Stock Code:2722

Chateau International Development Co., Ltd.

2021 Annual Meeting of Shareholders

Handbook

Time: 10:00 a.m.on Thursday,May 6, 2021

Place: Hotel Château Anping XUAN Function Rooms(3F., No. 47, Xinjian Rd., South Dist., Tainan City)

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Chateau International Development Co., Ltd.

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II. Meeting Agenda

Chateau International Development Co., Ltd.

Agenda of 2021 Annual Meeting of Shareholders

Time: 10:00 a.m. on Thursday, May 6, 2021

Place: 3F., No. 47, Xinjian Rd., South Dist., Tainan City (Hotel Château Anping XUAN Function Rooms)

1. Call the Meeting to Order (report the total shares represented by shareholders present in person or by proxy and the attendance rate)

2. Chairperson Remarks

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   - E. Amendment to "Articles of Incorporation".

6. Other Matters and Extempore Motion
7. Adjournment

Report items

1. 2020 Business report.

Explanation:

Dear Sir or Madam Shareholders:

According to the statistics from the Tourism Bureau, Ministry of Transportation and Communications, the number of national overseas and inbound tourists declined by 86.34% and 88.39% in 2020 compared to the same period, and international tourism was put on hold due to the epidemic. The occupancy rate of the hotel declined by 32.39%, the average room rate decreased by NT$155, and the total operating revenue declined by 32.39%. With the concerted efforts of all staff, our consolidated annual room occupancy rate decreased slightly by 2%, the average room rate increased by NT$229, and the total operating revenue decreased by 2.17%.

With the epidemic in Taiwan under tight control, our company has been carefully monitoring every detail of epidemic prevention and carefully taking care of consumers' needs for hygiene and safety in order to provide a safe and secure resting environment for our guests, hoping that the epidemic can be effectively and steadily controlled in a limited tourism market. All colleagues are working together to strive for stable growth.

I. We would like to report our business results for the year 2020 as follows:

(I) Business Plan Implementation Results

1. Guest rooms:

   The Company's consolidated guest room division received 306,718 visitors in the year 2020, an increase of 15,313 visitors or 5.25% over the year 2019. The room occupancy rate was 78.92% for Château Beach Resort, 59.24% for Hotel Château Anping and 45.02% for Château Rich Hotel, a subsidiary of the Company. Total revenue for the Rooms Division was NT$529,973 thousand, an increase of NT$8,954 thousand or 1.72% over the year 2019.

2. Restaurants:

   The Company's consolidated restaurant division reported revenue of NT$196,200 thousand in the year 2020, a decrease of NT$24,502 thousand or 11.10% from the year 2019.

3. Operating Revenue:

   The Company's consolidated annual revenue for the year 2020 totaled NT$736,669 thousand, a decrease of NT$16,337 thousand or 2.17% compared to 2019.

(II) Budget Performance Report:

There are no public financial predictions for the year 2020, therefore, they are not applicable.

(III) Financial Reporting

1. Net Assets and Liabilities:

As of December 31, 2020, the Company had total consolidated assets of NT$2,570,800 thousand, total consolidated liabilities of NT$597,976 thousand, or 23.26% of total assets, and total consolidated equity of NT$1,972,824 thousand, or 76.74% of total consolidated assets.

2. Profit and Loss:

In 2020, the Company's consolidated operating and non-operating revenues amounted to NT$765,698 thousand, consolidated operating and non-operating expenses amounted to NT$662,318 thousand, and consolidated net income before tax amounted to NT$103,380 thousand.

(IV) Financial Income and Expenses and Profitability

Item	2020	2019
Operating revenue	736,669	753,006
Operating margin	327,347	300,426
Net profit or loss	85,030	36,140

(V) Research Development Status: Not applicable.

II. Outline of 2021 business plan and future development strategy

Starting from the blue brimless ocean of Kenting, the bright sunshine has nurtured the friendly character of Château Hotels & Resorts conveying a touching feel. In 2018, the company launched a new brand "Hotel Chateau", with the main axis of "roaming around the new city with you", providing all travelers with a "comfortable, enjoyable and friendly" accommodation experience. The first stop is located in Tainan Castle Town, which is full of history, culture and humanity. The hotel combines the leisure atmosphere of the Château Hotels & Resorts with the cultural and scenic features of Castle Town to create 104 comfortable rooms, diversified dining spaces and new living complexes, fusing humanity and fashion, and sensing the new experience of multi-level energy-saving and carbon-reducing green energy.

In addition to adding the ancient city of Tainan and culinary tours to provide more diversified choices for our guests, our company continues to make efforts to combine the local characteristics of culture and natural resources by participating in the special activities in Kenting organized by the Kenting National Park

Administration and cooperating with various community development associations in Hengchun to promote eco-tourism itineraries; we also actively cooperate with the Pingtung Forestry Administration of the Pingtung County Forestry Bureau to promote the special ecology of the Hengchun Peninsula and In the promotion of eco-education policy. Through the Shuangliu Nature Education Center of the Forestry Bureau, we integrate the ecological and humanistic environment, conduct eco-tourism study activities, train internal lecturers, and promote environmental and ecological conservation; actively use “tourism” as an “integration platform”, and strengthen the results of cross-region and cross-industry integration links through cross-region, integration, linkage, and alliance, and develop in-depth value-added tourism.

The subsidiary, Château Rich Hotel, is planning a renovation project in 2021, mainly for the renovation of the guest rooms, addition of the bakery department, the coffee bar and the recreation room (gym). The number of rooms has been increased from 54 to 93 and 61 beds have been added for backpackers, offering a wide range of rooms at low, medium and high prices. In order to increase the added value of the hotel and the source of revenue from food and beverage, a bakery department, a coffee bar and a recreation room (gym) are planned to be added, hoping that the hotel will become the first choice when left off at Tainan Railway Station (Tainan Chihkan Cultural Zone) in the future.

III. The effect on the company from external competitive environment, regulatory environment and overall business environment

According to the latest forecast released by the Taiwan Economic Research Institute (TEI) in January 2021, the domestic economic growth rate in 2021 was 4.30%. Due to the impact of the epidemic, some production lines have been relocated back to Taiwan; emerging technology demand has been greatly influenced; semiconductor manufacturers continue to invest in advanced processes and benefit from global supply chain restructuring. These factors have attracted foreign investment to Taiwan, making Taiwan’s export performance grow significantly and helping to drive domestic demand performance. The COVID-19 epidemic has extended to the year of 2021 with more than 100 million confirmed cases. With the virus mutating faster than the vaccine, it is difficult for Taiwan to reopen its borders immediately and resume business exchanges and international travel, so people continue to shift their spending abroad domestically.

IV. Future Development Strategy

Looking ahead, our management team is actively responding to the situation and has strengthened the prevention of epidemics. In addition to self-managed inspections to provide a safe working environment for employees, we also provide a comfortable and secure resting place for visitors. In the future, while striving to generate greater profits, the company will continue to uphold the spirit of giving back to the community by participating in community development and charity-related activities. We believe that with the efforts of our management team, we will be able to achieve our goals. Once again, we thank our shareholders for their long-term support and guidance.

2. Supervisors' Review Report on the 2020 Financial Statements.

Explanation:

Chateau International Development Co., Ltd.

Supervisors' Review Report

Hereby

The Board of Directors prepared the Company's 2020 Financial Statements (including individual financial statements and consolidated financial statements), Business Report and Profit Distribution Table, etc. Among them, 2020 Financial Statements were audited by accountants, YANG, CHAO CHIN and LI, CHI CHEN of Deloitte &Touche with audit reports provided. The aforementioned financial statements, business report and profit distribution table were audited by the supervisors with no incompliance issue found. Hence, the report is prepared in accordance with Article 219 of the Company Act.

Regards,

2021 Annual Shareholders Meeting

Supervisor:

CHEN, MI-JYUAN
DU, CIOU-PING
CHEN, RUEI-SEN

Feb. 26, 2021

3. The Status of Endorsement and Guarantee and Loaning of Funds to Others in 2020.

Explanation:

(I) There are no endorsements and guarantees in 2020.

(II) There are no loaning of funds to others in 2020.

4. Report on Remuneration Distribution for Employees, Directors and Supervisors in 2020.

Explanation:

(I) In accordance with Article 23 of the Articles of Incorporation: “If there is profit at the end of each fiscal year, no less than 1% of profit of the current year distributable as employees’ compensation shall be appropriated. The Compensation Committee shall make recommendations and submit them to the Board of Directors for resolution, and the distribution shall be made in shares or cash with the presence of at least two-thirds of the Directors and the approval of a majority of the Directors present, and shall be limited to the employees of the Company and its domestic and foreign controlled or subordinate companies; the so-called controlled or subordinate companies are defined in accordance with Article 369-2, Article 369-3, Article 369-9, Paragraph 2 and Article 369-11 of the Company Act. The terms and conditions and the method of distribution are authorized to be determined by the Board of Directors. The Company may set aside not more than 1% of the above-mentioned profit amount as remuneration to directors and supervisors after the Compensation Committee makes a recommendation and sends it to the Board of Directors for resolution, with the attendance of at least two-thirds of the directors and the approval of a majority of the director’s present. The remuneration to employees and remuneration to directors and supervisors should be reported to the shareholders’ meeting. However, the Company’s accumulated losses shall have been covered first, and then the remuneration to employees and directors and supervisors should be provided in proportion to the aforementioned amount.”

(II) The 9th Board of Directors of the Company approved the distribution of employees’ remuneration and directors’ and supervisors’ remuneration for the year 2020 during the 2021 first board of directors’ meeting held on February 5, 2021, which is described as follows

1. Employee compensation: NT$1,070,597, paid in cash.
2. Directors and supervisors’ compensation: NT$48,000, paid in cash.

5. Report on changes in accounting estimates for the change in the amortization period of certain property, plant and equipment.

Explanation:

(I) To reasonably reflect the future economic benefits and actual use of the assets, the Company changed the estimated useful lives of certain property, plant and equipment of the Company's Tainan Branch in accordance with IAS 16 and Article 6 of Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) The Company appointed PRUDENTIAL POSITIVE CROSS-STRAIT ASSET IDENTIFICATION, LTD. and PRUDENTIAL CROSS-STRAIT REAL ESTATE APPRAISERS FIRM to conduct the appraisal, and appointed the accountant, YANG, CHAO CHIN, of Deloitte &Touche Firm, to provide a reasonableness analysis and issue a review opinion.

(III) According to the appraisal report of PRUDENTIAL POSITIVE CROSS-STRAIT ASSET IDENTIFICATION, LTD., a comprehensive, functional, and economic analysis of the hotel industry was conducted on the main building appurtenances and hotel interior equipment of the Company's Tainan Branch, and reference was made to public information, the National Federation of Real Estate Appraisers of the Republic of China (R.O.C.), Communiqué No. 4, and the ASA Estimated Normal Useful Under normal maintenance, the durability of the subject building's ancillary equipment of the Tainan Branch was extended from 40 years to 48 years, and the durability of the subject hotel's interior equipment was extended from 2 to 15 years to 15 to 20 years.

(IV) As approved by the 9th board of directors' during the fourth 2020 board of directors' meeting held on September 29, 2020, the Company changed the useful life of some items of property, plant and equipment effective July 1, 2020.

(V) This change in estimate decreased the depreciation expense by NT$5,786 thousand in the year 2020.

6. Report on the establishment of "Procedures for Ethical Management and Guidelines for Conduct".

Explanation:

(I) Addition was conducted in accordance with the official document, Ref. No. Tai-Cheng-Chih-Li-Tzu-1090002299 dated February 13, 2020 issued by Taiwan Stock Exchange Corporation.

(II) The procedures shall enter into force after it has been adopted by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting.

(III) Please refer to page 15~24 for the comparison table of the amended "Procedures for Ethical Management and Guidelines for Conduct".

7. Report on the amendment to "Codes of Ethical Conduct".

Explanation:

(I) Amendment was made in accordance with the official document, Ref. No. Tai-Cheng-Chih-Li-Tzu-1090009468 dated June 3, 2020 issued by Taiwan Stock Exchange Corporation.

(II) The code of ethical conduct shall enter into force after it has been adopted by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting.

(III) Please refer to page 25~27 for the comparison table of the amended "Codes of Ethical Conduct".

8. Other report items

Acknowledged Items

Proposal 1 (proposed by the Board of Directors)
Proposal: Adopt 2020 Business Report and Financial Statements.
Explanation:

1. 2020 Financial Statements were audited by accountants, YANG, CHAO CHIN and LI, CHI CHEN of Deloitte & Touche with audit reports provided.
2. The aforementioned financial statements and business report were audited by the supervisors with no incompliance issue found and an audit report prepared. (Please refer to page 4~7 and 28~47)
3. Please adopt the proposal.

Resolution:

Proposal 2 (proposed by the Board of Directors)
Proposal: Adopt 2020 Profit Distribution.
Explanation:

1. The net profit after tax for 2020 was NT$87,591,172.00. After setting aside NT$8,692,721 for legal reserve and NT$17,385,443 for special reserve, and reversing NT$ 27,199,796 for special reserve in accordance with the law, the Company has NT$128,972,491 available for distribution for the year ended December 31, 2020.
2. We proposed shareholders' bonus of NT$55,761,481 (NT$0.5 per share cash dividend); the Board of Directors is authorized to set the ex-dividend date, dividend payment date and other related matters after the resolution of the shareholders' meeting.
3. Please refer to page 48 for Profit Distribution Table.
4. Please adopt the proposal.

Resolution:

Matters for Discussion

Proposal 1 (proposed by the Board of Directors)

Proposal: Amendment to "Rules of Procedure for Shareholders Meetings".

Explanation:

1. Amendment was made in accordance with the official document, Ref. No. Tai-Cheng-Chih-Li-Tzu-1090009468 and No. Taiwan-Stock-Governance-1100001446, dated June 3, 2020 and Jan. 28, 2021, respectively, issued by Taiwan Stock Exchange Corporation.
2. Please refer to page 49~52 for the comparison table of the amended "Rules of Procedure for Shareholders Meetings".
3. Please vote for approval.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Proposal: Amendment to "Rules of Procedure for Board of Directors Meetings".

Explanation:

1. Amendment was made in accordance with the official document, Ref. No. Tai-Cheng-Chih-Li-Tzu-1090009468 dated June 3, 2020 issued by Taiwan Stock Exchange Corporation.
2. Please refer to page 53~56 for the comparison table of the amended "Rules of Procedure for Board of Directors Meetings".
3. Please vote for approval.

Resolution:

Proposal 3 (proposed by the Board of Directors)

Proposal: Amendment to "Procedures for Election of Directors".

Explanation:

1. Amendment was made in accordance with the official document, Ref. No. Tai-Cheng-Chih-Li-Tzu-1090009468 dated June 3, 2020 issued by Taiwan Stock Exchange Corporation.
2. Please refer to page 57~67 for the comparison table of the amended "Procedures for Election of Directors".
3. Please vote for approval.

Resolution:

Proposal 4 (proposed by the Board of Directors)

Proposal: Amendment to "Rules Governing the Scope of Powers of Supervisors".

Explanation:

1. Amendment was made in accordance with the official document, Ref. No. Tai-Cheng-Chih-Li-Tzu-1090009468 dated June 3, 2020 issued by Taiwan Stock Exchange Corporation.
2. Please refer to page 68~69 for the comparison table of the amended "Rules Governing the Scope of Powers of Supervisors".
3. Please vote for approval.

Resolution:

Proposal 5 (proposed by the Board of Directors)

Proposal: Amendment to "Articles of Incorporation".

Explanation:

1. In accordance with Article 181-2 of the Securities and Exchange Act, listed companies with paid-in capital of less than NT$2 billion that are not in the financial industry shall establish an audit committee as of January 1, 2020, provided that the term of office of the directors and supervisors shall be applicable upon the expiration of their terms of office if the term of office has not yet expired in 2020.
2. Please refer to page 70~71 for the comparison table of the amended "Articles of Incorporation".
3. Please vote for approval.

Resolution:

Other Matters

Extempore Motion

Adjournment

III. Annex

Chateau International Development Co., Ltd.

Procedures for Ethical Management and Guidelines for Conduct

Article 1 (Purpose of adoption and scope of application)
This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of this Corporation, any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation.

Article 2 (Applicable subjects)
For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of this Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of this Corporation.

Article 3 (Unethical conduct)
For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of this Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 (Types of benefits)
For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5 (Responsible unit and duties)
The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

To achieve sound ethical corporate management, the General Directors' Office shall coordinate with relevant departments to conduct the formulation of these Procedures and Guidelines, and establish "Corporate Ethical Management and Social Responsibility Committee" responsible for establishing and supervising the implementation (hereinafter, "responsible unit") and be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:

1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

Article 6 (Prohibition against providing or accepting improper benefits)
Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits,

reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits offered to or accepted from a person other than relatives or friends; or gifts of property given by another party to the majority of the personnel of this Corporation, provided that they are within the scope of general social norms or normal etiquette.
7. Property received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative, provided that its market value shall not exceed the reasonable value of normal social customs and traditions.
8. Other conduct that complies with the rules of this Corporation.

Article 7 (Procedures for handling the acceptance of improper benefits)
Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:
1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:
1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of this Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

Article 8 (Prohibition of and handling procedure for facilitating payments)

This Corporation shall neither provide nor promise any facilitating payment.

If any personnel of this Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 (Procedures for handling political contributions)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, personnel of this Corporation shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, personnel of this Corporation shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of this Corporation with the related government agencies shall be avoided.

Article 10 (Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships by this Corporation shall be provided in accordance with relevant laws and regulations and relevant internal operation procedure of this Corporation and the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where this Corporation is doing business.

2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of this Corporation's commercial dealings or a party with which any personnel of this Corporation has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 (Recusal)

When a director , supervisor, officer or other stakeholder of this Corporation attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.

Article 12 (Special unit in charge of confidentiality regime and its responsibilities)

This Corporation shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of this Corporation shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.

Article 13 (Prohibition against unfair competition)

This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14 (Prevention of damage caused by products and services to stakeholders)

This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Corporation shall immediately recall those products or suspend the services, verify the facts and present a review and improvement plan.

The responsible unit of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 15 (Prohibition against insider trading and non-disclosure agreement)

All personnel of this Corporation shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

Article 16 (Compliance and announcement of policy of ethical management)

This Corporation shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 (Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When this Corporation carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 (Statement of ethical management policy to counterparties in commercial dealings)

Any personnel of this Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19 (Avoidance of commercial dealings with unethical operators)

All personnel of this Corporation shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement this Corporation's ethical management policy.

Article 20 (Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, this Corporation shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of this Corporation part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party as damages, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 (Handling of unethical conduct by personnel of this Corporation)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Corporation will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of this Corporation to submit reports. A whistleblower shall at least furnish the following information:

1. the whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where it can be reached.
2. the informed party's name or other information sufficient to distinguish its identifying features.
3. specific facts available for investigation.

Personnel of this Corporation handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

The responsible unit of this Corporation shall observe the following procedure in handling whistleblowing matters:

1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 22 (Actions upon event of unethical conduct by others towards this Corporation)

If any personnel of this Corporation discovers that another party has engaged in unethical conduct towards this Corporation, and such unethical conduct involves alleged illegality, this Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, this Corporation shall additionally notify the governmental anti-corruption agency.

Article 23 (Internal awareness sessions and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The responsible unit of this Corporation shall organize 1 awareness session each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.

This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 (Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

This Procedure was established on May 12, 2020.

Chateau International Development Co., Ltd.

Comparison Table of Amended Codes of Ethical Conduct

Articles after Amendment	Articles before Amendment	Description
Article 2: (Content of the code) 1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall offer	Article 2: (Content of the code) 1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall	1. Considering that parents and children are relatives within the second degree of kinship, hence, the text is simplified.

Articles after Amendment	Articles before Amendment	Description
appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company. (Paragraphs 2 to 6 are omitted) 7. Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.	offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company. (Paragraphs 2 to 6 are omitted) 7. Encouraging reporting on illegal or unethical activities: The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system, and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.	2. Revise relevant text by referencing anonymous reporting in Article 23 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
Article 5: The code of ethical conduct, and any amendments to it, shall enter into force after it	Article 5: The code of ethical conduct, and any amendments to it, shall enter into force after it	

Articles after Amendment	Articles before Amendment	Description
has been adopted by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting. The code of ethical conduct was established in the board of directors' meeting on May 21, 2010 and submitted to a special Shareholders' Meeting on August 10, 2010. The code of ethical conduct was established in the board of directors' meeting on Aug. 10, 2020 and submitted to a Shareholders' Meeting on month/day, 2021.	has been adopted by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting. The code of ethical conduct was established in the board of directors' meeting on May 21, 2010 and submitted to a special Shareholders' Meeting on August 10, 2010.	

Independent Auditors' Report
(Consolidated Financial Statements)

The Board of Directors and Shareholders
Chateau International Development Company Limited

Opinion

The Consolidated balance sheet of Chateau International Development Company Limited and its subsidiaries (Château Hotels & Resorts) on December 31, 2019 and 2020, Consolidated statement of comprehensive income, statement of comprehensive income, Consolidated Statement of changes in equity, Consolidated Cash flow statement, and Consolidated Financial Statements or Notes (include a summary of significant policies of accounting) on January 1 to December 31, 2019 and 2020, were audited and completed by the accountant.

According to the opinion of the accountant, the said Consolidated Financial Statements, in all major aspects, was in accordance with the regulations governing the preparation of financial reports by securities issuers and approved by the Financial Supervisory Commission, and issued effective IFRS, IAS, IFRIC Interpretations, and SIC Interpretations, which were able to express the consolidated financial status of Château Hotels & Resorts on December 31, 2019 and 2020 , and consolidated financial performance and consolidated cash flow on January 1 to December 31, 2019 and 2020.

Basis of Opinion

The accountant performed the audit work in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing standards generally accepted in the Republic of China. The accountant's responsibilities under these standards will be further explained in the accountant's responsibility section for review of the consolidated financial statements. The personnel of the accountant's subordinate affairs subject to independence regulations have maintained aloof independence from Château Hotels & Resorts in accordance with the accountant's professional ethics and fulfilled other responsibilities under the regulations. The accountant believes that sufficient and appropriate verification evidence has been obtained as a basis for expressing audit opinions.

Key Audit Matter

Key audit matter refers to the most important matters in the audit of Château Hotels & Resorts Consolidated Financial Statements in 2020 according to the professional judgment of the accountant. These matters have been dealt with in the process of reviewing the consolidated financial statements as a whole and forming an audit opinion. The accountant does not express an independent opinion on these matters.

The key audit matter of Château Hotels & Resorts' consolidated financial statements in 2020 is stated as follows:

As stated in Note 23 of the consolidated financial statements, the revenue from guest rooms and catering was 529,973 and 196,200 (In Thousands of NTD) in 2020, accounting for 72% and 27% of total operating revenue respectively. They are significant to the consolidated financial statements. The room income and food and beverage income generated by the reservation of the travel agent usually involves a lot of manual operations due to the different transaction conditions of the travel agent. Therefore, the accountant lists the authenticity of the room income and food and beverage income generated by the travel agent as the key audit matter.

Corresponding audit procedures

The accountant has executed the corresponding procedures for the said key audit matter listed as follows:

1. To understand and test the effectiveness of the main internal control design and implementation for the authenticity of revenue.
2. Obtain details of room revenue and catering revenue generated by bookings from travel agencies, and check relevant transaction documents, including passenger registration cards, counter bills, reconciliation calculations of travel agency and contract terms, etc., to test the authenticity of the revenue.
3. Audit the subsequent records of payment received from the travel industry after the review period.

Other items

Chateau International Development Company Limited has prepared individual financial reports for the year 2020 and 2019, and the accountant has issued an unqualified audit report for reference.

Responsibilities of Management and Governing body for consolidated financial statements

The responsibility of management was in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and approved by the Financial Supervisory Commission, and issued effective IFRS, IAS, IFRIC Interpretations, and SIC Interpretations, which were able to express the consolidated financial statements, and maintain the necessary internal control related to the preparation of the consolidated financial statements to ensure that the consolidated financial statements do not contain any material misrepresentation due to fraud or errors.

When preparing the consolidated financial statements, the responsibilities of management also include assessing Château Hotels & Resorts' ability to continue operations, disclosure of related matters, and the adoption of the accounting basis for continued operations, unless the management intends to liquidate Château Hotels & Resorts or cease operations, or there is no practical and feasible plan other than liquidation or suspension of business.

The governing body (including supervisors) of Château Hotels & Resorts is responsible for supervising the financial reporting process.

The accountant's responsibility for auditing the consolidated financial statements

The purpose of this accountant's audit of the consolidated financial statements is to obtain reasonable conviction as to whether the consolidated financial statements as a whole contain any material misrepresentation due to fraud or errors, and to issue an audit report. Reasonable assurance is a high degree of certainty, but the audit work performed in accordance with the generally accepted auditing standards cannot guarantee that material misrepresentation in the consolidated financial statements will be detected. Misrepresentation may result from fraud or errors. If the untruthful individual amounts or aggregate can be reasonably expected to affect the economic decisions made by the users of the consolidated financial statements, they are considered significant.

The accountant uses professional judgment and maintains professional suspicion when conducting audits in accordance with the auditing standards generally accepted in the Republic of China. The accountant also performs the following tasks:

1. Identify and evaluate the risks of material misrepresentation in the consolidated financial statements due to fraud or errors; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for audit opinion. Because fraud may involve collusion, forgery, deliberate omission, false statement or violation of internal control, the risk of not detecting material misrepresentation caused by fraud is higher than that caused by errors.
2. Obtain the necessary understanding of the internal control relevant to the audit in order to design an appropriate audit procedure under the circumstances, but its purpose is not to express an opinion on the effectiveness of the internal control of Château Hotels & Resorts.
3. Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of accounting estimates and related disclosures.
4. Based on the obtained audit evidence, make a conclusion on the appropriateness of the management's use of the continuing operations of the accounting basis and whether there is significant uncertainty in the event or situation that may cause major doubts about the ability of Château Hotels & Resorts to continue operations. If the accountant believes that there are significant uncertainties in these events or circumstances, he must remind the users of the financial statements in the audit report to pay attention to the relevant disclosures in the consolidated financial statements, or amend the audit opinion when such disclosures are inappropriate. The accountant’s conclusion is based on the audit evidence obtained as of the audit report date, but future events or circumstances may cause Château Hotels & Resorts to no longer have the ability to continue operations.
5. Evaluate the overall expression, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements are appropriate to express relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities in Château Hotels & Resorts to express opinions on the consolidated financial statement. The accountant is responsible for the guidance, supervision and execution of the group's audit cases, and is responsible for forming

the group's audit opinion.

7. The matters communicated between the accountant and the governing body include the planned audit scope and time, as well as major audit findings (including significant deficiencies in internal control identified during the audit process).

The accountant also provides the governing body with a statement that the personnel of the accountant’s affairs subject to independence regulations have complied with the independence of code of professional ethics, and communicates with the governance unit all relationships and other matters that may be considered to affect the independence of the accountant (including relevant protective measures).

The accountant decided to audit the key audit matter of Château Hotels & Resorts' 2020 financial statements from the matters communicated with the governing body. The accountant states these matters in the audit report, unless the law does not allow specific matters to be disclosed publicly, or in very rare cases, the accountant decides not to communicate specific matters in the audit report because it can be reasonably expected that the negative impact of this communication will be greater than the public interest promoted.

Deloitte & Touche

Accountant YANG, CHAO-CHIN

No. approved by Financial Supervisory Commission

No. Financial-Supervisory-Securities-Auditing-No.1060023872

Accountant LEE, CHI-CHEN

No. approved by Securities and Futures Commission

No. Taiwan-Financial-Securities- No.0920123784

February 26, 2021

Chateau International Development Company Limited and Subsidiaries
Consolidated Balance Sheet
December 31, 2020 and 2019
(Unit: Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
Code	**Assets**	**Amount**	**%**	**Amount**	**%**
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 161,178	6	$ 94,958	4
1120	Current financial assets at fair value through other comprehensive income (Notes 4 and 7)	178,724	7	110,851	4
1136	Current financial assets at amortized cost(Notes 4, 8 and 30)	18,522	1	31,268	1
1170	Accounts receivable, net (Notes 4, 9 and 29)	13,935	1	10,372	-
1200	Other receivables	6	-	944	-
130X	Current inventories (Notes 4 and 10)	11,092	-	10,799	1
1410	Prepayments	12,916	-	13,552	1
1470	Other current assets (Note 18)	127	-	2,932	-
11XX	Total current assets	396,500	15	275,676	11
	Non-current assets				
1535	Non-current financial assets at amortized cost (Notes 4, 8 and 30)	11,000	1	11,000	1
1550	Investments accounted for using equity method (Notes 4 and 12)	4,482	-	-	-
1600	Property, plant and equipment (Notes 4, 13, 29 and 30)	1,179,382	46	1,214,104	48
1755	Right-of-use assets (Notes 4 and 14)	72,631	3	91,091	4
1760	Investment property(Note 4、15 and 30)	548,143	22	541,153	21
1780	Intangible assets (Notes 4 and 16)	339,391	13	385,915	15
1840	Deferred tax assets (Notes 4 and 25)	3,749	-	3,588	-
1952	Fund for improvements and expansions (note 17)	8,002	-	2	-
1990	Other non-current assets (Notes 18 and 28)	7,520	-	4,314	-
15XX	Total non-current assets	2,174,300	85	2,251,167	89
1XXX	Total assets	$ 2,570,800	100	$ 2,526,843	100
Code	**Liabilities and equity**				
	Current liabilities				
2100	Short-term loans (Notes 4, 19 and 30)	$ 30,000	1	$ 30,000	1
2110	Short-term notes and bills payable (Notes 4, 19 and 30)	60,774	2	28,965	1
2130	Current contract liabilities(notes 4 and 23)	28,223	1	20,219	1
2150	Notes payable	-	-	24	-
2170	Accounts payable (note 29)	26,017	1	27,414	1
2200	Other payables (Notes 20 and 29)	78,553	3	90,000	3
2230	Current tax liabilities (Notes 4 and 25)	26,766	1	8,494	-
2280	Current lease liabilities (notes 4 and 14)	14,058	1	18,584	1
2320	Long-term liabilities, current portion (Notes 4, 19 and 30)	93,768	4	121,925	5
2399	Other current liabilities, others (Notes 20 and 29)	55,637	2	66,117	3
21XX	Total current liabilities	413,796	16	411,742	16
	Non-current liabilities				
2540	Non-current portion of non-current borrowings (Notes 4, 19 and 30)	122,033	5	195,806	8
2570	Deferred tax liabilities (Notes 4 and 25)	1,118	-	1,118	-
2580	Non-current lease liabilities (notes 4 and 14)	51,572	2	66,468	3
2640	Net defined benefit liability, non-current (Note 4 and 21)	9,036	-	8,519	-
2645	Guarantee deposits received	421	-	300	-
25XX	Total non-current liabilities	184,180	7	272,211	11
2XXX	Total liabilities	597,976	23	683,953	27
	Equity attributable to the owners of the parent (Note 22)				
	Share capital				
3110	Ordinary share	1,115,229	43	1,115,229	44
3200	Capital surplus	170,663	7	170,663	7
	Retained earnings				
3310	Legal reserve	148,136	6	144,136	6
3320	Special reserve	236,201	9	212,747	8
3350	Unappropriated retained earnings (accumulated deficit)	127,852	5	90,683	4
3300	Total retained earnings	512,189	20	447,566	18
3400	Total other equity interest	40,673	2	(27,200)	(1)
31XX	Total equity attributable to owners of parent	1,838,754	72	1,706,258	68
36XX	Non-controlling interests	134,070	5	136,632	5
3XXX	Total equity	1,972,824	77	1,842,890	73
	Total liabilities and equity	$ 2,570,800	100	$ 2,526,843	100

The attached notes are part of this consolidated financial statement.

Chateau International Development Company Limited and subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2020 and 2019

(Unit: Thousands of New Taiwan Dollars)
(However, the earnings per share are New Taiwan Dollars)

Code		Year 2020 Amount	Year 2020 %	Year 2019 Amount	Year 2019 %
4000	Total operating revenue(Note 4, 23 and 29)	$ 736,669	100	$ 753,006	100
5000	Total operating costs(Note 10, 24 and 29)	409,322	56	452,580	60
5900	Gross profit (loss) from operations	327,347	44	300,426	40
	Operating expenses(Notes 24 and 29)				
6100	Selling expenses	30,153	4	36,574	5
6200	Administrative expenses	212,481	29	232,625	31
6000	Total operating expenses	242,634	33	269,199	36
6510	Other income(Note 24)	(7)	-	1,611	-
6900	Net operating income (loss)	84,706	11	32,838	4
	Non-operating income and expenses(Note 12, 24 and 29)				
7100	Interest income	79	-	120	-
7010	Other income	28,950	4	16,409	2
7030	Other gains and losses	(67)	-	(769)	-
7050	Financial costs	(6,067)	(1)	(6,311)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(18)	-	-	-
7590	Miscellaneous disbursements	(4,203)	-	(2,200)	-
7000	Total non-operating income and expenses	18,674	3	7,249	1
7900	Profit (loss) from continuing operations before tax	103,380	14	40,087	5
7950	Total tax expense (income) (Notes 4 and 25)	18,350	2	3,947	-

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(Continued from the previous page)

Code		Year 2020 Amount	%	Year 2019 Amount	%
8200	Profit (loss) from continuing operations	$ 85,030	12	$ 36,140	5
	Other comprehensive income				
	Items not reclassified to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans(Note 21)	(830)	-	(368)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	67,873	9	(15,454)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit loss (Note 25)	166	-	74	-
8300	Other comprehensive income of the year, net of income tax	67,209	9	(15,748)	(2)
8500	Total comprehensive income	$ 152,239	21	$ 20,392	3
	Profit (loss), attributed to：				
8610	Shareholders of the parent	$ 87,592	12	$ 40,001	5
8620	Non-controlling interests	(2,562)	-	(3,861)	-
8600		$ 85,030	12	$ 36,140	5
	Comprehensive income attributable to：				
8710	Shareholders of the parent	$ 154,801	21	$ 24,253	3
8720	Non-controlling interests	(2,562)	-	(3,861)	-
8700		$ 152,239	21	$ 20,392	3
	Earnings per Share(NT$, Note 26)				
9750	Basic earnings per share	$ 0.79		$ 0.36	
9850	Diluted earnings per share	0.79		0.36	

The attached notes are part of this consolidated financial statement.

Chateau International Development Company Limited and subsidiaries
Consolidated Statement of Changes In Equity
January 1 to December 31, 2020 and 2019
(Unit: Thousands of New Taiwan Dollars)

Code		Equity attributable to Shareholders of parent								
				Retained earnings			Other equity			
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total Equity
A1	Balance as of January 1, 2019	$ 1,115,229	$ 170,663	$ 142,023	$ 196,776	$ 91,365	($ 11,746)	$ 1,704,310	$ 140,493	$ 1,844,803
	Earnings Appropriation and Distribution in 2018 (Note 22)									
B1	Legal reserve appropriated	-	-	2,113	-	(2,113)	-	-	-	-
B3	Special reserve appropriated	-	-	-	15,971	(15,971)	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(22,305)	-	(22,305)	-	(22,305)
D1	Profit (loss) in 2019	-	-	-	-	40,001	-	40,001	(3,861)	36,140
D3	Other comprehensive income in 2019	-	-	-	-	(294)	(15,454)	(15,748)	-	(15,748)
D5	Total comprehensive income in 2019	-	-	-	-	39,707	(15,454)	24,253	(3,861)	20,392
Z1	Balance as of December 31, 2019	1,115,229	170,663	144,136	212,747	90,683	(27,200)	1,706,258	136,632	1,842,890
	Earnings Appropriation and Distribution in 2019 (Note 22)									
B1	Legal reserve appropriated	-	-	4,000	-	(4,000)	-	-	-	-
B3	Special reserve appropriated	-	-	-	23,454	(23,454)	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(22,305)	-	(22,305)	-	(22,305)
D1	Profit (loss) in 2020	-	-	-	-	87,592	-	87,592	(2,562)	85,030
D3	Other comprehensive income in 2020	-	-	-	-	(664)	67,873	67,209	-	67,209
D5	Total comprehensive income in 2020	-	-	-	-	86,928	67,873	154,801	(2,562)	152,239
Z1	Balance as of December 31, 2020	$ 1,115,229	$ 170,663	$ 148,136	$ 236,201	$ 127,852	$ 40,673	$ 1,838,754	$ 134,070	$ 1,972,824

The attached notes are part of this consolidated financial statement.

Chateau International Development Company Limited and subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2020 and 2019
(Unit: Thousands of New Taiwan Dollars)

Code		Year 2020	Year 2019
	Cash flows from (used in) operating activities, indirect method		
A10000	Profit (loss) before tax	$ 103,380	$ 40,087
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	79,155	82,927
A20200	Amortization expense	50,089	54,638
A20900	Interest expense	6,067	6,311
A21200	Interest income	(79)	(120)
A21300	Dividend income	-	(4,727)
A22500	Loss (gain) on disposal of property, plan and equipment	7	(1,611)
A22800	Loss (gain) on disposal of intangible assets	67	769
A22400	Share of loss (profit) of associates and joint ventures accounted for using equity method	18	-
A29900	Other adjustments to reconcile profit (loss)	(2)	-
A30000	Changes in operating assets and liabilities		
A31130	Decrease (increase) in notes receivable	-	4
A31150	Decrease (increase) in accounts receivable	(3,563)	8,699
A31180	Decrease (increase) in other receivable	938	11,454
A31200	Adjustments for decrease (increase) in inventories	(293)	(1,215)
A31230	Decrease (increase) in prepayments	636	169
A31240	Adjustments for decrease (increase) in other current assets	2,805	(1,837)
A32125	Increase (decrease) in contract liabilities	8,004	(4,972)
A32130	Increase (decrease) in notes payable	(24)	(379)
A32150	Increase (decrease) in accounts liabilities	(1,397)	(2,886)
A32180	Increase (decrease) in other payable	(1,625)	6,992
A32230	Adjustments for increase (decrease) in other current liabilities	(10,480)	(2,035)
A32240	Increase (decrease) in net defined benefit liability	(313)	(1,026)
A33000	Cash inflow (outflow) generated from operations	233,390	191,242
A33500	Income tax paid	(73)	(1,402)
AAAA	Net cash flows from (used in) operating activities	233,317	189,840
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortized cost	12,746	7,327
B00100	Acquisition of financial assets at fair value through profit or loss	-	(30,000)
B01800	Acquisition of investments accounted for using equity method	(4,500)	-
B02700	Acquisition of property, plant and equipment	(40,759)	(46,986)
B02800	Proceeds from disposal of property, plant and equipment	110	2,520

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(Continued from the previous page)

Code		Year 2020	Year 2019
B04500	Acquisition of intangible assets	($ 3,632)	($ 7,753)
B05350	Acquisition of use-of-right assets	(3,233)	(9,361)
B06700	Increase in other non-current assets	-	(630)
B06800	Decrease in other non-current assets	315	-
B07100	Increase in prepayments for business facilities	(3,521)	-
B07500	Interest received	79	119
B07600	Dividends received	-	4,727
B09900	Other investing activities	(8,000)	(4,225)
BBBB	Net cash flows from (used in) investing activities	(50,395)	(84,262)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	70,000	120,000
C00200	Decrease in short-term loans	(70,000)	(150,000)
C00500	Increase in short-term notes and bills payable	326,000	229,000
C00600	Decrease in short-term notes and bills payable	(294,000)	(240,000)
C01600	Proceeds from long-term debt	290,000	150,000
C01700	Repayments of long-term debt	(391,930)	(177,432)
C04020	Payments of lease liabilities	(18,215)	(15,199)
C04300	Increase in other non-current liabilities	121	-
C04400	Decrease in other non-current liabilities	-	(50)
C04500	Cash dividends	(22,305)	(22,305)
C05600	Interest paid	(6,373)	(6,343)
CCCC	Net cash flows from (used in) financing activities	(116,702)	(112,329)
EEEE	Net increase (decrease) in cash and cash equivalents	66,220	(6,751)
E00100	Cash and cash equivalents at beginning of period	94,958	101,709
E00200	Cash and cash equivalents at end of period	$ 161,178	$ 94,958

The attached notes are part of this consolidated financial statement.

Independent Auditors' Report
(Parent Company Only Financial Statements)

The Board of Directors and Shareholders
Chateau International Development Company Limited:

Opinion

The individual balance sheet of Chateau International Development Company Limited (Château Hotels & Resorts) on December 31, 2019 and 2020, individual statement of comprehensive income, statement of comprehensive income, individual Statement of changes in equity, individual Cash flow statement, and individual Financial Statements or Notes (including a summary of significant policies of accounting) on January 1 to December 31, 2019 and 2020, were audited and completed by the accountant.

According to the opinion of the accountant, individual Financial Statements, in all major aspects, was in accordance with the regulations governing the preparation of financial reports by securities issuers and approved by the Financial Supervisory Commission, and issued effective IFRS, IAS, IFRIC Interpretations, and SIC Interpretations, which were able to express the individual financial status of Château Hotels & Resorts on December 31, 2019 and 2020 , and individual financial performance and individual cash flow on January 1 to December 31, 2019 and 2020.

Basis of Opinion

The accountant performed the audit work in accordance with Attestation of Financial Statements by Certified Public Accountants. The accountant's responsibilities under these standards will be further explained in the accountant's responsibility section for review of the individual financial statements. The personnel of the accountant's subordinate affairs subject to independence regulations have maintained aloof independence from Château Hotels & Resorts in accordance with the accountant's professional ethics and fulfilled other responsibilities under the regulations. The accountant believes that sufficient and appropriate verification evidence has been obtained as a basis for expressing audit opinions.

Key Audit Matters

Key audit matter refers to the most important matters in the audit of Château Hotels & Resorts individual Financial Statements in 2020 according to the professional judgment of the accountant. These matters have been dealt with in the process of reviewing the individual financial statements as a whole and forming an audit opinion. The accountant does not express an independent opinion on these matters.

The key audit matter of Château Hotels & Resorts' individual financial statements in 2020 is stated as follows:

As stated in Note 22 of the individual financial statements, the revenue from guest rooms and catering was 511,868 and 193,666 (In Thousands of NTD) in 2020, accounting for 71% and 27% of total operating revenue respectively. They are significant to the individual financial statements. The room income and food and beverage income generated by the reservation of the travel agent usually involves a lot of manual operations due to the different transaction conditions of the travel agent. Therefore, the accountant lists the authenticity of the room income and food and beverage income generated by the travel agent as the key audit matter.

Corresponding audit procedures

The accountant has executed the corresponding procedures for the said key audit matter listed as follows:

1. To understand and test the effectiveness of the main internal control design and implementation for the authenticity of revenue.
2. Obtain details of room revenue and catering revenue generated by bookings from travel agencies, and check relevant transaction documents, including passenger registration cards, counter bills, reconciliation calculations of travel agency and contract terms, etc., to test the authenticity of the revenue.
3. Audit the subsequent records of payment received from the travel industry after the review period.

Responsibilities of management and governing body for individual financial statements

The responsibility of management was in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and approved by the Financial Supervisory Commission, and issued effective IFRS, IAS, IFRIC Interpretations, and SIC Interpretations, which were able to express the individual financial statements, and maintain the necessary internal control related to the preparation of the individual financial statements to ensure that the individual financial statements do not contain any material misrepresentation due to fraud or errors.

When preparing the individual financial statements, the responsibilities of management also include assessing Château Hotels & Resorts’ ability to continue operations, disclosure of related matters, and the adoption of the accounting basis for continued operations, unless the management intends to liquidate Château Hotels & Resorts or cease operations, or there is no practical and feasible plan other than liquidation or suspension of business.

Governing body (including supervisors) of Château Hotels & Resorts is responsible for supervising the financial reporting process.

The accountant's responsibility for auditing the individual financial statements

The purpose of this accountant's audit of the individual financial statements is to obtain reasonable conviction as to whether the individual financial statements as a whole contain any material misrepresentation due to fraud or errors, and to issue an audit report. Reasonable assurance is a high degree of certainty, but the audit work performed in accordance with the generally accepted auditing standards cannot guarantee that material misrepresentation in the individual financial statements will be detected. Misrepresentation may result from fraud or errors. If the untruthful individual amounts or aggregate can be reasonably expected to affect the economic decisions made by the users of the individual financial statements, they are considered significant.

The accountant uses professional judgment and maintains professional suspicion when conducting audits in accordance with the auditing standards generally accepted in the Republic of China. The accountant also performs the following tasks:

1. Identify and evaluate the risks of material misrepresentation in the individual financial statements due to fraud or errors; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for audit opinion. Because fraud may involve collusion, forgery, deliberate omission, false statement or violation of internal control, the risk of not detecting material misrepresentation caused by fraud is higher than that caused by errors.
2. Obtain the necessary understanding of the internal control relevant to the audit in order to design an appropriate audit procedure under the circumstances, but its purpose is not to express an opinion on the effectiveness of the internal control of Château Hotels & Resorts.
3. Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of accounting estimates and related disclosures.
4. Based on the obtained audit evidence, make a conclusion on the appropriateness of the management's use of the continuing operations of the accounting basis and whether there is significant uncertainty in the event or situation that may cause major doubts about the ability of Château Hotels & Resorts to continue operations. If the accountant believes that there are significant uncertainties in these events or circumstances, he must remind the users of the financial statements in the audit report to pay attention to the relevant disclosures in the individual financial statements, or amend the audit opinion when such disclosures are inappropriate. The accountant’s conclusion is based on the audit evidence obtained as of the audit report date, but future events or circumstances may cause Château Hotels & Resorts to no longer have the ability to continue operations.
5. Evaluate the overall expression, structure and content of the individual financial statements (including relevant notes), and whether the individual financial statements are appropriate to express relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities in Château Hotels & Resorts to express opinions on the individual financial statement. The accountant is responsible for the guidance,

supervision and execution of the group's audit cases, and is responsible for forming the group's audit opinion.

The matters communicated between the accountant and the governing body include the planned audit scope and time, as well as major audit findings (including significant deficiencies in internal control identified during the audit process).

The accountant also provides the governing body with a statement that the personnel of the accountant's affairs subject to independence regulations have complied with the independence of code of professional ethics, and communicates with the governing body all relationships and other matters that may be considered to affect the independence of the accountant (including relevant protective measures).

The accountant decided to audit the key audit matter of Château Hotels & Resorts' 2020 financial statements from the matters communicated with the governing body. The accountant states these matters in the audit report, unless the law does not allow specific matters to be disclosed publicly, or in very rare cases, the accountant decides not to communicate specific matters in the audit report because it can be reasonably expected that the negative impact of this communication will be greater than the public interest promoted.

Deloitte & Touche

Accountant YANG, CHAO-CHIN

No. approved by Financial Supervisory Commission

No. Financial-Supervisory-Securities-Auditing-No.1060023872

Accountant LEE, CHI-CHEN

No. approved by Securities and Futures Commission

No. Taiwan-Financial-Securities- No.0920123784

February 26, 2021

Chateau International Development Company Limited
Individual Balance Sheet
December 31, 2020 and 2019
(Unit: Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
Code	**Assets**	**Amount**	**%**	**Amount**	**%**
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 140,252	6	$ 88,629	4
1120	Current financial assets at fair value through other comprehensive income (Notes 4 and 7)	178,724	8	110,851	5
1136	Current financial assets at amortized cost (Notes 4, 8 and 29)	18,522	1	31,268	1
1170	Accounts receivable, net (Notes 4, 9 and 28)	13,209	1	9,879	-
1200	Other receivables	6	-	900	-
130X	Current inventories (Notes 4 and 10)	10,957	-	10,724	1
1410	Prepayments	6,930	-	6,719	-
1470	Other current assets (Note 17)	127	-	2,955	-
11XX	Total current assets	368,727	16	261,925	11
	Non-current assets				
1535	Non-current financial assets at amortized cost (Notes 4, 8 and 30)	11,000	1	11,000	1
1550	Investments accounted for using equity method (Notes 4 and 11)	123,485	5	125,757	5
1600	Property, plant and equipment (Notes 4, 12, 28 and 29)	874,545	37	906,306	39
1755	Right-of-use assets (Notes 4 and 13)	66,603	3	84,729	4
1760	Investment property, net (Notes 4, 14 and 29)	541,153	23	541,153	23
1780	Intangible assets (Notes 4 and 15)	339,391	15	385,915	17
1840	Deferred tax assets (Notes 4 and 24)	3,749	-	3,588	-
1952	Fund for improvements and expansions (note 16)	8,002	-	2	-
1990	Other non-current assets (Notes 17 and 28)	3,921	-	4,241	-
15XX	Total non-current assets	1,971,849	84	2,062,691	89
1XXX	Total assets	$ 2,340,576	100	$ 2,324,616	100
Code	**Liabilities and equity**				
	Current liabilities				
2130	Current contract liabilities (notes 4 and 22)	$ 28,223	1	$ 20,219	1
2170	Accounts payable (note 28)	25,146	1	25,073	1
2200	Other payables (Notes 19 and 28)	75,556	3	87,346	4
2230	Current tax liabilities (Notes 4 and 24)	26,766	1	8,494	-
2280	Current lease liabilities (notes 4 and 13)	14,058	1	18,584	1
2320	Long-term liabilities, current portion (Notes 4, 18 and 29)	93,768	4	121,925	5
2399	Other current liabilities, others (Notes190 and 28)	55,564	2	65,824	3
21XX	Total current liabilities	319,081	13	347,465	15
	Non-current liabilities				
2540	Non-current portion of non-current borrowings(Notes 4, 18 and 29)	122,033	5	195,806	9
2580	Non-current lease liabilities	51,572	2	66,468	3
2640	Net defined benefit liability, non-current (notes 4 and 13)	9,036	1	8,519	-
2645	Guarantee deposits received (Note 4 and 20)	100	-	100	-
25XX	Total non-current liabilities	182,741	8	270,893	12
2XXX	Total liabilities	501,822	21	618,358	27
	Equity (Note 21)				
	Share capital				
3110	Ordinary share	1,115,229	48	1,115,229	48
3200	Capital surplus	170,663	7	170,663	7
	Retained earnings				
3310	Legal reserve	148,136	6	144,136	6
3320	Special reserve	236,201	10	212,747	9
3350	Unappropriated retained earnings (accumulated deficit)	127,852	6	90,683	4
3300	Total retained earnings	512,189	22	447,566	19
3400	Total other equity interest	40,673	2	(27,200)	(1)
3XXX	Total equity	1,838,754	79	1,706,258	73
	Total liabilities and equity	$ 2,340,576	100	$ 2,324,616	100

The attached notes are part of this individual financial statement.

Chateau International Development Company Limited
Individual Statement Of Comprehensive Income
January 1 to December 31, 2020 and 2019

(Unit: Thousands of New Taiwan Dollars)
(However, the earnings per share are New Taiwan Dollars)

		Year 2020		Year 2019	
Code		Amount	%	Amount	%
4000	Total operating revenue(Note 4, 22 and 28)	$ 716,051	100	$ 731,280	100
5000	Total operating costs(Note 10, 23 and 28)	396,308	55	438,063	60
5900	Gross profit (loss) from operations	319,743	45	293,217	40
	Operating expenses(Notes 23 and 28)				
6100	Selling expenses	30,087	4	36,574	5
6200	Administrative expenses	197,432	28	216,601	29
6000	Total Operating expenses	227,519	32	253,175	34
6510	Other income(Note 23)	-	-	1,611	-
6900	Net operating income (loss)	92,224	13	41,653	6
	Non-operating income and expenses(Note 23 and 28)				
7100	Interest income	77	-	118	-
7010	Other income	25,001	4	14,360	2
7030	Other gains and losses, net	(67)	-	(769)	-
7050	Financial costs	(5,100)	(1)	(5,791)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(2,272)	-	(3,423)	(1)
7590	Miscellaneous disbursements	(3,921)	(1)	(2,200)	-
7000	Total non-operating income and expenses	13,718	2	2,295	-

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Code		Year 2020 Amount	Year 2020 %	Year 2019 Amount	Year 2019 %
7900	Profit (loss) from continuing operations before tax	$ 105,942	15	$ 43,948	6
7950	Total tax expense (income)(Notes 4 and 24)	18,350	3	3,947	1
8200	Profit (loss) from continuing operations	87,592	12	40,001	5
	Other comprehensive income				
	Items not reclassified to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans(Note 20)	(830)	-	(368)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	67,873	10	(15,454)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 24)	166	-	74	-
8300	Total other comprehensive income	67,209	10	(15,748)	(2)
8500	Total comprehensive income	$ 154,801	22	$ 24,253	3
	Earnings per Share (NT$, Note 25)				
9750	Basic earnings per share	$ 0.79		$ 0.36	
9850	Diluted earnings per share	0.79		0.36	

The attached notes are part of this individual financial statement.

Chateau International Development Company Limited
Individual Statement Of Changes In Equity
January 1 to December 31, 2020 and 2019
(Unit: Thousands of New Taiwan Dollars)

				Retained earnings			Other equity interest	
Code		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
A1	Balance as of January 1, 2019	$ 1,115,229	$ 170,663	$ 142,023	$ 196,776	$ 91,365	($ 11,746)	$1,704,310
	Earnings Appropriation and Distribution in 2018 (Note 21)							
B1	Legal reserve appropriated	-	-	2,113	-	(2,113)	-	-
B3	Special reserve appropriated	-	-	-	15,971	(15,971)	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(22,305)	-	(22,305)
D1	Profit (loss) in 2019	-	-	-	-	40,001	-	40,001
D3	Other comprehensive income in 2019	-	-	-	-	(294)	(15,454)	(15,748)
D5	Total comprehensive income in 2019	-	-	-	-	39,707	(15,454)	24,253
Z1	Balance as of December 31, 2019	1,115,229	170,663	144,136	212,747	90,683	(27,200)	1,706,258
	Earnings Appropriation and Distribution in 2019 (Note 21)							
B1	Legal reserve appropriated	-	-	4,000	-	(4,000)	-	-
B3	Special reserve appropriated	-	-	-	23,454	(23,454)	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(22,305)	-	(22,305)
D1	Profit (loss) in 2020	-	-	-	-	87,592	-	87,592
D3	Other comprehensive income in 2020	-	-	-	-	(664)	67,873	67,209
D5	Total comprehensive income in 2020	-	-	-	-	86,928	67,873	154,801
Z1	Balance as of December 31, 2020	$1,115,229	$ 170,663	$ 148,136	$ 236,201	$ 127,852	$ 40,673	$1,838,754

The attached notes are part of this individual financial statement.

Chateau International Development Company Limited
Individual Cash Flow Statement
January 1 to December 31, 2020 and 2019

(Unit: Thousands of New Taiwan Dollars)

Code		Year 2020	Year 2019
	Cash flows from (used in) operating activities, indirect method		
A10000	Profit (loss) before tax	$ 105,942	$ 43,948
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	73,201	75,887
A20200	Amortization expense	50,089	54,573
A20900	Interest expense	5,100	5,791
A21200	Interest income	(77)	(118)
A21300	Dividend income	-	(4,727)
A22500	Loss (gain) on disposal of property, plant and equipment	-	(1,611)
A22800	Loss (gain) on disposal of intangible assets	67	769
A22400	Share of loss (profit) of associates and joint ventures accounted for using equity method	2,272	3,423
A29900	Other adjustments to reconcile profit (loss)	(2)	-
A30000	Changes in operating assets and liabilities		
A31130	Decrease (increase) in notes receivable	-	4
A31150	Decrease (increase) in accounts receivable	(3,330)	8,756
A31180	Decrease (increase) in other receivable	893	11,371
A31200	Adjustments for decrease (increase) in inventories	(233)	(1,195)
A31230	Decrease (increase) in prepayments	(211)	87
A31240	Adjustments for decrease (increase) in other current assets	2,828	(1,950)
A32125	Increase (decrease) in contract liabilities	8,004	(4,972)
A32150	Increase (decrease) in accounts liabilities	73	(4,953)
A32180	Increase (decrease) in other payable	(1,969)	6,850
A32230	Adjustments for increase (decrease) in other current liabilities	(10,260)	(1,349)
A32240	Increase (decrease) in net defined benefit liability	(313)	(1,025)
A33000	Cash inflow (outflow) generated from operations	232,074	189,559
A33500	Income taxes paid	(73)	(1,402)
AAAA	Net cash flows from (used in) operating activities	232,001	188,157
	Cash flows from (used in) investing activities		
B00050	Proceeds from financial assets at amortized cost	12,746	7,327
B00100	Acquisition of financial assets at fair value through profit or loss	-	(30,000)

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Code		Year 2020	Year 2019
B02700	Acquisition of property, plant and equipment	($ 30,992)	($ 36,998)
B02800	Proceeds from disposal of property, plant and equipment	-	2,520
B04500	Acquisition of intangible assets	(3,632)	(7,753)
B05350	Acquisition of use-of-right assets	(3,233)	(2,693)
B06700	Increase in other non-current assets	-	(688)
B06800	Decrease in other non-current assets	320	-
B07500	Interest received	78	118
B07600	Dividends received	-	4,727
B09900	Other investing activities	(8,000)	(4,225)
BBBB	Net cash flows from (used in) investing activities	(32,713)	(67,665)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	70,000	60,000
C00200	Decrease in short-term loans	(70,000)	(120,000)
C00500	Increase in short-term notes and bills payable	110,000	110,000
C00600	Decrease in short-term notes and bills payable	(110,000)	(110,000)
C01600	Proceeds from long-term debt	290,000	150,000
C01700	Repayments of long-term debt	(391,930)	(177,433)
C04020	Payments of lease liabilities	(18,216)	(15,199)
C04400	Decrease in other non-current liabilities	-	(50)
C04500	Cash dividends paid	(22,305)	(22,305)
C05600	Interest paid	(5,214)	(5,846)
CCCC	Net cash flows from (used in) financing activities	(147,665)	(130,833)
EEEE	Net increase (decrease) in cash and cash equivalents	51,623	(10,341)
E00100	Cash and cash equivalents at beginning of period	88,629	98,970
E00200	Cash and cash equivalents at end of period	$ 140,252	$ 88,629

The attached notes are part of this individual financial statement.

Chateau International Development Co., Ltd.
2020 Profit Distribution List

Unit: New Taiwan Dollar (NT$)

Item	Amount
Beginning retained earnings	40,923,646
Actuarial profit or loss accounted to retained earnings	(663,959)
2020 Net profit after tax	87,591,172
	127,850,859
Plus:Set Aside Special Surplus Reserve Marketable Notes Reversal Loss by Law	27,199,796
Minus: Set Aside Legal Reserve	8,692,721
Self Set Aside Special Reserve	17,385,443
2020 Earnings for Distribution	128,972,491
Distributable items for current period:	
Bonus for Shareholders Appropriation - Stock (NT0.00/share)	0
Bonus for Shareholders Appropriation - Cash (NT0.50/share)	55,761,481
2020 Unappropriated retained earnings	73,211,010

Note 1: The Company passed the Amendment to the Articles of Incorporation Proposal in the interim shareholders meeting on February 3, 2012, where since 2001 to 2048, the year that the Company is operated in a single operating base, in case of earnings indicated from the annual accounts, there shall be twenty percent (20%) of Special reserve retained as the Fund for Expansion.

Note 2: The Company has issued a total of 111,522,961 shares.

Note 3: The actual outstanding number of shares of the Company is 111,522,961 shares, and the bonus proposed to appropriate to shareholders in current period is NT$55,761,481.00, with cash dividend NT0.50 per share; for cash dividend appropriated less than NT$1.00 called odd lots, the President is Authorized to take care of it.

Chateau International Development Co., Ltd.

Comparison Table of Amended Rules of Procedure for Shareholders Meetings

Articles after Amendment	Articles before Amendment	Description
Article 3: (Convening shareholders meetings and shareholders meeting notices) Paragraph 1, 2, and 3 are omitted. 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, Article 26-1, Article 43-6 of Securities and Exchange Act, Article 56-1 and Article 60-2 of 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	Article 3: (Convening shareholders meetings and shareholders meeting notices) Paragraph 1, 2, and 3 are omitted. 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 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; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the	1. To avoid the misunderstanding by listed companies that all extraordinary motions can be made except for the matters in Article 185, Paragraph 1 of the Company Act, it is proposed to include the provisions of the Company Act other than those listed in the original Article before the amendment that cannot be made by way of extraordinary motions. 2. Comply with the announced method of description to make the adjustment on the specifications of the articles.

Articles after Amendment	Articles before Amendment	Description
raised by an extraordinary motion. Paragraph 5 is omitted. A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, 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. Shareholders may submit a proposal for urging the corporation to promote public interests or fulfill its social responsibilities, however, in terms of procedure, the number of items so proposed is limited to one only in accordance with the relevant	corporation, and such website shall be indicated in the above notice. Paragraph 5 is omitted. A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, 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. Provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors.	3. Revise Paragraph 6 of this Article in accordance with the amendment to Article 172, Paragraph 5 of the Company Act and the official document Reference No. MOEA Department of Commerce No. 10700105410.

Articles after Amendment	Articles before Amendment	Description
regulations in Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. (Paragraphs hereunder are omitted)	(Paragraphs hereunder are omitted)	
Article 7: (Calculation on the number of shares in attendance and call the meeting) Paragraph 1 is omitted. The chair shall call the meeting to order at the appointed meeting time, and announce relevant information of the number of attendence without voting rights and the number of shares in attendance, etc. 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.	Article 7: (Calculation on the number of shares in attendance and call the meeting) Paragraph 1 is omitted. The chair shall call the meeting to order at the appointed meeting time. 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. (Paragraphs hereunder are omitted)	Paragraph 2 is revised to enhance corporate governance and protect shareholders' equities.

Articles after Amendment	Articles before Amendment	Description
(Paragraphs hereunder are omitted)		
Article 12 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, 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. (Paragraphs hereunder are omitted)	Article 12 The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately. (Paragraphs hereunder are omitted)	Paragraph 1 is revised to enhance corporate governance and protect shareholders' equities.

Chateau International Development Co., Ltd.

Comparison Table of Amended Rules of Procedure for Board of Directors Meetings

Articles after Amendment	Articles before Amendment	Description
Article 6 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	Article 6 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.	1. Adjust the test in Paragraph 1 in in accordance with Article 10 of Regulations Governing Procedure for Board of Directors Meetings of Public Companies. 2. Revise, adjust and add Paragraph 2 in accordance with Article 203, Paragraph 4 and Article 203-1 of the Company Act to state that where a meeting of the board of directors is called by a majority of directors on their own initiative (including the case of the first meeting of the board of directors

Articles after Amendment	Articles before Amendment	Description
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.	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.	is called by a majority of elected directors on their own initiative), the directors shall choose one person by and from among themselves to chair the meeting. 3. Adjust paragraph order.
Article 10 Paragraph 1 and 2 are omitted. If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors	Article 10 Paragraph 1, and 2 are omitted. If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present	Adjust paragraph order.

Articles after Amendment	Articles before Amendment	Description
present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 5 of Article 7 shall apply mutatis mutandis.	at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 4 of Article 7 shall apply mutatis mutandis.	
Article 11 The following items shall be submitted for discussion by the board of directors: 1. Business plan of the Company. 2. Annual financial reports and second quarter financial reports required to be certified by an accountant. (Omitted)	Article 11 The following items shall be submitted for discussion by the board of directors: 1. Business plan of the Company. 2. Annual and semi-annual financial reports. With the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA). (Paragraphs hereunder are omitted)	Adjust Paragraph 1, Subparagraph 2 in accordance with the amendment to Article 14-5 of Securities and Exchange Act.
Article 14 Paragraph 1 is omitted. Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is	Article 14 Paragraph 1 is omitted.	Add Paragraph 2, adjust the original Paragraph 2 as Paragraph 3, and revise the text in accordance with Article 206, Paragraph 3 of the Company Act.

Articles after Amendment	Articles before Amendment	Description
an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item. The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.	The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.	

Chateau International Development Co., Ltd.

Comparison Table of Amended Procedures for Election of Directors

Articles after Amendment	Articles before Amendment	Description
Chateau International Development Co., Ltd. Procedures for Election of Directors	Chateau International Development Co., Ltd. Procedures for Election of Directors and Supervisors	In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby adjust the title of the sample template.
Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	Article 1 To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby delete the section on supervisors.
Article 2 Except as otherwise provided by law and regulation or by this Corporation's Articles of	Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of	In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated

Articles after Amendment	Articles before Amendment	Description
Incorporation, elections of directors shall be conducted in accordance with these Procedures.	incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.	December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby delete the section on supervisors.
Article 4 This Article was removed.	Article 4 Supervisors of this Corporation shall meet the following qualifications: 1. Integrity and a practical attitude. 2. Impartial judgment. 3. Professional knowledge. 4. Broad experience. 5. Ability to read financial statements. In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional. Appointments of supervisors shall be made with reference to the provisions on independence contained in the Regulations Governing Appointment of Independent Directors and	In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby delete the section on supervisors.

Articles after Amendment	Articles before Amendment	Description
	Compliance Matters for Public Companies, in order to select appropriate supervisors to help strengthen the corporation's risk management and control of finance and operations. At least one supervisor position must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or with any director. A supervisor may not serve concurrently as the director, managerial officer, or any other employee of this Corporation, and at least one of the supervisors must be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.	
Article 4 (Omitted)	Article 5 (Omitted)	In compliance with the removal of Article 4, hereby adjust the Article number.
Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set	Article 6 Elections of both directors and supervisors at this Corporation shall be conducted in accordance with the candidate nomination system and	In compliance with the amendment to Article 192-1 of the Company Act to simplify the procedures for nominating directors, hence, hereby amend

Articles after Amendment	Articles before Amendment	Description
out in Article 192-1 of the Company Act. Paragraph 2 is omitted. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders	procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected. Paragraph 2 is omitted. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for	Paragraph 1. In compliance with FSC's official document Reference No. FSC SFI 1070345233 dated December 19, 2018, issued by the Financial Supervisory Commission of the R.O.C. requesting listed companies to fully establish independent

Articles after Amendment	Articles before Amendment	Description
meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies. Paragraph 4 is omitted.	Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders meeting. When the supervisors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.	directors, hence, hereby adjust Paragraph 3. In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby delete the section on supervisors.

Articles after Amendment	Articles before Amendment	Description
Article 6 The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.	Article 7 The cumulative voting method shall be used for election of the directors and supervisors at this Corporation. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.	In compliance with the removal of Article 4, hereby adjust the Article number. In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby delete the section on supervisors.
Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of	Article 8 The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording	In compliance with the removal of Article 4, hereby adjust the Article number. In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby delete the section on supervisors.

Articles after Amendment	Articles before Amendment	Description
voting shareholders.	the names of voting shareholders.	
Article 8 The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.	Article 9 The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.	In compliance with the removal of Article 4, hereby adjust the Article number. In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby delete the section on supervisors.
Article 9 (Omitted)	Article 10 (Omitted)	In compliance with the removal of Article 4, hereby adjust the Article number.
	Article 11 If a candidate is a	In compliance with the

Articles after Amendment	Articles before Amendment	Description
	shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.	removal of Article 4, hereby adjust the Article number. In compliance with the FSC's official document Reference No. FSC TWSE 1080311451 dated April 25, 2019, the election of directors and supervisors of listed (over-the-counter) companies shall adopt a candidate nomination system starting from 2021, and shareholders shall elect candidates for directorship from the list of candidates. Shareholders will be able to know the name and academic history of each candidate from the candidate list before the shareholders' meeting. The use of the shareholder's account number or ID card number as a means of identifying a candidate is unnecessary, hence, hereby remove this section.
Article 10 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by a person with the right to convene. 2. A blank ballot is	Article 12 A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed	In compliance with the removal of Article 4 and Article 11, hereby adjust the Article number. In compliance with Article 173 of the Company Act, shareholders

Articles after Amendment	Articles before Amendment	Description
placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot does not conform to the director candidate list. 5. Other words or marks are entered in addition to the number of voting rights allotted.	in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account	may, under certain circumstances (e.g., when the Board of Directors is not to be convened), report to the competent authority for permission to convene the meeting on their own, with the intention of adjusting Subparagraph 1 of this Article. In compliance with the FSC's official document Reference No. FSC TWSE 1080311451 dated April 25, 2019, the election of directors and supervisors of listed (over-the-counter) companies shall adopt a candidate nomination system starting from 2021, and shareholders shall elect candidates for directorship from the list of candidates. Hence, hereby adjust Subparagraph 4 and 5 of this Article and remove Subparagraph 6.

Articles after Amendment	Articles before Amendment	Description
	number or identity card number is provided in the ballot to identify such individual.	
Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.	Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.	In compliance with the removal of Article 4 and Article 11, hereby adjust the Article number. In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of the current directors and supervisors, hence, hereby delete the section on supervisors.
Article 12 The board of directors of this Corporation shall issue notifications to the persons elected as directors.		In compliance with the removal of Article 4 and Article 11, hereby adjust the Article number. In compliance with the FSC's official document Reference No. FSC SFI 10703452331 dated December 19, 2018, which requires all listed companies to establish an audit committee to replace the supervisors upon the expiration of the terms of

Articles after Amendment	Articles before Amendment	Description
		the current directors and supervisors.
Article 13 (Omitted)	Article 14 (Omitted)	In compliance with the removal of Article 4 and Article 11, hereby adjust the Article number.
Article 14 (Omitted)	Article 15 (Omitted)	In compliance with the removal of Article 4 and Article 11, hereby adjust the Article number.

Chateau International Development Co., Ltd.
Comparison Table of Amended Rules Governing the Scope of Powers of Supervisors

Articles after Amendment	Articles before Amendment	Description
Article 10 A supervisor should supervise the execution of company business and may at any time investigate the financial and business conditions of this Company, audit, copy, or photocopy books and documents, and the relevant departments in this Company shall provide the books and documents that may be required by the investigation. (Omitted)	Article 10 A supervisor may at any time investigate the financial and business conditions of this Company, and the relevant departments in this Company shall provide the books and documents that may be required by the investigation. (Omitted)	Adjust the text in the first paragraph in accordance with Article 218 of the Company Act
Article 12 The Company should take out liability insurance for all directors and supervisors with respect to liabilities resulting from the performance of duties during their terms of office.	Article 12 It is advisable that this Company, in accordance with the articles of incorporation or the resolution of a shareholders meeting, take out liability insurance for the supervisors with respect to liabilities resulting from the performance of duties during their terms of office, so as to reduce and spread the risk of material damage to the rights and interests of this Company and the shareholders as a result of	This article is amended in accordance with the amendment to Article 16 of Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, which stated that the Company should take out liability insurance for all directors and supervisors with respect to liabilities resulting from the performance of

Articles after Amendment	Articles before Amendment	Description
	error or negligence on the part of a supervisor.	duties during their terms of office.

Comparison Table for the Amendment to the Articles of Incorporation of Chateau International Development Co., Ltd.

Articles after Amendment	Articles before Amendment	Description
Article 15: The Company shall have 9 to 13 Directors and 3 Supervisor(s) to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisor(s) shall be eligible for re-election. A candidate nomination system is used for the election of all directors and supervisors of the Company. The Company may establish independent directors among the aforementioned quota. The number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. A candidate nomination system shall be adopted for the election and they shall be elected by the shareholders from the list of candidate independent directors. The professional qualifications, shareholdings, restrictions on concurrent positions, nominations and other matters to be followed by independent directors are in accordance with the relevant regulations of the competent securities authorities. The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee is composed of independent directors and its number shall not be less than three, one of whom shall be the convener. The	Article 15: The Company shall have 9 Directors and 3 Supervisor(s) to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisor(s) shall be eligible for re-election. A candidate nomination system is used for the election of all directors and supervisors of the Company. The Company may establish independent directors among the aforementioned quota. The number of independent directors shall not be less than two and shall not be less than one-fifth of the number of directors. A candidate nomination system shall be adopted for the election and they shall be elected by the shareholders from the list of candidate independent directors. The professional qualifications, shareholdings, restrictions on concurrent positions, nominations and other matters to be followed by independent directors are in accordance with the relevant regulations of the competent securities authorities. The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of independent directors who shall perform the duties of supervisors in accordance with the law. The	The number of seats of directors was revised in conjunction with the establishment of Audit Committee on 2022.

Articles after Amendment	Articles before Amendment	Description
exercise of its powers and functions and related matters shall be governed by the relevant laws and regulations, and its organizational procedures shall be separately determined by the Board of Directors. The Company will dismiss and abolish the duties of the supervisors when the Audit Committee is established.	Company will dismiss and abolish the duties of the supervisors when the Audit Committee is established.	
Article 27: The Articles of Incorporation are established on Sep. 8, 1995. (Omitted) 28th amendment was made on mm/dd, 2021.	Article 27: The Articles of Incorporation are established on Sep. 8, 1995. (Omitted)	Add amendment date

IV. Appendix

Chateau International Development Co., Ltd.

Articles of Incorporation (Before Amendment)

Chapter 1 General Provisions

Article 1:
The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be Chateau International Development Co., Ltd.

Article 2:
The business items operated by the Company are as follows:

1. E801010 Indoor Decoration
2. F101100 Wholesale of Flowers
3. F107050 Wholesale of Fertilizer
4. F107080 Wholesale of Environmental Agents
5. F111090 Wholesale of Building Materials
6. F113010 Wholesale of Machinery
7. F201070 Retail sale of Flowers
8. F203020 Retail Sale of Tobacco and Alcohol
9. F203010 Retail Sale of Food, Grocery and Beverage
10. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
11. F207050 Retail Sale of Fertilizer
12. F207080 Retail Sale of Environmental Agents
13. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
14. F211010 Retail Sale of Building Materials
15. F213080 Retail Sale of Machinery and Tools
16. F214020 Retail Sale of Motorcycles
17. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
18. F214060 Retail Sale of Ship and Component Parts Thereof
19. F501060 Restaurants
20. H701010 Housing and Building Development and Rental
21. H701070 Process Zone Expropriation and Urban Land Readjustment Agency
22. I102010 Investment Consulting
23. I103060 Management Consulting

24. I503010 Landscape and Interior Designing
25. I504010 Floriculture Designing
26. J101050 Environmental Testing Services
27. J601010 Arts and Literature Service
28. J602010 Performing Arts Activities
29. J701020 Amusement Parks
30. J701080 Water Recreation Activities Operator
31. J801030 Athletics and Recreational Sports Stadium
32. J901020 Regular Hotel
33. JE01010 Rental and Leasing
34. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3:
The Company may provide external guarantees and reinvestments for business purposes, and its reinvestments are not subject to the limit of 40% of the Company's paid-in capital under Article 13 of the Company Act.

Article 4:
The Company shall have its head office in Pingtung County, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Chapter 2 Capital Stock

Article 5:
The total capital stock of the Company shall be in the amount of NT$ 1,200,000,000, divided into 120,000,000 shares, at NT$10 each, to be issued in installments.

Article 6:
The shares issued by the Company are exempted from printing, but should be registered in Centralized Securities Depository Enterprises.

Article 7:
The registration of the transfer of shares shall be closed within 60 days prior to the annual shareholders' meeting, within 30 days prior to the extraordinary shareholders' meeting, or within 5 days prior to the base date of the Company's decision to distribute dividends and bonuses or other benefits, unless otherwise provided by law.

Except as otherwise provided by laws and regulations and securities regulations, the Company's stock transactions are handled in accordance with the provisions of the

Company Act and the “Regulations Governing the Administration of Shareholder Services of Public Companies”.

Article 8:
The transfer of shares acquired by the Company is limited to the employees of the Company and its domestic and foreign controlled or subordinate companies, and the terms and conditions of the transfer are authorized to be determined by the board of directors.

Article 9:
The issuance of employee stock options and new shares with restricted employee rights are limited to employees of the Company and its domestic and foreign controlled or subordinate companies, and the terms and conditions and the method of transfer are authorized to be determined by the board of directors.

Article 10:
The Company reserves the right to issue new shares in cash for subscription by employees only to employees of the Company and its domestic and foreign controlled or subordinate companies, and the terms and conditions and the manner of subscription are authorized to be determined by the board of directors.

Chapter 3 Shareholders’ Meeting

Article 11:
There are two types of shareholders’ meetings: annual meetings and extraordinary meetings. Annual meetings are held annually within six months after the end of each fiscal year and convened by the Board of Directors in accordance with the law. Extraordinary meetings are convened in accordance with the law when necessary.

Article 12:
In case that a shareholder cannot attend the shareholders meeting, such shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy’s authorization with his/her signature or stamp.

Article 13:
Each shareholder is entitled to one vote for each share held. However, those shares held in accordance with Article 179 of the Company Act without voting rights.

Article 14:
Unless otherwise provided for in the Company Act, a meeting of shareholders shall proceed only if attended by shareholders representing more than one-half of the total

outstanding capital stock of the Company. Resolutions of a shareholders meeting shall be made at the meeting with the concurrence of a majority of the votes held by the shareholders present at the meeting.

Chapter 4 Directors and Supervisors

Article 15:
The Company shall have 9 Directors and 3 Supervisor(s) to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisor(s) shall be eligible for re-election.

A candidate nomination system is used for the election of all directors and supervisors of the Company.

The Company may establish independent directors among the aforementioned quota. The number of independent directors shall not be less than two and shall not be less than one-fifth of the number of directors. A candidate nomination system shall be adopted for the election and they shall be elected by the shareholders from the list of candidate independent directors.

The professional qualifications, shareholdings, restrictions on concurrent positions, nominations and other matters to be followed by independent directors are in accordance with the relevant regulations of the competent securities authorities.

The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of independent directors who shall perform the duties of supervisors in accordance with the law. The Company will dismiss and abolish the duties of the supervisors when the Audit Committee is established.

Article 16:
The Company may purchase liability insurance for directors, supervisors, and key employees during their tenure of office in respect of their liability under the law for performing the scope of the Company’s business in order to protect the interests of all shareholders and reduce the Company’s operating risks. The Board of Directors is authorized to exercise full authority in matters relating to insurance coverage.

Article 17:
The Directors shall constitute the Board of Directors and shall elect one Chairman and one deputy Chairman of the Board from among themselves by a majority at a meeting attended by at least two-thirds of the Directors. The Chairman shall externally represent the Company.

The powers and duties of the Board of Directors and the manner of resolution shall be in accordance with the provisions of the Company Act of ROC, except that the following matters shall require the approval of at least two-thirds of all directors:

1. Establish and abolish branch offices.
2. Review and approve the budget.
3. Give approval for the company to invest in other businesses.
4. Propose the distribution of earnings.
5. Propose division of powers and responsibilities between the Board of Directors and the General Manager.
6. Employ and dismiss the personnel at the level of Deputy General Manager or above.
7. Appoint, change or dismiss attorneys and accountants.
8. Other powers and responsibilities in accordance with the Company Act or the Securities and Exchange Act or the Guidelines for Establishing Internal Control Systems for Public Companies or relevant laws and regulations or resolutions of shareholders' meetings.
9. Prepare the proposals to be submitted to the shareholders' meeting.

In addition to carrying out their duties in accordance with the law, the supervisors may attend the board of directors' meetings to present their views, but have no voting rights. If a director is unable to attend a board of directors' meeting in person for any reason, he or she may appoint another director to attend, but each director may only act for one director.

Article 18:
In case the Chairman of the Board of Directors is on leave or absent or can not exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act.

Article 19:
The Board of Directors shall convene a meeting of the Board of Directors, stating the reason for the meeting, and notify the directors and supervisors seven days in advance. However, in case of emergency, board meetings may be called for at any time.

The notice of convening in the preceding paragraph may be made by electronic means with the consent of the parties concerned.

Article 20:
The remuneration of all directors and supervisors is authorized to be determined by the Compensation Committee based on their participation in the Company's operations and the value of their contributions, taking into account industry standards, and then submitted to the Board of Directors for resolution.

Chapter 5 Managerial Officials

Article 21:
The Company may have several managerial officers. Appointment, discharge and the remuneration of the managerial officers shall be in compliance with Article 29 of the Company Act unless specified herein.

Chapter 6 Accounting

Article 22:
The fiscal year of the Company starts from Jan. 1 and ends on Dec. 31 each year. After the close of each fiscal year, the Board of Directors shall prepare the following reports and send them to the supervisors for examination 30 days prior to the annual shareholders meeting, and the supervisors shall issue a report and submit it to the annual shareholders meeting for adoption.

1. Business report.
2. Financial statements.
3. Profit distribution or proposals concerning appropriation of net profits or making up losses.

Article 23:
If there is profit at the end of each fiscal year, no less than 1% of profit of the current year distributable as employees' compensation shall be appropriated. The Compensation Committee shall make recommendations and submit them to the Board of Directors for resolution, and the distribution shall be made in shares or cash with the presence of at least two-thirds of the Directors and the approval of a majority of the Directors present, and shall be limited to the employees of the Company and its domestic and foreign controlled or subordinate companies; the so-called controlled or subordinate companies are defined in accordance with Article 369-2, Article 369-3, Article 369-9, Paragraph 2 and Article 369-11 of the Company Act. The terms and conditions and the method of distribution are authorized to be determined by the Board of Directors. The Company may set aside not more than 1% of the above-mentioned profit amount as remuneration to directors and supervisors after the Compensation Committee makes a recommendation and sends it to the Board of Directors for resolution, with the attendance of at least two-thirds of the directors and the approval of a majority of the directors' present. The remuneration to employees and remuneration to directors and supervisors should be reported to the shareholders' meeting.

However, the Company's accumulated losses shall have been covered first, and then the remuneration to employees and directors and supervisors should be provided in proportion to the aforementioned amount.

Article 24:

After closing of accounts, if there is earnings, the Company shall

1. make up the losses for the preceding years.
2. set aside a legal reserve of 10% of the net profit. Moreover, the Company shall set aside 20% of the special reserve for the expansion fund for each year the that the Company is a single operating base from 2011 through 2048, and shall establish an expansion fund account for the funds set aside each year.
3. Appropriate special reserve in accordance with other laws and regulations.
4. The Board of Directors shall prepare a proposal for distribution in accordance with the dividend policy and submit it to the shareholders' meeting for approval after adding the undistributed earnings at the beginning of the period and adjusting the undistributed earnings for the current period.

20% of the special reserve appropriated in accordance with Paragraph 1, Subparagraph 2:

1. The funds in the expansion fund account are for exclusive use and are restricted to be used for operations related to the expansion of new operating locations such as building, operating equipment, operating revolving funds or bank guarantees.
2. The investment targets of the Expanded Fund account are mainly for stable interest earning and are limited to time deposits, government bonds, bond funds, ETF funds and portfolio funds.
3. Appropriation may be stopped only if one of the following conditions is met:
   (1) The total amount of investment for acquiring new operational sites must be at least NT$500 million, and the new operational sites must be profitable for two consecutive years.
   (2) The special reserve has doubled the paid-in capital.

The Company is developed steadily currently and will master fluctuations internally and externally to reach sustainability of operation and development. The Board of Directors shall consider the Company's future capital expenditure budget and capital requirements and evaluate the necessity of using earnings to fund the Company's operations in order to determine the amount to be retained or distributed as dividends or bonuses to shareholders in the form of cash, with no less than 30% in cash and no more than 70% in stock.

Chapter 7 Supplementary Provisions

Article 25:

In regard to all matters not provided for in these Articles of Incorporation, the Company

Act and other relevant regulations shall govern.

Article 26:

When the Company intends to cancel the public offering of its shares, it shall be submitted to the shareholders' meeting for resolution, and this provision shall not be changed during the period of the Emerging Stock Market and the period of the listed stock market.

Article 27:

The Articles of Incorporation was stablished on Sep. 8, 1995.

1st amendment was made on Nov. 5, 1995.

2nd amendment was made on Apr. 18, 1996.

3rd amendment was made on Jul. 14, 1997.

4th amendment was made on Apr. 3, 1998.

5th amendment was made on Jun. 20, 1998.

6th amendment was made on Jan. 5, 1999.

7th amendment was made on Jul. 28, 2000.

8th amendment was made on Feb. 6, 2001.

9th amendment was made on Jun. 18, 2001.

10th amendment was made on Oct. 16, 2001.

11th amendment was made on Jun. 28, 2002.

12th amendment was made on Sep. 4, 2003.

13th amendment was made on Mar. 8, 2005.

14th amendment was made on Jun. 23, 2006.

15th amendment was made on Nov. 17, 2006.

16th amendment was made on May. 9, 2007.

17th amendment was made on Dec. 5, 2007.

18th amendment was made on May. 5, 2008.

19th amendment was made on Mar. 10, 2009.

20th amendment was made on Nov. 9, 2010.

21st amendment was made on May. 13, 2011.

22nd amendment was made on Feb. 3, 2012.

23th amendment was made on Mar. 4, 2013.

24th amendment was made on May. 23, 2013.

25th amendment was made on May 23, 2016.

26th amendment was made on May 17, 2019.

Chateau International Development Co., Ltd.

Rules of Procedure for Shareholders Meetings (current articles)

Article 1:

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

Article 2: (Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, 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.

Article 3: (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation’s shareholders meetings shall be convened by the board of directors.

This Corporation 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. This Corporation 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. In addition, before 15 days before the date of the shareholders meeting, this Corporation 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 this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

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 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; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

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 this Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, 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.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation 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, this Corporation 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: (proxy attending the shareholders meeting and authorization)

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation 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 this Corporation 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 this Corporation, if the shareholder intends to attend the meeting in person, a written notice of proxy cancellation shall be submitted to this Corporation 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.

Article 5: (Preparation of documents such as the attendance book)

This Corporation shall furnish the attending shareholders or their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation 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.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. A solicitor of solicited proxies shall also bring identification documents for verification.

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.

Article 6: (The chair and non-voting participants of a shareholders meeting)

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, provisions in Article 208 of the Company Act shall be complied.

It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.

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.

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

Article 7: (Calculation on the number of shares in attendance and call the meeting)

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 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. 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.

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.

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 8: (Discussion of proposals)

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 (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.

After close of the said meeting, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place.

Article 9: (Shareholder speech)

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

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 (including a natural person and a juristic person) 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. In the event of a dispute or uncertainty among the delegates, the chairman may designate one of the delegates to speak, and any second person or more shall be deemed not to have spoken.

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

If a person violates the provisions of these rules regarding speech, his or her speech shall be considered as not having been delivered, and the chairman may stop his or her speech, and the speech shall not be included in the record of proceedings, and shall be handled in accordance with the provisions of Article 15.

Article 10: (Calculation of voting shares and recusal system)

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 this Corporation, 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 11: (Motion voting, vote monitoring and vote counting)

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 this Corporation 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 this Corporation 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 this Corporation before 5 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, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, 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 this Corporation’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 this Corporation.

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.

Article 12: (Matters for election)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately.

The ballots for the election referred to in the preceding paragraph shall be 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 recording shall be retained until the conclusion of the litigation.

Article 13: (Meeting minutes and signed matters)

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.

A public 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 this Corporation.

The attendance book of the attending shareholders and the proxy form of the attending proxies shall be retained for at least 1 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.

Article 14: (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxy agent, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 15: (Maintaining order at the meeting place)

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 this Corporation, 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 16: (Recess and resumption of a shareholders meeting)

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 17: (Documentation of a shareholders meeting by audio or video)

This Corporation shall make an audio and video recording of the entire proceedings of the shareholders meeting and the recorded materials 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.

Article 18:

In regard to all matters not provided for herein, the Company Act and other relevant regulations shall govern.

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.

Article 19:

The establishment was made on May 5, 2008 during the annual shareholders meeting.
1st amendment was made on May. 13, 2011.
2nd amendment was made on Feb. 3, 2012.
3rd amendment was made on Mar. 4, 2013.
4th amendment was made on May. 11, 2015.

Shareholdings of All Directors and Supervisors

Shareholdings of individual and all directors and supervisors recorded in the shareholders' roster as of the CSDE (Mar. 8, 2021) of this Annual Stockholders' Meeting are stated as follows:

Title	Account Name	Appointment Date	Shareholding on CSDE
Director	Guantian Investment Development Co., Ltd. Representative: CHEN, SIE-TONG	2019.05.17	32,824,581
Director	Guantian Investment Development Co., Ltd. Representative: YOU, GUO-FANG	2019.05.17	
Director	Representative: AARON CHEN	2019.05.17	1,599,084
Director	Zhongxin Development Co.,Ltd. Representative: CHANG, HUEI-RU	2019.05.17	22,491,623
Director	Zhongjia International Investment Co., Ltd.	2019.05.17	5,928,269
Director	CHEN, PIN-CHUN	2019.05.17	812,723
Director	TSAI, TE-HSIANG	2019.05.17	1,936
Independent Director	CHEN, LONG-FONG	2019.05.17	0
Independent Director	WANG, HONG-CYUAN	2019.05.17	0
Actual Shareholding of all Directors			63,658,216
Supervisor	DU, CIOU-PING	2019.05.17	873,613
Supervisor	Hsin-shih Textile Co., Ltd. Representative: CHEN, MI-JYUAN	2019.05.17	144,727
Supervisor	CHEN, RUEI-SEN	2019.05.17	0
Actual Shareholding of all Supervisors			1,018,340

Note: 1. The paid-in capital of the Company is NT$ 1,115,229,610 and the number of shares issued is 111,522,961.

2. In accordance with the provisions in Article 2 of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the minimum legally-held shares of all directors and supervisors are the following:
   - Legally-held shares of all directors: 6,691,378 shares
   - Legally-held shares of all supervisors: 669,138 shares

3. Actual shareholding of all directors: 63,658,216 shares, with legally-held percentage standard reached; actual shareholding of all supervisors: 1,018,340 shares, with legally-held percentage standard reached.

The Impact of Stock dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Unit: NT$1000, share

<table>
<tr><td colspan="3">Item \ Year</td><td>2020 (Estimates)</td></tr>
<tr><td colspan="3">Initial Paid-in Capital</td><td>1,115,230</td></tr>
<tr><td rowspan="3">Current Year Dividends</td><td colspan="2">Cash dividend per share</td><td>0.50(Note 2)</td></tr>
<tr><td colspan="2">Number of share allotment from earnings transferred to capital</td><td>0</td></tr>
<tr><td colspan="2">Number of share allotment from capital surplus transferred to capital</td><td>0</td></tr>
<tr><td rowspan="7">Variation of Operational Performance</td><td colspan="2">Operating profit</td><td rowspan="13">Note 1</td></tr>
<tr><td colspan="2">Year-over-year Increase (decrease) ratio of operating profit</td></tr>
<tr><td colspan="2">Net profit after tax</td></tr>
<tr><td colspan="2">Year-over-year Increase (decrease) ratio of net profit after tax</td></tr>
<tr><td colspan="2">Earnings per share (NT$)</td></tr>
<tr><td colspan="2">Year-over-year Increase (decrease) ratio of earnings per share</td></tr>
<tr><td colspan="2">Annual average return on investment (Reciprocal annual average P/E ratio)</td></tr>
<tr><td rowspan="6">Pro forma Earnings per share and P/E ratio</td><td rowspan="2">If the total amount of earnings transferred to capital changes to cash dividend</td><td>Pro forma earnings per share (NT$)</td></tr>
<tr><td>Pro forma annual average return on investment</td></tr>
<tr><td rowspan="2">In case of capital surplus was not transferred to capital</td><td>Pro forma earnings per share (NT$)</td></tr>
<tr><td>Pro forma annual average return on investment</td></tr>
<tr><td rowspan="2">In case of capital surplus and earnings not yet been transferred to capital and changed to cash dividend</td><td>Pro forma earnings per share (NT$)</td></tr>
<tr><td>Pro forma annual average return on investment</td></tr>
</table>

Note 1. The Company has not made 2020 financial forecast in public, hence, no need to disclose estimates for 2020.

Note 2. The dividends of current year is about to be determined in the Shareholders' Meeting.