

PChome Online Inc.

2022 Annual Shareholders' Meeting

Meeting Agenda (Translation)

Date: June 22, 2022

Place: No. 11, Zhongshan South Road, Zhongzheng District, Taipei City
10048, Taiwan (R.O.C.)

(Room 1002, Chang Yung-Fa Foundation International Convention Center)

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PChome Online Inc.

Procedure of 2022 Annual Shareholders' Meeting

- I. Calling the meeting to order
- II. Chairman's remarks
- III. Report items
- IV. Ratification items
- V. Discussion items
- VI. Election items
- VII. Other Matters
- VIII. Special motions
- IX. Meeting adjourned

PChome Online Inc.

Procedure of 2022 Annual Shareholders' Meeting

Time: 9:00 a.m., Wednesday, June 22, 2022

Location: No. 11, Zhongshan South Road, Zhongzheng District, Taipei City (Room 1002, Chang Yung-Fa Foundation International Convention Center)

- I. Call the meeting to order (announce the number of shares in attendance)
- II. Chairman's remarks
- III. Report items
 - (I) 2021 Business Report
 - (II) Audit Committee's Review Report on the 2021 Financial Statements
 - (III) To Report the 2021 distribution of employee compensation and remuneration to Directors
 - (IV) To Report the 2021 distribution of cash dividends from earnings
 - (V) To report the implementation of private placement of common shares approved by the Company's 2021 Annual Shareholders' Meeting
- IV. Ratification items
 - (I) 2021 Business Report and Financial Statements
 - (II) 2021 Earnings Distribution
- V. Election Items
 - To by-elect one Director
- VI. Special motions
- VII. Adjournment

I. 2021 Business Report

Explanatory Notes: Please refer to Attachment I (Page 11 of this meeting agenda) for the Company's 2021 Business Report.

II. 2021 Audit Committee's Review Report

Explanatory Notes:

Certified Public Accountants of KPMG, Pearl Chen and Lillian Lien, audited the Company's 2021 parent company only and consolidated financial statements. The Audit Committee reviewed the business report, earnings distribution table, and aforementioned financial statements with review report issued. Please refer to Attachment II (Page 13 of this meeting agenda) for details.

III. To Report the 2021 Distribution of Employee Compensation and Remuneration to Directors

Explanatory Notes:

(I) Proceed in accordance with Article 28 of the Articles of Incorporation.

(II) In 2021, the Company distributed employee compensation of NT\$23,701,985 as cash bonus and remuneration to Director of NT\$2,660,427 as cash bonus .

(III) There is no difference between the above-mentioned employee remuneration and directors' remuneration distribution amount and the estimated amount of recognized expenses in 2021.

IV. To report the 2021 distribution of cash dividends from earnings

Explanatory Notes:

(I) The Company distributed cash dividends of NT\$0.5 per share in 2021.

(II) The Chairman would determine the record date for dividend payment and matters associated with the distribution of cash dividends. The amount of cash to be paid is calculated by the distribution percentage and rounded to the nearest dollar. For fractional dollar amount, adjustments are done to individual

fractional amounts in descending order and by shareholders' account numbers in ascending order for the total payment to equal the total amount of cash dividends to be paid.

(III) If subsequent changes in capital lead to changes in the total number of outstanding shares and result in changes in dividend per share, the Chairman is authorized to handle relevant matters.

V. To report the implementation of private placement of common shares approved by the Company's 2021 Annual Shareholders' Meeting

Implementation of issuance of common shares through the first private placement in 2021 for cash capital increase	
Item	Date of the first private placement: October 18, 2021
Categories of privately placed securities	Common share
Date and amount approved at shareholders' meeting	On July 29, 2021, the Company's shareholders' meeting resolved that, in accordance with Article 43-6 of the Securities and Exchange Act, the Company intends to issue common shares with a nominal value of NT \$10 per share within the 21,000 thousand share quota for cash capital increase through private placement and/or public issuance.
The basis and rationale for the setting of the price.	The private placement of common stock at this time is priced by choosing the higher of the following two calculations: a. The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. b. The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. Since the actual private placement of common stock is intended to be priced at no less than 80% of the reference price, and the aforementioned private placement of common stock is priced with reference to the Company's stock price and is in compliance with the requirements of the "Directions for Public Companies Conducting Private Placements of Securities," therefore the pricing should be reasonable.
The placee selection is governed by	Article 43-6 of the Securities and Exchange Act and related regulations. Those strategic investors who are qualified and able to strengthen the Company's operations to expand the scope of e-

	commerce operations and enhance the Company's competitiveness in technology, capital or business are the very places of this private placement.				
The reasons necessitating the private placement.	The private placement was conducted for the purpose of enriching the Company's working capital and repaying bank loans, taking into account the timeliness, feasibility and cost of raising capital, as well as the fact that the private placement of securities is restricted to be non-transferable for three years, which can ensure a long-term equity relationship between the Company and the places.				
Date of the price of the subscription having been paid up in full	October 1, 2021				
Places' information	Places of the private placement	Subscription amount (NT\$)	Ratio of shareholdings via public placement %	Ration of shareholdings via private placement %	Relationship to the Company
	Chunghwa Investment Co., Ltd.	199,999,998.000	0.00	1.47	None
	China Development Venture Capital Co., Ltd.	199,999,998.000	0.00	1.47	None
	KGIS Securities	99,999,946.000	0.00	0.73	None
	China Life Insurance Co., Ltd.	99,999,946.000	0.00	0.73	None
	CDIB Advantage Venture Capital Limited Partnership	99,999,946.000	0.00	0.73	None
	Chen-Xin Limited	109,999,983.000	0.00	0.81	None
	Iming Chou	189,999,961.000	0.00	1.40	None
Actual subscription price	NT\$106.65 per share				
Discrepancy between the actual	The actual subscription price of NT\$106.65 per share is 90% of the reference price of NT\$118.5.				

subscription price and the reference price	
Any effect of the private placement on shareholder equity	9,376,463 shares were actually raised via this private placement, accounting for about 7.9% of the Company's common shares outstanding at that time. Considering that the raised funds are expected to be used for strategic alliance development or the enrichment of operating capital, the benefits of the proposed capital will be transferred to the shareholders' equity. Therefore, the proposed new shares will not cause significant dilution to the shareholders' equity.
Status of utilization of the funds and plan implementation progress	The funds raised are expected to be used for one or more purposes, such as investing in technology related to e-commerce products, enhancing working capital, improving financial structure and or supporting other capital needs for the Company's long-term development.
Realization of plan benefits	After utilizing the enriched working capital and repaying bank loans in the fourth quarter of 2021 and with the investment in long-term strategic development and cross-industry ecosystem resource integration, the Group will strengthen its experience and resources in financial services, big data and artificial intelligence technology through the introduction of investors to drive the long-term development of the Group with data as the core.

Ratification Items

Item 1 (Proposed by the Board of Directors)

Subject: 2020 Business Report and Financial Statements

Explanatory Notes:

- (I) The 2021 parent company only and consolidated financial statements of the Company were prepared and had been audited by Certified Public Accountants of KPMG, Pearl Chen and Lillian Lien with an independent auditors' report issued. The financial statements along with business report had been reviewed by the Audit Committee and approved in the Board of Directors' meeting.
- (II) Please refer to Attachment I and V (Pages 11 and 17 of this meeting agenda) for the 2021 business report, independent auditors' report and aforementioned financial statements.
- (III) Please ratify

Resolution:

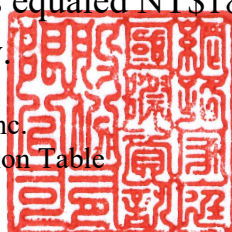
Item 2 (Proposed by the Board of Directors)

Subject: 2021 Earnings Distribution

Explanatory Notes:

(I) The beginning balance in the Company's 2021 earnings distribution table was NT\$63,816,654. After adding net income of NT\$97,441,959, deducting other comprehensive income of NT\$2,539,511, deducting 10% appropriated as legal reserve of NT\$9,490,245 and adding special reserve reversal of NT\$40,168,089, the distributable earnings equaled NT\$189,396,946. The earnings distribution table is set out below.

PChome Online Inc.
2021 Earnings Distribution Table



Unit: NT\$

PChome Online Inc.		
2021 Earnings Distribution Table		Unit: NT\$
Item	Amount	Total
Beginning balance		63,816,654
Add: Net income of 2021	97,441,959	
Add: Special reserve reversal	40,168,089	
Less: Other comprehensive income	(2,539,511)	
Less: 10% appropriated as legal reserve	(9,490,245)	
Subtotal		125,580,292
Distributable earnings		189,396,946
Less: Shareholders dividends		
Cash Dividend	63,817,473	63,817,473
Unappropriated earnings, end of the period		125,579,473

Chairman:
Hung-Tze Jan



President:
Kevin Tsai



Chief Finance
Officer: Leo Lu



Resolution: Please discuss.

Item 1 (Proposed by the Board of Directors)

To by-elect one Director

Explanation:

- I. Mr. Bruce Chou, a Director, resigned his office on June 21, 2022 due to personal factors.
- II. In order to comply with the provisions of The Company's Articles of Incorporation for the establishment of nine Directors, it is proposed to by-elect one Director at this regular shareholders' meeting and adopt a candidate nomination system.
- III. In accordance with the Company's Articles of Incorporation and Article 192-1 of the Company Act, the candidate nomination system is adopted.
- IV. The term of office of the by-elected Directors starts from June 22, 2022 to July 28, 2024 to make up for the original term of office.
- V. Please refer to Appendices III (page 43 of this handbook) for the the Company's "Rules for Election of Directors."

Director candidate

Account No. or No. of identity certificate	Account name or name	Education and experience
59164	CDIB Venture Capital Corporation : Ryan Kuo Representative	Epson Senior IC design engineer MosArt Semiconductor Corp. President and founder CDIB Capital Innovation Accelerator Fund President,

Election results:

Other matters

Speial Motions

Adjournment

PChome Online Inc. 2021 Business Report

PChome is the largest integrated Internet Service Provider group in Taiwan. Its business scope covers e-commerce, digital finance and warehousing and logistics. Currently, it has more than 20 services. Affected by a new wave of epidemics in 2021, the world is still facing problems such as chip shortages, imbalances in the supply and demand of raw materials, and supply chain congestion. The sudden rise of the epidemic in Taiwan has greatly changed people's living habits and consumption patterns, and the overall business environment is facing severe challenges. PChome adheres to the service mission of "Everyday Reliable" and the business philosophy of "Insist on innovation and create value", strives to become the most solid, reliable and trustworthy life partner of users, and is committed to creating more innovative services that are closer to their needs. The company's consolidated operating income in 2021 has once again set a new record, reaching NT\$48.579 billion, an increase of 10.7% over 2020, and continued to maintain a steady double-digit growth rate; consolidated pre-tax net profit reached NT\$339 million, an annual growth rate 11.2%.

The highlights of the 2021 operating profile are as follows:

I. The epidemic reshapes consumer behavior, drives the growth of platform users, and accelerates digital transformation of brands and SMEs

The number of 24h shopping users of PChome under the Group has reached 13 million, of which the female customer base has grown more. Further analysis shows that users under the age of 26 have increased by 30%, and users over the age of 55 have increased by 40%. In addition, the top ten mobile payment services provided on the site lead the whole of Taiwan, driving the transaction volume of mobile payment to double. Affected by the epidemic in the past two years, brands and small and medium-sized enterprises have been urged to more actively develop large-scale e-commerce platforms, so as to reach the largest customer base. The PChome 24h shopping station has flagship brand halls such as Muji, Laifubao Water, Apple, SAMSUNG, etc. , the overall performance has doubled year-on-year.

II In the post-epidemic era, overseas online shopping has become the new normal, and cross-border e-commerce has entered a period of rapid growth

PChome's cross-border e-commerce operations have grown significantly. PChome Bibian, which has been deeply involved in the Japanese market, has joined hands with SG Holdings Group, the second largest home delivery company in Japan, Cafe24 Japan, an internationally renowned e-commerce platform operator, and Mercari, Japan's largest second-hand trading platform. Cooperated with the Japanese drugstore chain SUNDRUG, which drove the GMV of the station to reach a record high every month, and the number of orders for the whole year increased by nearly 150% compared with the previous year. PChomeSEA, which lays out the Southeast Asian market and provides one-stop cross-border e-commerce services, has cooperated with five major e-commerce platforms in Southeast Asia in 2020. Since then, its turnover has grown steadily. The benefits of the layout of the environmental ecosystem have emerged. In addition, after the PChome eBay Co., Ltd auction launched a platform to integrate cross-border e-commerce with eBay in the United States in 2019, it will start cooperation with Gmarket, the largest e-commerce company in South Korea, in 2021. At present, the number of items on the whole site has exceeded 430 million items.

III Continue to deploy a intelligent warehousing system to create a more efficient and flexible logistics chain

At present, PChome has 7 warehouses and 5 designated warehouses. PChome has 11 logistics stations in total, which are located in Taipei area, Taoyuan, Taichung and Tainan. At the same time, aiming at regional ultra-short-chain logistics, in April this year, it announced to invest in Pickupp, a new smart logistics technology innovation, which will help improve the energy and distribution efficiency of the logistics system. In addition, as Chunghwa Post A7 Logistics Park will be officially opened in 2022, in addition to increasing the floor area of the warehouse by 50%, coupled with the combination of AI artificial intelligence and automated dual-track warehouse design, the overall daily parcel handling capacity can be increased by 50%. expected to more than double.

IV Strengthen the layout of ESG and strengthen the sustainable competitiveness of enterprises

The Group continues to actively invest in corporate governance, environmental protection, social responsibility and other aspects. This year, it released the first CSR report voluntarily compiled by PChome, hoping to lead the industry towards sustainable prosperity through its own actions and practices. At the same time, it has also been recognized for its corporate governance quality and sustainable promotion. PChome won the "Excellent Inspirational Brand Award" and "Enterprise Leap Forward Award" in the "2021 Asia-Pacific Outstanding Enterprise Award"; National Brand Yushan Award", also awarded "Outstanding Enterprise Category - National First Award" and "Best Popular Brand Award", the above-mentioned awards are the first e-commerce enterprises to win the award. In addition, PChome was also recognized by the "14th TCSA Taiwan Corporate Sustainability Award - Silver Award" and the "5th Zicheng Sustainability Influence Award - Silver Award".

V Actively expand and consolidate the resources of the group, and plan the largest digital life ecosystem in Taiwan

The investment projects executed this year mainly include logistics technology - Pickupp, online insurance platform – e-insure, BNPL financial technology - 21st century digital, financial technology startup - Mdata Group Co., instant booking platform - FunNow and marketing technology startup - Accuhit. Looking forward to the future, PChome Group will expand application scenarios through FinTech, effectively integrate members with marketing technology (MarTech), strengthen the efficiency of technology logistics and transportation, and expect to provide the most comprehensive network services and a better user experience. And fully expand the enabling services.

PChome Online Inc.

Chairman: Hung-Tze Jan



General Manager: Kevin Tsai



Chief Finance Officer: Leo Lu



PChome Online Inc. Audit Committee's Review Report

Attachment II

Approval for

The Board of Directors has prepared the Company's parent company only and consolidated financial statements for 2021, which were audited by certified public accountants of KPMG, Pearl Chen and Lillian Lien. The aforementioned financial statements, along with 2021 Business Report and earnings distribution proposal, have been reviewed and determined to be correct by the Audit Committee. We hereby submit this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

the Company's 2021 Annual Shareholders' Meeting

Convener of the Audit Committee

He Chendan

Mar 23, 2022



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

To the Board of Directors of PChome Online Inc.:

Opinion

We have audited the financial statements of PChome Online Inc. (“the Company”), which comprise the statement of financial position as of December 31, 2021 and 2020, and the statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2021 and 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

Please refer to Note 4(n) and Note 6(t) for the “Revenue” section of the financial statements.

Key Audit Matters Explanation:

The Company's principal sources of operating revenues are generated by using e-commerce platform. This business model is characterized through high reliance on the systems to process transaction information. Moreover, the characteristics of this business model are administrating abundant information and diversified customers. The Company's systems automatically control all the transaction process, such as consumers' orders and their related information. Therefore, the process accuracy, and completeness of consumers' orders, as well as the time accuracy of revenue recognition are the key judgmental areas for our audit in the financial statements.



How the matter was addressed in our audit:

As mentioned above, our principal audit procedures consist of comprehension and test of the application of the systems and manual control for the sales stream, including assigning the specialist to test the general IT controls (GITC) and internal control where relevant. Furthermore, we have obtained the daily report to confirm the accuracy and completeness of the transaction processing and conformity verification of the daily revenues vouchers and the daily report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Shu-Ling Lien.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2022

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial statements of financial position, financial performance and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Financial Statements and Report Originally Issued in Chinese)
PCHOME ONLINE INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021.12.31		2020.12.31		2021.12.31		2020.12.31	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Current Assets:								
1100 Cash and cash equivalents (Note 6)(a))	\$ 4,728,290	28	4,855,311	40	2100			
1172 Accounts and notes receivable, net (Note 6)(c))	464,153	3	409,394	3	2130			
1180 Accounts receivable due from related parties, net (Notes 6)(c))	621,192	4	253,396	2	2170			
1200 Other receivables (Notes 6)(c) and (7))	361,780	2	270,087	2	2200			
1300 Inventories (Note 6)(d))	1,734,160	10	1,774,524	14	2230			
1476 Other current financial assets (Note 8))	170,628	1	60,976	1	2280			
1479 Other current assets, others	150,527	1	106,966	1	2300			
	<u>8,230,730</u>	<u>49</u>	<u>7,730,654</u>	<u>63</u>				
Non-Current Assets:								
1510 Non-current financial assets at fair value through profit or loss (Note 6)(n))	3,999	-	1,500	-	2530			
1517 Non-current financial assets at fair value through other comprehensive income (Note 6)(b))	653,882	4	248,425	2	2541			
1550 Investments accounted for using equity method (Note 6)(e))	4,982,139	29	1,294,335	11	2580			
1700 Property, plant and equipment (Note 6)(h))	780,187	5	389,790	3	2612			
1755 Right-of-use assets (Note 6)(i))	1,961,428	12	2,368,030	19	2670			
1780 Intangible assets (Note 6)(j))	22,427	-	34,120	-				
1840 Deferred tax assets (Note 6)(p))	53,032	-	42,322	-				
1980 Other non-current financial assets (Note 8))	108,498	1	108,081	1				
1990 Other non-current assets, others	60,357	-	87,961	1				
	<u>8,625,949</u>	<u>51</u>	<u>4,574,564</u>	<u>37</u>				
Total assets	<u>\$ 16,856,679</u>	<u>100</u>	<u>12,305,218</u>	<u>100</u>				
LIABILITIES AND STOCKHOLDERS' EQUITY								
Current Liabilities:								
Short-term borrowings (Note 6)(k))	\$ 200,000	1	-	-				
Current contract liabilities (Note 6)(l))	358,993	2	396,615	4				
Accounts and notes payable	3,795,729	23	3,755,143	31				
Other payables	1,559,532	9	744,231	6				
Current tax liabilities	286,728	2	61,243	-				
Current lease liabilities (Note 6)(o))	397,514	2	436,437	4				
Other current liabilities (Note 6)(l))	71,397	-	95,337	1				
	<u>6,669,893</u>	<u>39</u>	<u>5,489,006</u>	<u>46</u>				
Non-Current liabilities:								
Bonds payable (Note 6)(m))	1,361,536	8	1,470,300	12				
Long-term borrowings (Note 6)(m))	323,100	2	-	-				
Deferred tax liabilities (Note 6)(p))	1,339	-	1,647	-				
Non-current lease liabilities (Note 6)(o))	1,620,103	10	1,980,169	16				
Long-term accounts payable	549,438	3	-	-				
Other non-current liabilities, others	4,540	-	4,450	-				
Total liabilities	<u>3,860,056</u>	<u>23</u>	<u>3,456,566</u>	<u>28</u>				
Equity (Note 6)(q)):								
Share capital:								
Ordinary share	1,274,159	8	1,182,595	9				
Advance receipts for share capital	10,980	-	-	-				
Capital surplus	4,692,857	28	1,938,916	16				
Total retained earnings	243,510	1	302,345	2				
Total other equity interest	182,586	1	(64,210)	(1)				
Treasury shares	(77,362)	-	-	-				
Total equity	<u>6,326,730</u>	<u>38</u>	<u>3,359,646</u>	<u>26</u>				
Total liabilities and equity	<u>\$ 16,856,679</u>	<u>100</u>	<u>12,305,218</u>	<u>100</u>				

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
PCHOME ONLINE INC.

STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

		2021		2020	
		Amount	%	Amount	%
4111	Sales revenue	\$ 46,880,995	102	42,288,831	101
4170	Less: Sales returns	762,349	2	615,867	1
	Operating revenue, net (Notes (6)(t) and (7))	46,118,646	100	41,672,964	100
5000	Operating costs (Notes (6)(d) and (7))	40,591,421	88	36,656,100	88
	Gross profit from operations	5,527,225	12	5,016,864	12
	Operating expenses:				
6100	Selling expenses	4,234,072	9	3,843,240	9
6200	Administrative expenses	347,290	1	247,866	-
6300	Research and development expenses	349,968	1	335,889	1
6450	Expected credit loss (gain) (Note (6)(c))	481	-	341	-
	Total operating expenses	4,931,811	11	4,427,336	10
	Net operating income	595,414	1	589,528	2
	Non-operating income and expenses (Note (6)(v)):				
7100	Interest income	5,132	-	6,098	-
7010	Other income	37,240	-	58,297	-
7020	Other gains and losses	(4,837)	-	(11,003)	-
7050	Finance costs	(40,555)	-	(42,784)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	(273,246)	(1)	(266,511)	(1)
	Total non-operating income and expenses	(276,266)	(1)	(255,903)	(1)
	Profit from continuing operations before tax	319,148	-	333,625	1
7950	Less: Tax expense (Note (6)(p))	221,706	-	80,831	-
	Profit	97,442	-	252,794	1
	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(2,564)	-	3,188	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	126,085	-	28,086	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(489)	-	4,149	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(p))	513	-	(638)	-
	Items that may not be reclassified subsequently to profit or loss	123,545	-	34,785	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign statements	104,565	-	(92,154)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	104,565	-	(92,154)	-
	Other comprehensive income, net of tax	228,110	-	(57,369)	-
8500	Total comprehensive income	\$ 325,552	-	195,425	1
	Earnings per share (Note (6)(s))				
9750	Basic earnings per share (NT dollars)	\$ 0.84		2.16	
9850	Diluted earnings per share (NT dollars)	\$ 0.80		1.95	

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
 REVIEWED ONLY. NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS
PCHOME ONLINE INC.

STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Share capital				Retained Earnings				Other Equity Interest			Total Equity
	Ordinary Capital	Advance receipts for share capital	Capital Surplus		Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned Employee Compensation	Treasury shares	
Balance at January 1, 2020	\$ 1,171,595	-	1,722,411	-	-	-	100,564	(24,825)	73,025	-	-	3,042,770
Profit for the year ended December 31, 2020	-	-	-	-	-	-	252,794	-	-	-	-	252,794
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	6,699	(92,154)	28,086	-	-	(57,369)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	259,493	(92,154)	28,086	-	-	195,425
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	-	16,244	-	(16,244)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(82,012)	-	-	-	-	(82,012)
Issuance of convertible bonds	-	-	141,121	-	-	-	-	-	-	-	-	141,121
Changes in ownership interests in subsidiaries	-	-	58,331	-	-	-	-	-	-	-	-	58,331
Share-based payment transactions	11,000	-	17,053	-	-	-	-	-	-	(24,042)	-	4,011
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	24,300	-	(24,300)	-	-	-
Balance at December 31, 2020	1,182,595	-	1,938,916	-	16,244	-	286,101	(116,979)	76,811	(24,042)	-	3,359,646
Profit for the year ended December 31, 2021	-	-	-	-	-	-	97,442	-	-	-	-	97,442
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	(2,540)	104,565	126,085	-	-	228,110
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	94,902	104,565	126,085	-	-	325,552
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	-	28,379	-	(28,379)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	40,168	(40,168)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(153,737)	-	-	-	-	(153,737)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	3,934	-	-	-	-	-	-	-	-	3,934
Capital increase by cash	93,764	-	906,236	-	-	-	-	-	-	-	-	1,000,000
Conversion of convertible bonds	-	10,980	108,414	-	-	-	-	-	-	-	-	119,394
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	(108,254)	(108,254)
Changes in ownership interests in subsidiaries	-	-	1,720,903	-	-	-	-	-	-	-	-	1,720,903
Share-based payment transactions	(2,200)	-	14,454	-	-	-	-	(12,414)	16,146	-	30,892	59,292
Balance at December 31, 2021	\$ 1,274,159	10,980	4,692,857	44,623	40,168	158,719	158,719	(12,414)	202,896	(77,896)	-	6,326,730

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)

PCHOME ONLINE INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 319,148	333,625
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	577,360	591,504
Amortization expense	22,642	25,274
Expected credit loss	481	341
Net (gain) loss on financial assets at fair value through profit or loss	(2,499)	1,650
Interest expense	40,555	42,784
Interest income	(5,132)	(6,098)
Dividend income	(15,467)	(8,495)
Share-based payments	28,176	4,011
Share of loss of associates and joint ventures accounted for using equity method	273,246	266,511
Gain on disposal of property, plant and equipment	(36)	(552)
Loss on disposal of investments	-	9,099
Loss on lease modification	6,005	-
Total adjustments to reconcile profit	<u>925,331</u>	<u>926,029</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts and notes receivable	(423,037)	124,720
Other receivables	(91,633)	166,980
Inventories	40,364	(89,644)
Other financial assets	(110,069)	141
Other current assets	(43,561)	(12,069)
Total changes in operating assets	<u>(627,936)</u>	<u>190,128</u>
Changes in operating liabilities:		
Contract liabilities	(37,622)	130,773
Accounts and notes payable	40,586	808,407
Other payable	275,621	169,045
Other current liabilities	(23,940)	50,412
Other non-current liabilities	90	101
Total changes in operating liabilities	<u>254,735</u>	<u>1,158,738</u>
Total changes in operating assets and liabilities	<u>(373,201)</u>	<u>1,348,866</u>
Total adjustments	<u>552,130</u>	<u>2,274,895</u>
Cash flow generated from operations	871,278	2,608,520
Interest received	5,073	6,081
Dividends received	15,467	8,495
Interest paid	(29,728)	(41,159)
Income taxes paid	(6,726)	(53,606)
Net cash flows from operating activities	<u>855,364</u>	<u>2,528,331</u>
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(279,372)	(15,985)
Acquisition of investments accounted for using equity method	(1,161,290)	(205,246)
Proceeds from capital reduction of investments accounted for using equity method	125,327	-
Acquisition of property, plant and equipment	(522,646)	(79,638)
Proceeds from disposal of property, plant and equipment	4,021	6,125
Acquisition of intangible assets	(6,732)	(19,034)
Other non-current assets	(1,685)	(66,833)
Net cash flows used in investing activities	<u>(1,842,377)</u>	<u>(380,611)</u>
Cash flows from financing activities:		
Increase (Decrease) in short-term borrowings	200,000	(390,000)
Proceeds from issuing bonds	-	1,605,790
Long-term borrowings	623,100	-
Repayments of long-term borrowings	(300,000)	(800,000)
Payment of lease liabilities	(432,009)	(441,548)
Cash dividends paid	(153,737)	(82,012)
Capital increase by cash	1,000,000	-
Payments to acquire treasury shares	(108,254)	-
Treasury shares sold to employees	30,892	-
Net cash flows from (used in) financing activities	<u>859,992</u>	<u>(107,770)</u>
Net (loss) increase in cash and cash equivalents	<u>(127,021)</u>	<u>2,039,950</u>
Cash and cash equivalents at beginning of period	<u>4,855,311</u>	<u>2,815,361</u>
Cash and cash equivalents at end of period	<u>\$ 4,728,290</u>	<u>4,855,311</u>

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

Representation Letter

The entities that are required to be included in the combined financial statements of PChome Online Inc. as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, PChome Online Inc. and its Subsidiaries do not prepare a separate set of combined financial statements.

Company Name: PChome Online Inc.

Chairman: Hung-Tze Jan

Date: February 25, 2022



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

To the Board of Directors of PChome Online Inc.:

Opinion

We have audited the consolidated financial statements of PChome Online Inc. and subsidiaries (“the Group”), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

Please refer to Note 4(n) and Note 6(u) for the “Revenue” section of the consolidated financial statements.

Key Audit Matters Explanation:

The Group's principal sources of operating revenues are generated by using e-commerce platform. This business model is characterized through high reliance on the systems to process transaction information. Moreover, the characteristics of this business model are administrating abundant information and diversified customers. The Group's systems automatically control all the transaction process, such as consumers' orders and their related information. Therefore, the process accuracy, and completeness of consumers' orders, as well as the time accuracy of revenue recognition are the key judgmental areas for our audit in the consolidated financial statements.

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How the matter was addressed in our audit:

As mentioned above, our principal audit procedures consist of comprehension and test of the application of the systems and manual control for the sales stream, including assigning the specialist to test the general IT controls (GITC) and internal control where relevant. Furthermore, we have obtained the daily report to confirm the accuracy and completeness of the transaction processing and conformity verification of the daily revenue vouchers and the daily report.

Other Matter

PChome Online Inc. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Shu-Ling Lien.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
PCHOME ONLINE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4111	Sales revenue	\$ 49,358,396	102	44,500,172	101
4170	Less: Sales returns	779,029	2	630,320	1
	Operating revenue, net (Note (6)(u))	<u>48,579,367</u>	<u>100</u>	<u>43,869,852</u>	<u>100</u>
5000	Operating costs (Note (6)(e))	<u>43,023,627</u>	<u>89</u>	<u>38,875,441</u>	<u>89</u>
	Gross profit from operations	<u>5,555,740</u>	<u>11</u>	<u>4,994,411</u>	<u>11</u>
	Operating expenses:				
6100	Selling expenses	4,128,606	8	3,715,350	8
6200	Administrative expenses	575,513	1	431,417	1
6300	Research and development expenses	553,476	1	530,804	1
6450	Expected credit loss (Note (6)(d))	56,668	-	552	-
	Total operating expenses	<u>5,314,263</u>	<u>10</u>	<u>4,678,123</u>	<u>10</u>
6500	Net other income	<u>-</u>	<u>-</u>	<u>16</u>	<u>-</u>
	Net operating income	<u>241,477</u>	<u>1</u>	<u>316,304</u>	<u>1</u>
	Non-operating income and expenses (Note (6)(w)):				
7100	Interest income	9,613	-	10,921	-
7010	Other income	77,422	-	57,203	-
7020	Other gains and losses	62,598	-	(8,210)	-
7050	Finance costs	(54,843)	-	(54,742)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method	2,336	-	(17,108)	-
	Total non-operating income and expenses	<u>97,126</u>	<u>-</u>	<u>(11,936)</u>	<u>-</u>
	Profit from continuing operations before tax	<u>338,603</u>	<u>1</u>	<u>304,368</u>	<u>1</u>
7950	Less: Tax expense (Note (6)(q))	<u>276,358</u>	<u>1</u>	<u>83,494</u>	<u>-</u>
	Profit	<u>62,245</u>	<u>-</u>	<u>220,874</u>	<u>1</u>
	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans	(3,175)	-	9,064	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income (Note (6)(x))	126,085	-	28,086	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	635	-	(1,813)	-
	Items that may not be reclassified subsequently to profit or loss	<u>123,545</u>	<u>-</u>	<u>35,337</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign statements	(38,563)	-	(93,767)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	<u>(38,563)</u>	<u>-</u>	<u>(93,767)</u>	<u>-</u>
	Other comprehensive income (loss), net of tax	<u>84,982</u>	<u>-</u>	<u>(58,430)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 147,227</u>	<u>-</u>	<u>162,444</u>	<u>1</u>
	Profit (loss), attributable to:				
8610	Profit, attributable to owners of parent	\$ 97,442	-	252,794	1
8620	Loss, attributable to non-controlling interests	(35,197)	-	(31,920)	-
		<u>\$ 62,245</u>	<u>-</u>	<u>220,874</u>	<u>1</u>
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 325,552	-	195,425	1
8720	Comprehensive loss, attributable to non-controlling interests	(178,325)	-	(32,981)	-
		<u>\$ 147,227</u>	<u>-</u>	<u>162,444</u>	<u>1</u>
	Earnings per share (Note (6)(t))				
9750	Basic earnings per share (NT dollars)	<u>\$ 0.84</u>		<u>2.16</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 0.80</u>		<u>1.95</u>	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
 REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS
PCHOME ONLINE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent						Other Equity Interest		Total Equity
	Share capital	Retained Earnings	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Statements	Unrealized gains (losses) from financial assets	Total Equity Attributable to Owners of Parent	Treasury Shares	Non-Controlling Interests	
Ordinary Capital	1,171,595	-	1,722,411	-	(24,825)	73,025	-	724,314	3,767,084
Advance receipts for share capital	-	-	100,564	-	-	-	-	3,042,770	220,874
Profit (loss) for the year ended December 31, 2020	-	-	252,794	-	-	-	-	252,794	(31,920)
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	6,699	(92,154)	-	28,086	-	(57,369)	(1,061)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	259,493	(92,154)	-	28,086	-	195,425	(32,981)
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	16,244	(16,244)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	(82,012)	-	-	-	-	(82,012)	(82,012)
Issuance of convertible bonds	-	-	141,121	-	-	-	-	141,121	141,121
Changes in ownership interests in subsidiaries	-	-	58,331	-	-	-	-	58,331	17,740
Share-based payment transactions	11,000	-	17,053	-	-	(24,042)	-	4,011	4,011
Changes in non-controlling interests	-	-	-	-	-	-	-	15,283	15,283
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	24,300	-	-	(24,300)	-	-	-
Balance at December 31, 2020	1,182,595	-	1,938,916	16,244	(116,979)	76,811	(24,042)	724,356	4,084,002
Profit (Loss) for the year ended December 31, 2021	-	-	97,442	-	-	-	-	97,442	62,245
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	(2,540)	104,565	-	126,085	-	228,110	84,982
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	94,902	104,565	-	126,085	-	328,552	147,227
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	28,379	(28,379)	-	-	-	-	-	-
Special reserve appropriated	-	-	(40,168)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	(153,737)	-	-	-	-	(153,737)	(153,737)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	3,934	-	-	-	-	3,934	3,934
Capital increase by cash	93,764	-	906,236	-	-	-	-	1,000,000	1,000,000
Conversion of convertible bonds	-	10,980	108,414	-	-	-	-	119,394	119,394
Purchase of treasury share	-	-	-	-	-	-	(108,254)	(108,254)	(108,254)
Changes in ownership interests in subsidiaries	-	-	1,720,903	-	-	-	-	1,720,903	10,498
Share-based payment transactions	(2,200)	-	14,454	-	-	16,146	-	59,292	59,292
Changes in non-controlling interests	-	-	-	-	-	-	-	771,051	771,051
Balance at December 31, 2021	1,274,159	40,168	4,692,857	44,623	(12,414)	202,896	(7,896)	1,327,580	7,654,310

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

PCHOME ONLINE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 338,603	304,368
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	711,051	712,019
Amortization expenses	41,709	29,262
Expected credit losses	56,668	552
Net gain on financial assets at fair value through profit or loss	(71,694)	(5,476)
Interest expenses	54,843	54,742
Interest income	(9,613)	(10,921)
Dividend income	(15,467)	(8,495)
Share-based payment transactions	28,400	5,434
Shares of (profit) loss of associates and joint ventures accounted for using equity method	(2,336)	17,108
Losses on disposal of property, plant and equipment	433	383
Losses on disposal of investments accounted for using equity method	-	10,800
Loss (Gain) on lease modification	5,913	(16)
Total adjustments to reconcile profit	<u>799,907</u>	<u>805,392</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts and notes receivable	(682,736)	15,827
Other receivables	34,703	(200,233)
Inventories	41,350	(121,271)
Other current assets	(78,328)	(34,024)
Other financial assets	(429,833)	33,557
Total changes in operating assets	<u>(1,114,844)</u>	<u>(306,144)</u>
Changes in operating liabilities:		
Contract liabilities	(6,568)	132,182
Accounts and notes payable	55,036	809,139
Other payables	153,554	123,321
Receipts under custody	405,225	(196,890)
Other current liabilities	133,923	(139,170)
Other non-current liabilities	784	(3,141)
Total changes in operating liabilities	<u>741,954</u>	<u>725,441</u>
Total changes in operating assets and liabilities	<u>(372,890)</u>	<u>419,297</u>
Total adjustments	<u>427,017</u>	<u>1,224,689</u>
Cash flow generated from operations	765,620	1,529,057
Interest received	9,591	10,883
Dividends received	15,467	8,495
Interest paid	(42,302)	(51,084)
Income taxes paid	(11,510)	(84,874)
Net cash flows from operating activities	<u>736,866</u>	<u>1,412,477</u>
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(393,372)	(15,985)
Acquisition of financial assets designated at fair value through profit or loss	(93,759)	(34,588)
Proceeds from disposal of financial assets designated at fair value through profit or loss	23,040	-
Net cash flow from acquisition of subsidiaries	(1,067,079)	-
Acquisition of property, plant and equipment	(568,635)	(180,314)
Proceeds from disposal of property, plant and equipment	4,115	8,844
Acquisition of intangible assets	(7,659)	(21,570)
Increase in other financial assets	(9,376)	(7,051)
Other non-current assets	16,477	(67,156)
Net cash flows used in investing activities	<u>(2,096,248)</u>	<u>(317,820)</u>
Cash flows from financing activities:		
Increase (Decrease) in short-term borrowings	658,436	(40,000)
Proceeds from issuing bonds	-	1,605,790
Long-term borrowings	849,100	125,000
Repayments of long-term borrowings	(400,000)	(900,000)
Payments of lease liabilities	(501,372)	(508,274)
Cash dividends paid	(153,737)	(82,012)
Capital increase by cash	1,000,000	-
Payments to acquire treasury shares	(108,254)	-
Treasury shares sold to employees	30,892	-
Change in non-controlling interests	8,600	15,283
Net cash flows from financing activities	<u>1,383,665</u>	<u>215,787</u>
Effect of exchange rate changes on cash and cash equivalents	(24,807)	(31,685)
Net (decrease) increase in cash and cash equivalents	<u>(524)</u>	<u>1,278,759</u>
Cash and cash equivalents at beginning of period	<u>8,147,763</u>	<u>6,869,004</u>
Cash and cash equivalents at end of period	<u>\$ 8,147,239</u>	<u>8,147,763</u>

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

PChome Online Inc.

Rules of Procedure for Shareholders' Meeting

1. Purpose

To ensure that the shareholders' meetings of the Company can operate smoothly, the Rules of Procedure for Shareholders' Meeting (the "Rules") is established in accordance with relevant laws and regulations to be complied with.

2. Scope of application

The Rules are applicable to shareholders' meeting of the Company.

3. Definition of terms

3.1 The term "shareholders" used in the Rules refers to shareholders as set out in the shareholders' register or their appointed proxies.

4. Related documents

None

5. Operating procedures

5.1

The shareholders' meeting is presided by the Chairman of the Board of Directors (the "Board") if convened by the Board. If the Chairman is on leave or is unable to exercise power, the Vice Chairman of the Board shall stand proxy. If there is no Vice Chairman of the Board or the Vice Chairman is also on leave or unable to exercise power, the Chairman may appoint one of managing Directors to stand proxy. If there is no managing Director, the Chairman may appoint one Director to stand proxy. If the Chairman does not appoint a proxy, the managing Directors or Directors shall elect one person from among themselves to preside at the meeting.

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

If the shareholders' meeting is convened by a party other than the Board, the convening party shall preside at the meeting. When there are two or more convening parties, they shall elect a person from among themselves to preside at the meeting.

5.2 The shareholders' meeting shall be convened at the premises of the Company or an appropriate venue convenient for shareholders to attend. The meeting shall begin no earlier than 9 a.m. or no later than 3 p.m.

5.3 Shareholders' meeting agenda items

5.3.1 The Board shall set the meeting agenda items. Relevant proposals (including special motions and amendments to the original proposals) shall be resolved by voting on a proposal-by-proposal basis. The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting.

5.3.2 Rule 5.3.1 applies to the shareholders' meeting convened by a party entitled to convene other than the Board.

5.3.3 The chairman shall not announce adjournment of the meeting before completion of the

- agenda (including special motions) referred to in 5.3.1 and 5.3.2 unless otherwise resolved at the shareholders' meeting.
- 5.3.4 After the meeting is adjourned, the shareholders shall not elect another chairman to continue the meeting at the original or another venue.
- 5.3.5 If the Chairman announces the adjournment in violation of the Rules, the attending shareholders shall elect one person to preside the meeting with the consent of the majority of voting rights represented by the attending shareholders to continue the meeting.
- 5.3.6 Election or discharge of Directors and Supervisors; amendments to Articles of Incorporation; capital deduction; application to terminate the public offering of the shares; release of the Directors from non-compete restrictions; capital increase from earnings or reserve; dissolution; merger or spin-off of the Company or matters set out in subparagraphs under Paragraph 1, Article 185 of the Company Act shall be stated in the notice of a general meeting, with a summary of the major content to be discussed. They shall not be proposed as special motions. The summary of major content shall be disclosed at websites designated by the competent authorities or Company and the websites shall be clearly stated in the meeting notice.
- 5.3.7 Where the reasons to convene the shareholders' meeting has specified the re-election of Directors and Supervisors as well as the on-board dates, after the election in the shareholders' meeting, the on-board date cannot be changed via a special motion or other means in the same meeting.
- 5.3.8 Shareholders holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at annual shareholders' meeting, provided that only one matter shall be allowed in each single proposal. If the purpose of the proposal is to urge the Company to promote public interests or fulfil its social responsibilities, the Board may include such proposal in the agenda. If the shareholders' proposals contain circumstances set out in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may not include the proposals in the agenda.
- 5.3.9 Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, in written or electronic method, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- 5.3.10 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.
- 5.3.11 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.

- 5.4 When the shareholders (or their appointed proxies) attend the shareholders' meeting, they shall sign on the attendance booklet or hand in the attendance cards in lieu of signing in and complete the registration procedures. The Company shall not arbitrarily request additional supporting documents as identification documents for the attendance of shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The attendance and voting at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or attendance cards handed in and the number of shares with voting rights exercised by correspondence or electronic means.
- 5.5 The chairman shall call the meeting to order at the scheduled time. When the majority of the total number of issued shares is not represented by the attending shareholders, the chairman may announce to postpone the meeting. The postponement is limited to two times with a combined duration of less than one hour. If the quorum is not met after two postponements, but one-third or more of the total number of issued shares are represented by the attending shareholders, tentative resolutions may be made pursuant to Paragraph 1 of Article 175 of the Company Act. If the attending shareholders represent the majority of the total number of issued shares before the conclusion of the meeting, the chairman may resubmit the tentative resolutions for voting at the shareholders' meeting pursuant to Article 174 of the Company Act.
- 5.6 Speech of the attending shareholders
- 5.6.1 Before speaking, the attending shareholders shall complete the speaker's slip indicating the shareholder's account number (or the number of attendance card) and account name. The sequence of speeches shall be determined by the chairman.
- 5.6.2 If the attending shareholder submits a speaker's slip without speaking, it shall be deemed as making no speeches. If the contents of speech are inconsistent with the contents of speaker's slip, the contents of speech shall prevail.
- 5.6.3 When the attending shareholders speak, other shareholders shall not interrupt the speech unless they are permitted by the chairman and the speaking shareholder. Otherwise, the chairman shall stop such interruption.
- 5.6.4 The shareholder's speech is limited to five minutes each time and may be extended by three minutes upon consent of the chairman. The extension is limited to one time.
- 5.6.5 The shareholder shall not make a speech concerning the same proposal for more than two times. If the Shareholder's speech exceeds the time limit or is beyond the scope of the agenda item, the chairman may stop the speech. If a shareholder continues to violate the Rules after being corrected, the chairman may direct the disciplinary officers (or security guards) to assist with maintaining order at the meeting.
- 5.6.6 When a juristic person is appointed to attend the shareholders' meeting, it may designate only one person to attend on its behalf. If a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one representative may speak for each agenda item.

- 5.6.7 After the attending shareholder has spoken, the chairman may respond in person or appoint an appropriate person to respond.
- 5.7 When the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, he/she shall announce the discussion closed and call for a vote. He/she shall also allow ample time for voting.
- 5.8 Voting on proposals
- 5.8.1 When the Company convenes a shareholders' meeting, voting rights may be exercised by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the methods of exercise shall be clearly indicated in the shareholders' meeting notice. Shareholders exercising their voting rights by correspondence or electronic means are deemed as attending the shareholders' meeting in person. They are, however, deemed as waiving their rights on special motions or amendments to the original proposals of that shareholders' meeting. Thus, the Company is advised not to raise special motions or make amendments to the original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this restriction does not apply 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 shall be made known to the Company two days before the date of the shareholders' meeting, by the same means by which the voting rights were exercised.
- 5.8.2 The ballot supervisors and ballot counters of proposal voting shall be appointed by the chairman, but the ballot supervisors shall be shareholders. The voting results shall be announced at the meeting and recorded in the minutes.
- 5.8.3 Unless otherwise provided in the Company Act and Articles of Incorporation, the adoption of resolution shall be approved by the majority of voting rights represented by the attending shareholders. When voting, the Chairman or designated person shall announce the total number of voting rights represented by attending shareholders proposal-by-proposal before shareholders cast their votes proposal-by-proposal. The number of votes for, against and abstained shall be released in the Market Observation Post System website on the same day as the shareholders' meeting.
- 5.8.4 In the event that an amendment or a substitute comes out of the same issue, the chairperson shall fix the order of balloting in consolidation with the original issue. If one proposal among them has been adopted, the others shall be deemed overruled and no further voting is required.
- 5.9 Shareholders shall not participate in voting on agenda items of which they have a personal interest and may impair the interest of the Company, and shall not exercise the voting rights as proxy for other Shareholders. 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.

- 5.10 The Company may appoint designated attorneys, certified public accountants or related persons to attend the shareholders' meeting. The staff involved in the meeting affairs shall wear identification cards or armbands.
- 5.11 The process of shareholders' meeting shall be tape-recorded or videotaped and kept for at least one year. If, however, a shareholder files a lawsuit based on Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.
- 5.12 The meeting shall be suspended if an air-raid drill starts for shareholders to evacuate. Meeting would resume one hour after the completion of drill.
- 5.13 When the meeting is in progress, the chairman may announce a break at his/her discretion. If force majeure events occur, the chairman may decide to temporarily suspend the meeting and announce the time to resume the meeting depending on the situation. If the meeting venue becomes unavailable before meeting agenda (including special motions) has been completed, another venue can be used to resume the meeting upon resolution at the shareholders' meeting.
The shareholders' meeting may resolve to postpone or resume the meeting within five days in accordance with Article 182 of the Company Act.
- 5.14 Any other matters not set forth in the Rules shall be subject to the Articles of Incorporation, Company Act and other applicable rules and regulations.
- 5.15 The Rules and any amendment hereto shall take effect after adoption by the shareholders' meeting.

PChome Online Inc.**Articles of Incorporation
Chapter I General Provisions**

Article 1: The Company is incorporated as a company limited by shares in accordance with the Company Act and is named 網路家庭國際資訊股份有限公司 in the Chinese language and PChome Online Inc. in the English language.

Article 2: The Company's business scope is as follows:

The Company's business scope is as follows:

- 1 E605010 Computing Equipment Installation Construction
- 2 E701040 Basic Telecommunications Equipment Construction
- 3 F113050 Wholesale of Computing and Business Machinery Equipment
- 4 F113070 Wholesale of Telecom Instruments
- 5 F118010 Wholesale of Computer Software
- 6 F119010 Wholesale of Electronic Materials
- 7 F201010 Retail sale of Agricultural Products
- 8 F201020 Retail sale of Husbandry Products
- 9 F201050 Retail sale of Fishing Tackles
- 10 F201070 Retail sale of Flowers
- 11 F201090 Retail Sale of Aquarium Fishes
- 12 F202010 Retail sale of Animal Feeds
- 13 F203010 Retail sale of Food and Grocery
- 14 F203020 Retail Sale of Tobacco and Alcoholic Beverages
- 15 F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
- 16 F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
- 17 F206020 Retail Sale of Articles for Daily Use
- 18 F206050 Retail of pet food and appliances
- 19 F207030 Retail Sale of Cleaning Preparations
- 20 F208031 Retail sale of Medical Equipment
- 21 F208040 Retail Sale of Cosmetics
- 22 F208050 Retail Sale of the Second Type Patent Medicine
- 23 F209060 Retail sale of Stationery Articles, Musical Instruments, and Educational Entertainment Articles
- 24 F210010 Retail Sale of Watches and Clocks
- 25 F210020 Retail Sale of Spectacles

26	F213030	Retail sale of Computing and Business Machinery Equipment
27	F213060	Retail Sale of Telecom Instruments
28	F214010	Retail Sale of Automobiles
29	F214020	Retail Sale of Motorcycles
30	F214030	Retail Sale of Motor Vehicle Parts and Supplies
31	F214040	Retail Sale of Bicycles and Parts
32	F215010	Retail Sale of Jewelry and Precious Spectacles Metals
33	F216010	Retail Sale of Photographic Equipment
34	F218010	Retail Sale of Computer Software
35	F219010	Retail Sale of Electronic Materials
36	F299990	Retail Sale of Other Retail Trade Not Elsewhere Classified
37	F301010	Department Stores
38	F301020	Supermarkets
39	F399010	Convenience Stores
40	F399040	Retail Business Without Shop
41	F399990	Retail sale of Others
42	F401010	International Trade
43	F401021	Restrained Telecom Radio Frequency Equipment and Materials Import
44	F501030	Coffee/Tea Shops and Bars
45	F501050	Public Houses and Beer Halls
46	F501060	Restaurants
47	F601010	Intellectual Property
48	I102010	Investment Consultancy
49	I103060	Management Consulting Services
50	I105010	Artwork Consultation Services
51	I199990	Other Consultancy
52	I301010	Software Design Services
53	I301020	Data Processing Services
54	I301030	Digital Information Supply Services
55	I301040	The Third-party Payment Services
56	I401010	General Advertising Services
57	I401020	Leaflet Distribution
58	I501010	Product Designing
59	IE01010	Telecommunications Number Agencies

- 60 IZ03010 Clipping Services
- 61 IZ04010 Translation Services
- 62 IZ10010 Typesetting Services
- 63 IZ12010 Manpower Services
- 64 IZ13010 Internet Identify Services
- 65 IZ99990 Other Industry and Commerce Services Not Elsewhere Classified
- 66 J301010 Newspaper Publishers
- 67 J302010 Press Release
- 68 J303010 Magazine and Periodical Publication
- 69 J304010 Book Publishers
- 70 J305010 Audio Tape and Record Publishers
- 71 J602010 Agents and Managers for Performing Arts, Entertainers, and Models
- 72 J701020 Amusement Parks
- 73 J701040 Recreational Activities grounds and Facilities
- 74 J801030 Athletics and Recreational Sports Stadium
- 75 JA05010 Study Abroad Services
- 76 JB01010 Exhibition Services
- 77 JD01010 Industry and Commerce Credit Bureau Services
- 78 JE01010 Rental and Leasing Business
- 79 JZ99050 Agency Services
- 80 JZ99080 Beauty Shops
- 81 JZ99090 Joyous Events Services
- 82 G801010 Warehousing and Storage
- 83 IZ06010 Cargoes Packaging
- 84 G799990 Other Supporting Services to Transportation
- 85 F401171 Alcohol Drink Import
- 86 A102060 Grain Commerce
- 87 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total reinvestment of the Company shall not be limited to less than forty percent of paid-up capital and the Company may provide endorsement and guarantee to external parties.

Article 4: The Company is located in Taipei City and may, if necessary, set up branch offices in other appropriate locations upon resolution of the Board of Directors (the "Board").

Article 5: Deleted.

Chapter II Capital Stock

Article 6: The total amount of the Company's capital stock is NT\$2,000,000,000, which is divided into 200,000,000 shares at a par value of NT\$10 each. The Board is authorized to issue the unissued shares as common or preferred stocks by multiple installments.

20,000,000 shares of the aforementioned capital stock are retained for employees' stock options, preferred stocks with subscription rights, or corporate bonds with subscription rights. The Board is authorized to issue the unissued shares by multiple installments when needed.

The Company may grant employees' stock options, restricted stocks for employees, or the rights to subscribe new shares issued to employees, or distribute or transfer shares repurchased pursuant to laws to employees. The said employees shall include ones in the controlling or affiliated companies who met certain conditions.

The rights, obligations, and important issuance terms of the Company's preferred stocks are as follows:

- I. The Company shall apply the current year's earnings, if any, to pay for taxes as stipulated by laws and regulations, offset accumulated losses of previous years, and allocate a portion as legal reserve pursuant to laws and regulations. Next, special reserve is appropriated or reversed pursuant to the Articles of Incorporation. The remaining earnings, if any, are allocated as preferred stock dividends for the year.
- II. The dividend rate of preferred stocks is capped at 8% per annum and is calculated based on the issuance price. Dividends are to be distributed in the form of cash each year. Once the Company's financial reports are ratified in the annual shareholders' meeting, the Board will set the record date for the distribution of previous year's dividends payable. Dividends in the year of issuance and redemption are calculated based on the preferred stocks' actual number of outstanding days.
- III. The Company has discretion over the distribution of preferred stock dividends. If the Company did not generate any or sufficient profits during the year for the distribution of preferred stock dividends, it may resolve not to pay out the dividends and preferred stockholders have no rights to object. The preferred stocks issued are non-cumulative, i.e. the undistributed dividends or shortages in dividends distributed shall not be accumulated and paid in subsequent years when profits are generated.
- IV. The preferred stocks issued are non-participating. Except for dividends specified in Subparagraph 2 of this Paragraph, preferred stockholders cannot participate in common stocks' distribution of cash or stock dividends from earnings or capital surplus.
- V. For cash offering of new shares, the preferred stockholders have the same preemptive rights as the common stockholders.

- VI. Preferred stockholders have a higher claim to the Company's residual properties than common stockholders. Different types of preferred stocks issued by the Company grant holders the same rights to claims, and preferred stockholders stay subordinate to general creditors. The amount preferred stockholders are entitled to is capped at the product of number of outstanding preferred stocks at the time of distribution and issuance price.
- VII. Preferred stockholders have neither voting nor election rights. However, they may be elected as Directors or Supervisors. They have voting rights in preferred stockholders' meetings or with respect to agendas associated with the rights and obligations of preferred stockholders in shareholders' meetings.
- VIII. Preferred stocks issued by the Company are convertible and they cannot be converted within one year from the issuance date. The Board of Directors is authorized to set the convertible period in the actual issuance terms. Based on the issuance terms, holders of convertible preferred stocks may apply to convert all or a part of preferred stocks held at the conversion ratio of one preferred stock for one common stock (The conversion ratio is 1:1). Once converted, the rights and obligations of the converted stocks are identical to that of common stocks. Dividend distribution at the conversion year shall be calculated based on the ratio of actual issuance days to total days of the conversion year. However, preferred stockholders who convert their stocks prior to the ex-dividend date cannot participate in the preferred stock dividends of that year and all subsequent year. Nevertheless, they may participate in the distribution of profit and capital surplus for common stocks.
- IX. Preferred stocks have no maturity dates and preferred stockholders have no rights to request the Company to redeem those stocks. However, the Company may redeem all or a part of preferred stocks in cash, by compulsory conversion into new shares or by other means permissible by laws based on the issuance price and by relevant issuance terms at any time starting from the date after the stocks have been issued for three years. The unredeemed preferred stocks continue to have the rights and obligations stipulated in this Article until they are redeemed by the Company. If the Company's shareholders' meeting resolves to distribute dividends in the year when preferred stocks are redeemed, dividends payable up to the redemption date shall be calculated based on the preferred stocks' number of outstanding days in the redemption year.
- X. The Board of Directors is authorized to list the preferred stocks or the common stocks converted at the TPEX depending on the Company and market conditions. The Board of Directors is authorized to set the name, issuance date and terms, and other relevant matters of the preferred stocks at the time of issuance based on the market conditions and investors' subscription interests, in accordance with the Company's Articles of Incorporation and applicable laws and regulations.

- Article 7: The shares of the Company shall be issued after signed or sealed by Directors representing the Company and certified in accordance with applicable laws and regulations.
- Article 7-1: Share certificates issued by the Company are exempted from printing; however, they shall be registered in the central securities depository.
- Article 8: The shareholders of the Company shall use their own names. Where an institution or a juristic person is a shareholder, it shall use its name as records instead of registering another name or only a representative.
- Article 9: Shareholder services of the Company are handled in accordance with the Company Act, “Regulations Governing the Administration of Shareholder Services of Public Companies” and relevant laws and regulations promulgated by the competent authorities.
- Article 10: Registration for share transfer shall be suspended sixty days before the date of annual general shareholders’ meeting, and thirty days before the special shareholders’ meeting, or within five days before the day on which the Company determines to pay dividends, bonuses, or any other benefits.

Chapter III Shareholders' Meeting

- Article 11: The shareholders' meetings of the Company are classified into two types. The general meeting shall be annually convened by the Board within six months from the end of each fiscal year in accordance with the relevant laws and regulations. The extraordinary meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary. The preferred stockholders' meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.
- Article 12: Written notices shall be sent to all shareholders thirty days prior to the general meeting and fifteen days prior to the special meeting. The notice shall specify the date, place, and reasons to convene.
- Article 13: The resolutions of shareholders’ meeting, unless otherwise stated in the relevant laws and regulations, shall be agreed by the majority of votes represented by the attending shareholders or proxies who represents the majority of the total number of issued shares.
- Article 14: Shareholders of the Company are entitled to one vote for each share held. However, this shall not apply to Company’s shares held by its own pursuant to laws and regulations.
- Article 15: Shareholders may designate a proxy to attend the shareholders’ meeting with a power of attorney issued by the Company in accordance with the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders’ Meeting of Public Companies promulgated by competent authority.
- Article 16: The Chairman of the Board shall preside at the shareholders’ meeting. When the Chairman is unable to attend, he/she may appoint one of the directors to stand proxy. If the Chairman does not appoint a proxy, directors shall elect a person from among themselves to preside at the meeting. If the shareholders’ meeting is convened by a party other than the Board, the convening party shall preside at the meeting. When there are two or more convening parties, they shall elect a person from among themselves to preside at the meeting.

Article 17: The resolutions of the shareholders' meeting shall be recorded in the minutes. The minutes shall be signed or affixed to the meeting chairman's seal and be distributed to all shareholders within twenty days after the meeting. The distribution may be done via public announcement. The meeting minutes shall contain the essentials and results of the proceedings and be retained permanently by the Company together with the shareholders' attendance booklet and power of attorney.

Chapter IV Directors and Audit Committee

Article 18: The Company has nine Directors. The candidate nomination system is adopted pursuant to Article 192-1 of the Company Act. Shareholders shall elect from the list of candidates to serve a term of three years. Directors are eligible for re-election. The number of independent directors within the number of directors in the preceding article shall be two at least and shall not be less than one-fifth of the total number of directors. The election for independent and non-independent directors shall be held at the same time, but the numbers to be elected shall be calculated separately.

The majority of the Company's directors shall not have one of the following relationships.

- I. Spouse
- II. Within Second-Degree of Kinship

The Board is delegated to determine the remuneration to directors based on their involvement in the Company's business operation and their contributions to the Company with reference to the remuneration standard of the industry.

Article 19: The Board is composed of directors. The directors shall elect a Chairman from among themselves in the Board meeting with the consent of the majority of attending directors, which represents more than two-thirds of all directors. The Chairman shall have the authority to represent the Company.

When the vacancies on the Board exceed one-third of the total number of the Directors or all supervisors are dismissed, the Board shall convene an extraordinary shareholders' meeting within sixty days to elect new members to fill in the vacancies. The newly elected members shall serve the remaining term of the outgoing members.

Article 20: When the Chairman is on leave or unable to exercise power, his/her proxy shall be determined in accordance with Article 208 of the Company Act.

Article 21: The Board meeting shall be convened by the Chairman. Unless otherwise stipulated in the Company Act, resolutions in a Board meeting shall be adopted by the majority of attending directors which represents the majority of all directors. For Board meetings conducted through video-conferencing, a director who participates through video-conferencing is deemed to attend in person.

If a director is unable to attend the Board meeting for some reason, he/she shall authorize another director to stand proxy with a power of attorney indicating the scope of authority with reference to the subjects to be discussed at the meeting. No director may act as a proxy for more than one other director.

Article 22: The Board shall exercise their powers pursuant to the Company Act and the authority granted by the shareholders' meeting.

Article 23: The discussion at the Board meeting shall be recorded in the minutes. The minutes shall be signed or affixed with the meeting chairman's seal and be retained by the Company.

Article 24: The Company establishes an Audit Committee in compliance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all Independent Directors and is responsible to carry out duties of supervisors stipulated in the Company Act, Securities, and Exchange Act and other laws and regulations. Matters concerning the audit committee members, the exercise of their powers and other compliance issues shall be handled in accordance with relevant laws and regulations. Its organizational regulations shall be established separately by the Board.

The Company may establish a compensation committee or other functional committees in accordance with laws and regulations or business needs.

Article 25: Deleted.

Chapter V Managers

Article 26: The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

Chapter VI Accounting

Article 27: The Company's Board of Directors shall prepare (1) business report, (2) financial statements and (3) profit distribution or deficit compensation proposal after the end of each fiscal year and forward them to the general meeting of shareholders for approval

If the aforementioned earnings are to be distributed in the form of new shares, the Company shall comply with Article 240 of the Company Act. If they are to be distributed in the form of cash, the distribution is authorized to be approved by a resolution adopted by the majority of attending Directors which represents more than two-thirds of all Directors. In addition, the distribution proposal shall be submitted to the shareholders' meeting.

Article 28: When the Company makes a profit for the year, the compensation to employees shall be between one to fifteen percent of the balance and the remuneration to the Directors shall not be higher than one point five percent of the balance. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be distributed. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in the controlling or affiliated companies who met certain conditions.

Article 28-1: The Company shall apply current year's earnings, if any, to pay for taxes first, offset losses in previous years and allocate 10% as a legal reserve unless the accumulated legal reserve has equaled the paid-up capital of the Company. The special reserve is appropriated based on the Company's operational needs and legal requirements. The remaining earnings, if any, are allocated as preferred stock dividends for the year. Remaining earnings, if any, would be combined with the unappropriated earnings at beginning of the period. The Board shall draft an earnings distribution proposal and submit it to the shareholders' meeting for

resolution. With consent from the majority of attending Directors, which represents more than two-thirds of all Directors, the Company may appropriate a part or all of dividends, bonuses, legal reserve or capital surplus to be distributed in the form of cash. In addition, the distribution proposal shall be submitted to the shareholders' meeting.

The Company adopts the residual dividend policy as its dividend policy. The Company would calculate future capital requirements based on the capital budget for future periods and apply retained earnings to satisfy the capital requirement. Earnings remained would be distributed in the form of stocks and cash dividends. However, the stock dividends distributed shall not exceed eighty percent of the dividends for the year.

Chapter VII Additional Provisions

- Article 29: Rules governing the organization and the procedures of the Company shall be separately stipulated.
- Article 30: Matters not set forth in the Articles of Incorporation shall be subject to the Company Act and other laws and regulations.
- Article 31: The Articles of Incorporation was established on June 25, 1998. The first amendment was made on November 16, 1998. The second amendment was made on April 1, 1999. The third amendment was made on May 18, 1999. The fourth amendment was made on December 9, 1999. The fifth amendment was made on February 22, 2000. The sixth amendment was made on May 3, 2000. The seventh amendment was made on September 14, 2000. The eighth amendment was made on June 11, 2002. The ninth amendment was made on June 27, 2003. The tenth amendment was made on June 25, 2004. The eleventh amendment was made on June 26, 2006. The twelfth amendment was made on June 22, 2007. The thirteenth amendment was made on June 10, 2009. The fourteenth amendment was made on June 19, 2012. The fifteenth amendment was made on June 26, 2013. The sixteenth amendment was made on June 24, 2014. The seventeenth amendment was made on June 21, 2016. The eighteenth amendment was made on June 13, 2018. The nineteenth amendment was made on June 14, 2019. The twentieth amendment was made on June 24, 2020.

PChome Online Inc.

Rules for Election of Directors

1. Purpose
The Rules are established to improve measures adopted in the Company's election of directors.
2. Scope of application
The election of directors at the Company is conducted in accordance with these Rules.
3. Definition of terms
None
4. Related documents
None
5. Operating procedures
 - 5.1 The Company's election of directors shall be held at the shareholders' meeting.
 - 5.2 The number of directors of the Company is based on the number of directors stipulated in the Company's Articles of Incorporation.
 - 5.3 The Company's adopts the open-ballot, cumulative voting method for election of directors. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights can be combined to vote for one person, or divided to vote for several persons. The shareholder account number or attendance card numbers on the ballot may be used to replace the names of shareholders on the ballots.
 - 5.4 For the number of seats set forth in the Articles of Incorporation, the numbers of votes for independent and non-independent directors are calculated separately, and candidates who acquire more votes shall win the seats of independent and non-independent directors respectively. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, such persons acquiring the same votes shall draw lots to decide who should win the seats, and the chairman shall draw lots on behalf of the candidate who is not present.
 - 5.5 The Board of Director shall prepare the ballots in accordance with the shareholder account number or attendance card numbers and specify the number of voting rights.
 - 5.6 The Company shall appoint several persons to check and record the ballots and carry out relevant tasks.
 - 5.7 The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before the voting commences.
 - 5.8 If a candidate is a shareholder, the voter shall 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 ID card number. However, when the candidate is a government organization or corporate shareholder, the name of the government organization or corporate shareholder shall be entered in the column for the candidate's account name on the ballot, or both the name of the government organization or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each representative shall be entered.
 - 5.9 Ballots shall be deemed void in any of the following circumstances:
 - 5.9.4 Illegible writing.

- 5.9.5 If the candidate is a shareholder, the name or shareholder account number of the candidate filled in the ballot is inconsistent with the shareholders' register. If the candidate is not a shareholder, the name and ID card number of the candidate filled in the ballot do not match.
- 5.10 The ballots shall be calculated right after the vote casting. The vote monitoring personnel shall monitor the procedure. The chairman at the meeting shall announce the results of the election.
- 5.11 The Company will issue notifications to elected directors and supervisors after the shareholders' meeting.
- 5.12 Any other matters not set forth in the Rules shall be subject to the Company Act and other applicable rules and regulations.
- 5.13 The Rules and any amendment hereto shall take effect after adoption by the shareholders' meeting.

PChome Online Inc. Shareholding of Directors

- I. The Company's total number of shares issued as of the book closure date of this annual shareholders' meeting (April 24, 2022):股
128,513,945 common shares
- II. Minimum share ownership by all directors of the Company: 7,710,837shares
The number of shares held by all Directors on the register of shareholders as of the book closure date of this annual shareholders' meeting (April 24, 2022) has met the percentage requirement specified in Article 26 of the Securities and Exchange Act. Details are as follows.
- III. Pursuant to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", if the Company has two or more Independent Directors, the shareholding percentage calculated at the rates set forth for all Directors, excluding the Independent Directors, shall be reduced to 80 percent.

Title	Name of Natural or Juristic Person	Appointment date	Term	Shareholding at the Time of Appointment		Shareholding at of the Book Closure Date	
				No. of Shares	Shareholding Percentage	No. of Shares	Shareholding Percentage
Chairman of the Board	Hung-Tze Jan	110.07.29	3 years	1,592,427	1.36%	1,667,427	1.30%
Director	Kevin Tsai	110.07.29	3 years	1,461	0%	99,461	0.08%
Director	Bruce Chou	110.07.29	3 years	0	0%	60,000	0.05%
Director	Site Inc. Representative: Vicky Tseng	110.07.29	3 years	18,907,864	14.84%	18,907,864	14.71%
Director	Site Inc. Representative: Johnson Fong	110.07.29	3 years	同上	同上	同上	同上
Director	Site Inc. Representative: Ryan Kuo	110.11.01	3 years	0	0%	0	0%
Independent Director	T'ung Tzu Hsien	110.07.29	3 years	0	0%	0	0%
Independent Director	He Chendan	110.07.29	3 years	0	0%	0	0%
Independent Director	Huang Liyan	110.07.29	3 years	0	0%	0	0%
Shareholding of all Directors						20,734,752	16.14%

Other Explanatory Items

Procedure regarding shareholder proposals of this shareholders' meeting

Explanatory Notes:

1. Pursuant to Article 172-1 of the Company Act, shareholders holding 1% or more of the total number of issued shares of a company may submit proposals in writing for discussion at annual shareholders' meeting. Each shareholder can submit only one proposal and the proposal shall be limited to 300 words.
2. Shareholders can submit proposals for 2022 annual shareholders' meeting from April 15, 2022, to April 25, 2022. Relevant information has been released in the Market Observation Post System website in accordance with relevant laws.
3. The Company did not receive any shareholder proposals.