noncurrent assets	7,939,129	76	8,263,270	76
1XXX	Total Assets	\$ 10,492,529	100	\$ 10,828,178	100
Code	Liabilities and Shareholders' Equity				
	Current liabilities				
2150	Notes payable	\$ 64,610	1	\$ 58,811	1
2219	Other payables	18,382	-	21,864	-
2230	Current income tax liabilities	47,564	-	33,181	-
2300	Other current liabilities	8,626	-	9,686	-
21XX	Total current liabilities	139,182	1	123,542	1

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Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Non-current liabilities				
2570	Deferred tax liabilities	\$ 1,198,571	12	\$ 1,208,695	11
2640	Net defined benefit liabilities - noncurrent	960	-	1,734	-
2645	Guarantee deposit received	126,757	1	126,757	1
25XX	Total noncurrent liabilities	1,326,288	13	1,337,186	12
2XXX	Total liabilities	1,465,470	14	1,460,728	13
	Shareholders' Equity				
3110	Capital	4,999,984	48	4,999,984	46
	Capital surplus				
3210	Capital stock premium	76,008	1	76,008	1
3240	Gain on disposal of assets	23	-	23	-
3200	Total capital surplus	76,031	1	76,031	1
	Retained earnings				
3310	Legal reserve	855,488	8	802,237	7
3320	Special reserve	592,542	6	592,542	6
3350	Unappropriated retained earnings	1,735,476	16	1,852,480	17
3300	Total retained earnings	3,183,506	30	3,247,259	30
	Other equity interests				
3410	Exchange differences arising on translation of foreign operations	(257,394)	(3)	(72,635)	-
3420	Unrealized valuation gain or loss on financial assets at fair value through other comprehensive income	1,024,932	10	1,116,811	10
3400	Total other equity	767,538	7	1,044,176	10
3XXX	Total equity	9,027,059	86	9,367,450	87
	Total Liabilities and Equity	\$ 10,492,529	100	\$ 10,828,178	100

(Please refer to the audit report dated March 29, 2021 of Deloitte & Touche).

Chairperson: An-Sheng Ku Managerial officer: Hsiao-Hua Hsu Accounting officer: Hsiu-Mei Lin

First Hotel Company Ltd.
Comprehensive Income statements
From January 1st to December 31st, 2020 and 2019

(Unit: Thousand of NTD, but earnings per share in NTD)

Code		2020		2019	
		Amount	%	Amount	%
	Operating revenue				
4300	Rental income	\$ 209,773	79	\$ 231,818	67
	Travel service revenues				
4411	Guest room revenues	16,529	6	74,706	21
4412	Food service revenues	36,726	14	37,512	11
4413	Post and telecommunication service				
	revenues	4	-	14	-
4418	Others	1,834	1	2,685	1
4400	Total travel service revenues	55,093	21	114,917	33
4000	Total operating revenues	264,866	100	346,735	100
	Operating costs				
5300	Rental costs	17,653	7	17,302	5
	Travel service costs				
5411	Guest room costs	25,932	10	40,839	12
5412	Food service costs	28,358	10	30,037	9
5413	Post and telecommunication service				
	costs	304	-	321	-
5400	Total travel service costs	54,594	20	71,197	21
5000	Total operating costs	72,247	27	88,499	26
5900	Gross profit	192,619	73	258,236	74
6000	Operating expenses	27,245	11	32,623	9
6900	Operating profit	165,374	62	225,613	65
	Non-operating income and expenses				
7060	Share of gain or loss of affiliated enterprise accounted for using the equity method	(42,214)	(16)	352,872	102
7100	Interest income	18,842	7	23,325	7

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Code		2020		2019	
		Amount	%	Amount	%
7130	Dividend incomes	\$ 58,906	22	\$ 59,562	17
7190	Other income	3,494	2	1,537	-
7235	Net gain on financial assets at fair value through profit or loss	43	-	58	-
7510	Interest expenses	(1,255)	-	(1,249)	-
7590	Non-operating expenses	(2,068)	(1)	(2,063)	(1)
7000	Total non-operating income and expenses	35,748	14	434,042	125
7900	Profit before income tax	201,122	76	659,655	190
7950	Income tax expense	(40,381)	(16)	(127,623)	(37)
8200	Net profit	160,741	60	532,032	153
	Other comprehensive income				
	Items that are not reclassified to profit or loss				
8311	Remeasurement of defined benefit plan	505	-	473	-
8316	Unrealized valuation gain or loss on equity instruments at fair value through other comprehensive income	(86,361)	(32)	152,320	44
8320	Share of other comprehensive income of affiliated enterprise accounted for using the equity method	(7,199)	(3)	24,122	7
8349	Income taxes related to items that are not reclassified	1,681	1	(4,817)	(1)
8310		(91,374)	(34)	172,098	50

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Code		2020		2019	
		Amount	%	Amount	%
	Items that will be reclassified under profit or loss				
8371	Exchange differences on translation of financial statements of foreign operations of affiliated enterprises recognized under the equity method	(\$ 230,949)	(87)	(\$ 116,163)	(34)
8399	Income taxes related to items that may be reclassified to profit or loss	46,190	17	23,233	7
8360		(184,759)	(70)	(92,930)	(27)
8300	Other comprehensive income for the year (net after-tax)	(276,133)	(104)	79,168	23
8500	Total comprehensive income (loss) for the year	<u>(\$ 115,392)</u>	<u>(44)</u>	<u>\$ 611,200</u>	<u>176</u>
	Earnings per share				
9710	Total basic earnings per share	<u>\$ 0.32</u>		<u>\$ 1.06</u>	

(Please refer to the audit report dated March 29, 2021 of Deloitte & Touche).

Chairperson: An-Sheng Ku Managerial officer: Hsiao-Hua Hsu Accounting officer: Hsiu-Mei Lin

First Hotel Company Ltd.
Statements of changes in equity
From January 1st to December 31st, 2020 and 2019

Unit: Thousand NTD

Code		Capital	Capital surplus	Retained earnings			Total other equity		Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising on translation of foreign operations	Unrealized valuation gain or loss on financial assets at fair value through other comprehensive income	
A1	Balance January 1, 2019	\$ 4,999,984	\$ 76,031	\$ 759,216	\$ 592,542	\$ 1,587,995	\$20,295	\$ 945,186	\$ 8,981,249
	Appropriation and distribution of 2018 earnings								
B1	Legal reserve	-	-	43,021	-	(43,021)	-	-	-
B5	cash dividends	-	-	-	-	(224,999)	-	-	(224,999)
D1	2019 net profits	-	-	-	-	532,032	-	-	532,032
D3	2019 other comprehensive income after tax	-	-	-	-	473	(92,930)	171,625	79,168
D5	2019 total comprehensive Income	-	-	-	-	532,505	(92,930)	171,625	611,200
Z1	Balance December 31, 2019	\$ 4,999,984	\$ 76,031	\$ 802,237	\$ 592,542	\$ 1,852,480	(\$ 72,635)	\$ 1,116,811	\$ 9,367,450
	Appropriation and distribution of 2019 earnings								
B1	Legal reserve	-	-	53,251	-	(53,251)	-	-	-
B5	cash dividends	-	-	-	-	(224,999)	-	-	(224,999)
D1	2020 net profits	-	-	-	-	160,741	-	-	160,741
D3	2020 other comprehensive income or loss after tax	-	-	-	-	505	(184,759)	(91,879)	(276,133)
D5	2020 total comprehensive Income or loss	-	-	-	-	161,246	(184,759)	(91,879)	(115,392)
Z1	Balance as of December 31, 2020	\$ 4,999,984	\$ 76,031	\$ 855,488	\$ 592,542	\$ 1,735,476	(\$257,394)	\$ 1,024,932	\$ 9,027,059

(Please refer to the audit report dated March 29, 2021 of Deloitte & Touche).

Chairperson: An-Sheng Ku

Managerial officer: Hsiao-Hua Hsu

Accounting officer: Hsiu-Mei Lin

First Hotel Company Ltd.
Cash flow statements
From January 1st to December 31st, 2020 and 2019

		Unit: Thousand NTD	
Code		2020	2019
	Cash flow from operating activities		
A10000	Profit before income tax	\$ 201,122	\$ 659,655
A20010	Income and expenses having no effect on cash flows		
A20100	Depreciation expense	3,678	4,645
A20200	Amortization expense	39	39
A20400	Net gain on financial assets and liabilities at fair value through profit or loss	(43)	(58)
A20900	Interest expenses	1,255	1,249
A21200	Interest income	(18,842)	(23,325)
A21300	Dividend incomes	(58,906)	(59,562)
A22300	Share of gain or loss of affiliated enterprise accounted for using the equity method	42,214	(352,872)
A30000	Net changes in assets and liabilities related to operating activities		
A31130	Notes receivable	387	638
A31150	Accounts receivable	3,376	203
A31240	Other current assets	72	135
A31250	Other financial assets	343	(37)
A32130	Notes payable	(1,648)	(2,288)
A32180	Other payables	(4,737)	(1,700)
A32230	Other current liabilities	(1,060)	446
A32240	Net defined benefit liabilities	(269)	82
A33000	Cash flow from operating activities	166,981	227,250
A33500	Income taxes paid	(34,441)	(73,361)
AAAA	Net cash generated by operating activities	132,540	153,889
	Cash Flow from Investing Activities		
B00040	Increase in financial assets at amortized cost	(25,484)	(242,021)
B02700	Purchase of property, plant and equipment	(537)	(2,099)

(Continued on next page)

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Code		2020	2019
B03700	Increase in refundable deposits	(\$ 2,246)	(\$ 5,682)
B03800	Decrease in refundable deposits	2,417	6,643
B06800	Decrease in other non-current assets	271	-
B07500	Interest received	21,097	23,187
B07600	Dividend received	58,906	59,562
BBBB	Net cash inflow (outflow) from investing activities	54,424	(160,410)
	Cash Flow from Financing Activities		
C03000	Increase in guarantee deposit received	-	1,600
C03100	Decrease in guarantee deposit	-	(539)
C04500	Cash dividends paid	(217,552)	(215,394)
CCCC	Net cash used in financing activities	(217,552)	(214,333)
EEEE	Decrease in cash and cash equivalents for the period	(30,588)	(220,854)
E00100	Beginning of year cash and cash equivalents	297,605	518,459
E00200	End of year cash and cash equivalents	\$ 267,017	\$ 297,605

(Please refer to the audit report dated March 29, 2021 of Deloitte & Touche).

Chairperson: An-Sheng Ku Managerial officer: Hsiao-Hua Hsu Accounting officer: Hsiu-Mei Lin

[Ratification Topics]

Case 2:

Proposed by the Board of Directors

Subject: Please ratify the “2020 earnings distribution proposal” of the Company (please refer to the earnings distribution schedule on page 24).

Description: I. The net profits after tax for the current period (2020) were NT\$160,741,500, and after adding the remeasurement adjustment of the defined benefit plan of NT\$504,649 to retained earnings, the amount was NT\$161,246,149. In accordance with Article 25-1 of the Company's Articles of Incorporation, 10% was first set aside with NT\$16,124,615 as provision for the legal reserve, and the remaining distributable amount for 2020 was NT\$145,121,534. The proposed distribution of dividends to shareholders was NT\$74,999,752.

II. The dividend of NT\$74,999,752 is proposed to be distributed as a cash dividend of NT\$0.15 per share based on 499,998,346 shares in issue. The "Base Date for Dividend" will be set by the Board of Directors after the approval of the 2021 Annual shareholders' meeting and will be announced in accordance with the law.

III. In order to comply with the Ministry of Finance's implementation of the "Profit-seeking Enterprise Annual Income Tax Return" and "Declaration of Unappropriated Earnings by a Profit-seeking Enterprise" under the Integrated Income Tax System, the Company will give priority to the distribution of earnings for 2020 when calculating the shareholders' imputation credit under Article 66-6 of the Income Tax Act and when calculating the unappropriated earnings subject to the 5% surtax under Article 66-9 of the Income Tax Act.

Please ratify.

Resolution:

First Hotel Company Ltd.
2020 Earnings Distribution Schedule

Unit: NTD

Summary	Amount	Subtotal
Beginning undistributed earnings		1,574,230,318
Net profit	160,741,500	
Remeasurement of defined benefit plan recognized in retained earnings (Description 1)	504,649	
Net profits for the period plus the items other than net profits for the period included in unappropriated earnings for the year		161,246,149
Provision of legal reserve (10%)		(16,124,615)
Distributable earnings for the period		1,719,351,852
Distribution items:		
Cash dividends of NT\$0.15.		(74,999,752)
Undistributed earnings at the end of the period		1,644,352,100
Description as follows:		
I. Remeasurement of defined benefit plan arising from the adoption of IAS 19 (transferred from other comprehensive income to retained earnings)		

Note: The proposed distribution for 2020 will be effective upon the approval of the shareholders' meeting in 2021.

Chairperson: An-Sheng Ku Managerial officer: Hsiao-Hua Hsu Accounting officer: Hsiu-mei Lin

[Discussion Topics]

Case 1:

Proposed by the Board of Directors

Subject: Please discuss the amendment to “Article 14 and Article 28 of the Company's Articles of Incorporation.”

Description: 1. Article 14 of the Company's Articles of Incorporation was amended in accordance with Order Jin-Guan-Zheng-Jiao-Zi No. 1080311451 of the Financial Supervisory Commission on April 25, 2019.

2. The date of the 40th amendment was added to Article 28.

(Please refer to page 26 for a comparison of the provisions before and after the amendment to the Company's Articles of Incorporation).

Please ratify.

Resolution:

Comparison of the provisions before and after the amendment to Articles of Incorporation of First Hotel Company Ltd.

Adjusted articles	Current articles	Description
Article 14: The Company shall have 5 to 7 directors who shall be elected by the shareholders' meeting in accordance with the law from persons who are capable of acting. The Company's directors include three independent directors among the number of directors as defined in paragraph 1. <u>The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system as set forth in Article 192-1 of the Company Act</u>, and the shareholders' meeting shall elect the candidates from the list of directors. Independent directors and non-independent directors should be elected together, but their respective elected numbers shall be calculated separately. The independent directors shall comply with the provisions of the relevant laws and regulations. The remuneration of independent directors is authorized to be determined by the Board of Directors in accordance with their participation in and contribution to the operations of the Company at a level not exceeding the highest salary scale set forth in the Company's remuneration plan. The minimum number of registered shares to be held by all directors shall be in accordance with the competent authorities' relevant regulations.	Article 14: The Company shall have 5 to 7 directors who shall be elected by the shareholders' meeting in accordance with the law from persons who are capable of acting. The Company's directors include three independent directors among the number of directors as defined in paragraph 1. directors are elected by the shareholders from a list of director candidates. Independent directors and non-independent directors should be elected together, but their respective elected numbers shall be calculated separately. The independent directors shall comply with the provisions of the relevant laws and regulations. The remuneration of independent directors is authorized to be determined by the Board of Directors in accordance with their participation in and contribution to the operations of the Company at a level not exceeding the highest salary scale set forth in the Company's remuneration plan. The minimum number of registered shares to be held by all directors shall be in accordance with the competent authorities' relevant regulations.	In accordance with the Order Jin-Guan-Zheng-Jiao-Zi No. 1080311451 dated April 25, 2019 by the FSC.
Article 28: The Articles of Incorporation were established on July 26, 1968, amended for the first time on September 2, 1968, amended for the thirty-seventh time on June 23, 2016, amended for the thirty-eighth time on June 22, 2018, amended for the thirty-ninth time on June 24, 2019, <u>and amended for the fortieth time on June 29, 2021</u>, after being approved by the shareholders' meeting.	Article 28: The Articles of Incorporation were established on July 26, 1968, amended for the first time on September 2, 1968, amended for the thirty-seventh time on June 23, 2016, amended for the thirty-eighth time on June 22, 2018, and amended for the thirty-ninth time on June 24, 2019, after being approved by the shareholders' meeting.	The date of the 40h amendment was added.

[Discussion Topics]

Case 2:

Proposed by the Board of Directors

Subject: Please discuss the amendment to “Article 4 and Article 16 of the Procedure for Election of Directors and Independent Directors.”

Description: 1. Article 4 of the Company's “Procedure for Election of Directors and Independent Directors” was amended in accordance with Order Jin-Guan-Zheng-Jiao-Zi No. 1080311451 of the Financial Supervisory Commission on April 25, 2019.

2. The date of the 4th amendment was added to Article 16.

(Please refer to page 28 for a comparison of the provisions before and after the amendment to the Company's Procedure for Election of Directors and Independent Directors).

Please ratify.

Resolution:

Comparison of the provisions before and after the amendment to the Procedure for Election of Directors and Independent Directors.

Approved at the 1995 Annual Shareholders' Meeting on May 26, 1995

Adjusted articles	Current articles	Description
IV. Unless otherwise provided in the Company's Articles of Incorporation, each share shall have the same right as the number of directors and independent directors to be elected, which may be cast collectively for a single candidate or split among several candidates, <u>The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system set forth in Article 192-1 of the Company Act.</u> The shareholders shall elect the directors from the list of candidates. Independent directors and non-independent directors shall be elected together and the number of elected seats shall be calculated separately. Those who receive more votes representing the voting right shall be elected sequentially as independent directors and non-independent directors respectively. Independent directors shall be elected in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the competent authorities and the provisions of relevant laws and regulations.	IV. Unless otherwise provided in the Company's Articles of Incorporation, each share shall have the same right as the number of directors and independent directors to be elected, which may be cast collectively for a single candidate or split among several candidates, The Company for the election of directors, and the shareholders shall elect the directors from the list of candidates. Independent directors and non-independent directors shall be elected together and the number of elected seats shall be calculated separately. Those who receive more votes representing the voting right shall be elected sequentially as independent directors and non-independent directors respectively. Independent directors shall be elected in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the competent authorities and the provisions of relevant laws and regulations.	In accordance with the Order Jin-Guan-Zheng-Jiao-Zi No. 1080311451 dated April 25, 2019 by the FSC.
XVI. The first amendment was made on June 28, 2002, the second amendment was made on June 2, 2015, the third amendment was made on June 24, 2019, and <u>the fourth amendment was made on June 29, 2021</u> after the resolution of the shareholders' meeting, and the same shall apply when amended.	XVI. The first amendment was made on June 28, 2002, the second amendment was made on June 2, 2015, and the third amendment was made on June 24, 2019, after the resolution of the shareholders' meeting, and the same shall apply when amended.	The date of the 4th amendment was added.

[Election Matters]

Submitted by chairperson

Subject: Please discuss the proposal for "By-election of an independent director"

Description: I. Ms. Yi-Wu Yang, the former independent director of the Company, resigned as independent director on March 9, 2021. According to the Articles of Incorporation of the Company shall hold a by-election for one independent director for a term from June 29, 2021 to June 23, 2022.

II. The independent directors are elected based on the candidate nomination system and the candidate information is as follows.

Independent director candidate information:

Candidate name	Experience	Shareholding by the individual	Ownership
Chih-Hsiung Ko	Jong-Wai Engineering Corp. Sales Executive	—	—

III. The Chair was asked to designate the vote monitoring and counting personnel.

IV. Please vote.

Election results:

[Motions]

[Adjournment]

Appendix 1

Procedure for Election of Directors and Independent Director of First Hotel Company Ltd.

Approved at the 1995 Annual Shareholders' Meeting on May 26, 1995

- I. The election of directors and independent directors of the Company shall be governed by the Procedures.
- II. The election of directors and independent directors of the Company shall be held at the shareholders' meeting.
- III. The election of directors and independent directors of the Company shall be based on the single registered cumulative voting method.
- IV. Unless otherwise provided in the Company's Articles of Incorporation, each share shall have the same right as the number of directors and independent directors to be elected, which may be cast collectively for a single candidate or split among several candidates,
The Company adopts a candidate nomination system for the election of independent directors, and the shareholders shall elect the independent directors from the list of candidates.
Independent directors and non-independent directors shall be elected together and the number of elected seats shall be calculated separately. Those who receive more votes representing the voting right shall be elected sequentially as independent directors and non-independent directors respectively.
Independent directors shall be elected in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the competent authorities and the provisions of relevant laws and regulations.
- V. The number of directors and independent directors will be specified in the Company's Article of incorporation. Those receiving the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine, with the chair drawing lots for those not in attendance.
- VI. Deleted.
- VII. The election of directors and independent directors shall be announced on the spot after the completion of the election in the order of the number of votes received (including the unsuccessful candidates).
- VIII. The election ballot shall be prepared by the Company and shall contain the shareholder's account number and the number of his or her voting rights.
- IX. Before the election begins, the chair should appoint a number of persons with shareholder status as vote monitoring and counting personnel to perform the respective duties.
- X. The ballot boxes are prepared by the Company and are open for inspection by the vote monitors before the voting.
- XI. If the candidate is a shareholder, voters shall state the name of the candidate and the shareholder's account number in the "Candidate" column of the ballot. However, if the candidate is a corporate shareholder, the candidate column of the ballot shall state the name of the corporation and the shareholder's account number, and the name of the representative may be added. If not a shareholder, the name and ID or GUI number should be filled in.

XII. A ballot is invalid if one of the following is true:

- (i) Do not use ballots as specified by the procedure.
- (ii) Put void ballots into the ballot box.
- (iii) The handwriting is blurred and unrecognizable or has been altered.
- (iv) If the person to be elected is a shareholder, his or her account name or shareholder account number does not match with the shareholder roster. If the person to be elected is not a shareholder, his or her account name, ID or GUI number does not match after verification.
- (v) Other than the name of the person to be elected and the shareholder's account number or ID or GUI number, other words or symbols are written in.
- (vi) Alter after filling in
- (vii) Tear the ballot so that it is incomplete.
- (viii) The same ballot is filled in with two or more candidates.

XIII. After the completion of the voting, the ballot box will be opened by the monitoring personnel and checked for invalid ballots, and then handed over to the vote counting personnel for vote counting, which shall be recorded on the billboard, and the chair will announce the result on the spot.

XIV. The Company shall send the certificate of election to the elected directors after the shareholders' meeting.

XV. All matters not provided for in the Procedure shall be governed by the Company Act, and relevant laws and regulations.

XVI. The first amendment was made on June 28, 2002, the second amendment was made on June 2, 2015, and the third amendment was made on June 24, 2019, after the resolution of the shareholders' meeting, and the same shall apply when amended.

Appendix 2

Articles of Incorporation of First Hotel Company Ltd.

Chapter 1: General Principles

Article 1: The Company shall be named "First Hotel Company Ltd." and shall be organized in accordance with the provisions of the Company Act.

Article 2: The scope of business of the Company is as follows.

- I. Operations of the former First Hotel International Tourist Hotel, restaurant and other related businesses.
- II. Commissioning construction vendors to build public housing and commercial buildings for lease and sale.
- III. Department stores and trading, production and processing of handicrafts.
- IV. General import and export trading business (except futures).
- V. Operation of amusement park.
- VI. Food trading.
- VII. Operation of supermarkets and drug trading business.
- VIII. Trading and repairing of watches, clocks, glasses, and wireless electric equipment (except controlled items).
- IX. Barber shop business.
- X. All businesses that are not prohibited or restricted by law, except those subject to special approval.
- XI. Agent for the distribution of the preceding products.

Article 2-1: In order to achieve the goal of diversification, the total amount in the Company's investment in other companies may exceed 40% of the Company's paid-in capital.

Article 3: The Company shall be located in Taipei City and may establish domestic and foreign branches and offices if necessary.

Article 4: The Company may make external guarantees for business needs.

Chapter 2: Shares

Article 5: The total capital of the Company is set at NT\$6 billion divided into 600 million shares of NT\$10 each, of which unissued shares shall be issued by the Board of Directors in installments as needed by the Company.

Article 6: The shares of the Company shall be in registered form and shall be numbered and issued with the signature and seal of the chairperson and two directors of the Company after being certified by the competent authority or its approved issue and registration agencies. Shares of the Company are exempted from actual printing but shall be registered with the Taiwan Depository and Clearing Corporation.

Article 7: The shares of the Company shall be in registered form. If a shareholder wishes to transfer his or her shares, he or she shall fill out a seal card, his or her real name, address, and present identification card. A corporation shall use the full title of the registered name of the corporation, the address of the establishment, and the tax identification number, and present the establishment registration document and notify the Company or the Company's stock affairs agency to be registered shareholder roster in accordance with the law.

For shareholders' registration of stock transfers or the setting of stock pledges, mergers, losses, replacement with new stocks due to damages and changes of seals, address, etc., the shareholder's original seal shall be used as evidence.

The Company's stock affairs are handled by the Company's stock affairs office. If a stock affairs agency is appointed to act on behalf of the Company, the shareholders shall deal with the designated agency.

The Company's stock affairs are handled in accordance with the laws and regulations promulgated by the competent authorities.

The transfer of shares shall cease within 60 days before a regular shareholder meeting or within 30 days before a special shareholder meeting or within 5 days before the base date on which the Company decides to distribute dividends and bonuses or other benefits.

Chapter 3: Shareholders' Meeting

Article 8: Annual meetings are held once a year and shall be held within six months after the end of each fiscal year. If necessary, a special shareholders' meeting may be held in accordance with the law.

Article 9: The shareholders shall be notified of the convening of the annual shareholders' meeting 30 days prior to the meeting. The shareholders shall be notified of the special shareholders' meeting 15 days prior to the meeting.

The foregoing notice shall state the time and place of the meeting and the reason for the meeting.

Article 10: Each shareholder of the Company shall have one voting right per share.

Article 11: Shareholders who cannot attend the shareholders' meeting may provide a proxy form issued by the Company stating the scope of authorization and appoint a proxy to attend a shareholder meeting. Except for a trust enterprise or a stock affairs agency approved by the competent securities authority when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights of that proxy must not exceed 3% of the voting rights of 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 in excess of that shall not be counted.

Shareholders who commission their proxy to attend meetings shall comply with the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the securities authority unless otherwise specified by the Company Act issued by the competent authorities.

Article 12: Unless otherwise required by the Company Act, resolutions in a shareholder meeting should be made with the presence of shareholders representing over 50% of the total number of outstanding shares and with the consent of over 50% of the shareholders' voting rights present.

Article 13: The chairperson of the Board shall chair the shareholders' meeting. When the chairperson is on leave or for any reason unable to exercise the powers of office, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

The shareholders' meetings shall be conducted in accordance with the Rules of Procedure for Shareholders' Meetings of the Company.

Chapter 4: Directors, managerial officers

Article 14: The Company shall have 5 to 7 directors who shall be elected by the shareholders' meeting in accordance with the law from persons who are capable of acting.

The Company's directors include three independent directors among the number of directors as defined in paragraph 1.

Independent directors are elected based on the candidate nomination system by the shareholders from a list of independent director candidates.

Independent directors and non-independent directors should be elected together, but their respective elected numbers shall be calculated separately.

The independent directors shall comply with the provisions of the relevant laws and regulations.

The remuneration of independent directors is authorized to be determined by the Board of Directors in accordance with their participation in and contribution to the operations of the Company at a level not exceeding the highest salary scale set forth in the Company's remuneration plan.

The minimum number of registered shares to be held by all directors shall be in accordance with the competent authorities' relevant regulations.

Article 15: The term of office of the directors shall be three years and they shall be eligible for re-election.

Article 16: The authorities and duties of the Board of Directors are as follows:

- I. The Company's business plan.
- II. Review of various rules and important contracts.
- III. The appointment or dismissal of financial, accounting, or internal audit officers.
- IV. The decision to set up, abolish or change branch offices.
- V. Preparation and review of annual and semi-annual financial statements.
- VI. Establishment or amendment of the internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
- VII. The procedures established or amended in accordance with Article 36-1 of the Securities and Exchange Act for material financial or business transactions such as acquisition or disposal of assets, lending of funds to others, endorsements or guarantees.
- VIII. Matters to be resolved by shareholders' meetings or board meetings or material matters specified by the authority in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the Articles of Incorporation.

Article 17: The Directors shall elect one of them as the Chairman of the Board of Directors from among themselves in accordance with the law, and the Chairman of the Board of Directors shall represent the Company externally.

Article 18: Unless otherwise provided in the Company Act, Board meetings shall be convened by the chairperson when necessary in accordance with the laws.

Unless otherwise provided in the Company Act, a resolution of the Board of Directors shall be made with the consent of over 50% of the directors present.

If the Board of Directors meets by video conference, its directors who participate in the meeting by video shall be deemed to be present 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 the preceding paragraph may be the appointed proxy of only one person.

Article 19: The Company shall establish an audit committee to replace the supervisors.

The Audit Committee consists of all independent directors, one of whom is the convener, and at least one has accounting or financial expertise.

The charter and authorities of the Audit Committee shall be determined separately.

Article 20: The Company's directors shall be compensated for the performance of their duties, regardless of the Company's operating profit or loss, as determined by the Board of Directors in accordance with their participation in and contribution to the Company's operations at a level not exceeding the highest salary scale set forth in the Company's remuneration plan.

Article 21: The Company shall have a general manager as the managerial officer who shall be nominated by the Chairman of the Board of Directors and shall be appointed and dismissed in accordance with the Company Act.

Article 22: The Company shall have a chief audit officer who shall be nominated by the chairman of the Board of Directors and approved by the Board of Directors with the presence of a majority of the directors and the consent of a majority of the directors present.

Chapter 5: Accounting

Article 23: The fiscal year of the Company shall commence on January 1 and end on December 31 and the final accounting reports shall be completed at the end of the year.

Article 24: The final accounting reports of the Company shall be prepared by the Board of Directors in accordance with the law and shall be submitted to the shareholders' meeting for ratification after being processed in accordance with the regulations of the competent authorities.

Article 25: If the Company has annual earnings, it shall set aside NT\$2 million as employees' remuneration; the Company may set aside not more than 3% of the above-mentioned earnings as directors' remuneration. The aforementioned remuneration of employees and directors shall be resolved by the Board of Directors and reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount in losses make-up should be retained in advance, and the remuneration to employees and directors should be based on the aforementioned percentage.

Article 25-1: When the Company makes a profit as indicated in the annual final accounting reports, the Company shall pay tax in accordance with the law, make up for accumulated losses and then set aside 10% as legal reserve except when the legal reserve has reached the Company's paid-in capital. In addition, if the Company complies with the regulations of

the competent authorities, the remaining balance after setting aside or reversing the special reserve in accordance with the law, together with the accumulated unappropriated earnings, shall be retained at the discretion of the Board of Directors for business needs. The Board of Directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders for a resolution to distribute dividends to shareholders.

The Company is a stable and growing company. In order to meet the operational development plan and achieve the goal of diversified operations. In case shareholder dividend is distributed, the cash dividend portion should be no less than 10% of the shareholder dividend distributed that year.

Article 26: The Company's Articles of Incorporation and Bylaws shall be established by the Board of Directors.

Article 27: Any matters not covered in this Article of Incorporation shall be governed by the Company Act and other relevant laws and regulations.

Article 28: The Articles of Incorporation were established on July 26, 1968, amended for the first time on September 2, 1968, amended for the thirty-seventh time on June 23, 2016, amended for the thirty-eighth time on June 22, 2018, and amended for the thirty-ninth time on June 24, 2019, after being approved by the shareholders' meeting.

Appendix 3

Effect of the stock dividends on the Company's operating results, earnings per share and shareholders' return on investment: Not applicable as there is no stock dividend distributed this time.

Appendix 4

First Hotel Company Ltd.
List of Directors and the number of shares held by them
Base date: May 1, 2021

Position	Name	Date Elected	Term of Office	Shareholding when elected		Shareholding in the shareholder roster on the date of cessation of transfer	
				Number of Shares	Shareholding %	Number of shares	Ownership
Chairman	Top-Five Engineering Co., Ltd. Representative An-Sheng Ku	2019.06.24	3 years	38,820	0.01%	38,820	0.01%
Directors	Wan Hwa Enterprise Company Ltd. Representative Shih-Yu Huang	2019.06.24	3 years	99,000,503	19.80%	99,000,503	19.80%
Independent director	Hsieh-Hung Li	2019.06.24	3 years	-	-	-	-
Independent director	Hsiu-Chin Chou	2019.06.24	3 years	-	-	-	-
I. The Company's paid-in capital is NT\$4,999,983,460 and the Company has issued a total of 499,998,346 shares. II. The minimum number of shares to be held by all directors is 15,999,947 shares (499,998,346 shares * 4% * 80%). III. All directors of the Company held 99,039,323 shares, representing 19.81% of the total number of shares. IV. The Company has an Audit Committee. There is no compliance issue about the number of shares legally required to be held by supervisors. V. Ms. Yi-wu Yang, the former independent director of the Company, resigned as independent director on March 9, 2021.							