



Stock Code: 8044

PChome Online Inc.

2024 Annual Shareholders' Meeting

Meeting Agenda (Translation)

Date: June 19, 2024

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

[Table of Contents]

Page
Number

I.	Meeting Procedure	1
II.	Meeting Agenda	2
III.	Report Items	3
IV.	Ratification Items	5
V.	Discussion Items	6
VI.	Election Items	7
VII.	Other Matters	10
VIII.	Special Motions	12

[Attachment]

I.	Business Report	13
II.	Audit Committee's Review Report	17
III.	2023 Independent Auditors' Report and Financial Statements	18

[Appendices]

I.	Rules of Procedure for Shareholders' Meeting	34
II.	Articles of Incorporation	39
III.	Rules for Election of Directors	48
IV.	Shareholdings of All Directors	50
V.	Other Explanatory Items	51

PChome Online Inc.

Procedure of 2024 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 2024 Annual Shareholders' Meeting

Time: 9:00 a.m., Wednesday, June 19, 2024

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) 2023 Business Report
 - (II) Audit Committee's Review Report of 2023 Financial Statements.
- IV. Ratification items
 - (I) 2023 Business Report and Financial Statements.
 - (II) Adoption of the Proposal for 2023 Deficit Compensation
- V. Discussion items
 - (I) Amendment to the Company Corporate Charter (Articles of Incorporation).
- VI. Election items
The company 9th Directors election.
- VII. Other proposals
Proposal of Release of Directors from Non-Compete Restrictions
- VIII. Special motions
- IX. Meeting adjourned

I. 2023 Business Report.

Explanatory Notes: Please refer to Attachment I (Page 13 of this meeting agenda) for the Company's 2023 Business Report.

II. 2023 Audit Committee's Review Report.

Explanatory Notes:

Certified Public Accountants of KPMG, Pearl Chen and Lillian Lien, audited the Company's 2023 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 17 of this meeting agenda) for details.

Item 1 (Proposed by the Board of Directors)

Subject: 2023 Business Report and Financial Statements.

Explanatory Notes:

- (I) The 2023 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 III (Pages 13 and 18 of this meeting agenda) for the 2023 business report, independent auditors' report and aforementioned financial statements.
- (III) Please ratify

Resolution:

Item 2 (Proposed by the Board of Directors)

Subject: Adoption of the Proposal for 2023 Deficit Compensation

Explanatory Notes:

The opening balance of the company's 2023 loss provision statement is NT\$94,880,020, plus the current year's net loss after tax NT\$ (659,898,593), plus other comprehensive gains and losses NT\$ (605,567) and the disposal through other comprehensive gains and losses on a fair basis. After measuring the value of equity instruments of NT\$7,827,557, the losses to be made up are NT\$ (557,796,583). It is planned to use statutory surplus reserves and capital reserves to make up for the accumulated losses, which add up to NT\$54,113,280 and NT\$ 503,683,303 respectively. After making up for the losses, the remaining accumulated losses are NT\$0.

PChome Online Inc.			
2023 Deficit Compensation Statement			
			Unit: NT\$
	Item	Amount	Total
	Beginning balance		94,880,020
	Change during the year		
Add:	Net profit (loss) of 2023	(659,898,593)	
	Other comprehensive income of 2022	(605,567)	Note 1
	Disposal of equity instruments measured at fair value through other comprehensive profit (loss)	7,827,557	
	Subtotal		(652,676,603)
	Unappropriated earnings, end of the period		(557,796,583)
	Items for compensating deficit:		
	Statutory reserve		54,113,280
	Additional paid-in capital		503,683,303
	Deficit yet to be compensated		0
Chairman: Hung-Tze Jan		Manager: Yu-Shan Chang	Accounting Officer: Evian Chang

Note 1: This is mainly due to the impact of losses caused by the reduction in the old system pension discount rate.

Resolution:

After the Amendment			Before the Amendment			Description
85	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.	87	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 31: The Articles of Incorporation was established on June 25, 1998. The first amendment was made on November 16, 1998. (Omitted) 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. The twenty-first amendment was made on June 19, 2024.			Article 31: The Articles of Incorporation was established on June 25, 1998. The first amendment was made on November 16, 1998. (Omitted) 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.			To add the amendment date.

Resolution:

Election Items

Item 1 (Proposed by the Board of Directors)

The company 9th Directors election.Explanation:

- (1) The current directors of the company were elected at the shareholders’ meeting on July 29, 2021. Their term will expire on July 28 this year. It is planned to be re-elected in advance at the regular shareholders’ meeting on June 19 this year in accordance with the law.
- (2) According to Article 18 of the Company's Articles of Association, nine directors (including three independent directors) should be elected this time, using a candidate nomination system and in accordance with the Company's "Director Election Methods".
- (3) The new director will have a three-year term starting from June 19, 2024 to June 18, 2027. The term of office of the original director shall end when the re-election is completed at this regular meeting of shareholders.

(4) Please refer to Appendix 3 (page 48 of this manual) for the Company’s “Director Election Methods”.

V. Please discuss.

Candidates for the Election of Directors

Shareholders’ Account/ ID	Name	Education	Relevant Experience
1	Hung-Tze Jan	Department of Economics, National Taiwan University	Editor of the Commentary Section of United Daily News General Manager of Yuan-Liou Publishing
74606	Alice Chang	Master degrees in Information Engineering and Management Science from Stanford University	GOOGLE Partner Technology manager The founder and CEO Chang of MamiLove
59123	Bruse Chou	Department of Finance, National Taiwan University	Zoyi Capital Managing Director Barclays Capital Assistant VP
618	Site Inc. representative Vicky Tseng	MS, Administrative studies – e-commerce, systems & technology, Boston University EMBA, Accounting, National Taiwan University	Marketing Director of PChome Online Inc.
618	Site Inc. representative Allan Chou	Master of Finance from MIT Master’s Degree in Statistics from Yale University	General Manager of 21st Century Digital Technology General Manager of Pi-mobile International Information
59164	CDIB Venture Capital Corporation representative Ryan Kuo	Bachelor in Electrical Engineering, National Taiwan University	General Manager, CDIB Innovation Management Consultants Co., Ltd.

Candidates for the Election of Independent Directors

Shareholders' Account/ ID	Name	Education	Relevant Experience
D10116*****	Tan Hochen	Master in Urban Planning, Virginia Polytechnic Institute and State University	Minister of Transportation and Communications, Republic of China (Taiwan) Chairman, Chunghwa Telecom Co., Ltd. Chairman, Taipei Rapid Transit Corporation
D1209*****	Ethan Tu	Master of Information, National Taiwan University	Founder of PPT (BBS)Industrial Forum Founder, Taiwan AI Labs (AI Labs)
A8003*****	Lambert Chien	Master of Electrical Engineering from Stanford University	KKBOX Taiwan Co., Ltd. Chairman

Election results:

Item 1 (Proposed by the Board of Directors)

Subject: Release of Directors from Non-Compete Restrictions

Explanatory Notes:

- (I) In accordance with Article 209 of the Company Act, a director who, for his own account or for the account of another person, engages in an act within the business scope of the Company shall explain to the shareholders' meeting the important content of his act and obtain their approval.
- (II) In order to make use of the expertise and relevant experience of the directors of the Company, it is propose to the shareholders' meeting to approve the lifting of the non-competition restrictions on the newly elected directors and their representatives.
- (III) List of the new directors have held offices of other companies as follows for discussion.

Director	Circumstances under which concurrent business competition is to be terminated
Hung-Tze Jan	Chairman: PCHOMESTORE INC., Eastern Online Co., Ltd., Eolembra brain Co., Ltd., PChome eBay Co., Ltd., Site Inc., Pi Mobile Technology Inc., PChome Interpay Inc., PC Home Online International Co., (B.V.I.), PChome US Inc. 、 PChome CB Co., Ltd., y 、 LinkTel Inc 、 PayEasy Digital Integration Co., Ltd., 、 PChome (Thailand) Co. , Ltd. 、 ECOSMOS PTE. Ltd 、 Yuntong Bao international information company 、 PChome Travel Inc., 、 PChome Express CO.Ltd., 、 CHT-PCH No.1 Inc., 、 Cornerstone Ventures 、 Mitch Co., Ltd., PUMA Consultants, Ltd., 、 21st Financial Technology Co., Ltd. 、 YunTan Technology Inc., PChome Data Technology Co., Ltd. Rakuya International Info. Co., Ltd. Director: Meet Digital Innovation Co., Ltd., Independent Director of Sinyi Realty Inc., PChome Marketplace Inc.(Cayman) 、 PChome Holding Inc. (BVI) 、 PC Home Online (Cayman) Inc. 、 PC Home

	Online (HK) Ltd., Independent Director, Remuneration Committee Member of Asmedia Technology Inc., Independent Director, Remuneration Committee Member and Audit Committee Member of of Lion Travel Service Co., Ltd., PChome CBS Co., Ltd., PChome CB PTE. Ltd. 、Bibian Co., Ltd. 、Business Next Media Corp., APUJAN LTD., 、Newbloom Venture Co.,Ltd. 、17LIFE Inc. 、21st Financial Technology Co., Ltd. (Cayman), Shang-En Info Co.,Ltd..
Alice Chang	Chairman: Pin Technology Co., Ltd . SHANG-EN INFO CO., LTD. Director: Yuntongbao International Information Co., Ltd.,21st Financial Technology Co., Ltd. 21st Century Digital Technology Co., Ltd. PChome (Thailand) Co. Ltd., UPN Information Co., Ltd.PCHOME ONLINE INTERNATIONAL CO. Ltd. (B. V. I.), PCHOME US INC.,Pi Mobile Technology Inc., PChome Express Co., Ltd., PChome CB Co., Ltd, PChome Data Technology Co., Ltd, and 21st Financial Technology Co. Ltd. (Cayman) 、PChome Travel Inc.,
Bruse Chou	Chief Investment Officer and Chief Financial Officer, PChome Online Inc. Director: 21st Financial Technology Co., Ltd., 21st Century Digital Technology Co., Ltd., Yuntong Bao International Information Corporation, 21st Financial Technology Co., Ltd. (Cayman) 、AccuHit Tech Holdings Limited (Cayman) 、Pi Mobile Technology Inc. 、PChome Interpay Inc. 、YunTan Technology Inc. 、Junzhan Investment Limited 、Taiwan Farm Industry CO., LTD. 、CHT-PCH No.1 Inc., Cornerstone Ventures 、Rakuya International Info. Co., Ltd. PChome Express Co., Ltd.,PChome eBay Co.,Ltd., Mitch Co., Supervisor:Mengjiong Influence Investment Inc.,, Pin Technology Co., Ltd., PChome Data Technology Co., Ltd., Nap Tea Co., Ltd., Shang-En Info Co.,Ltd. PChome CB Co.,
Site Inc. representative Vicky Tseng	Director and general manager of PChome eBay Co.,Ltd., Director of PChomeStore Inc.,,Director of PChome Travel Inc.,, Director of CHT-PCH No.1 Inc.,, Director of Cornerstone Ventures 、Director of Ipevo Inc.. Director of Asia Yo Co., Ltd.
Site Inc. representative Allan Chou	Chairman of 21st Century Credit Management Co., Ltd. Directors: 21st Financial Technology Co., Ltd., Pinqian International (Co., Ltd.), Yuxin International (Co., Ltd.), Tewe (Co., Ltd.), Weiting Industrial (Co., Ltd.), Mingyu Enterprise (Co., Ltd.), 21st Century Corporation, Yongfeng Corporation, Cherri Tech, Inc. Supervisors: Jinghua Co., Ltd., Qingju Co., Ltd., Masterpiece Capital Art Co., Ltd., Mingpin Co., Ltd., Taiding Industrial Co., Ltd., 21st United Century Co., Ltd.
CDIB Venture Capital Corporation representative Ryan Kuo	Chairman: KATIE & RYAN INTERNATIONAL CO., LTD. Director:Kneron Holding Corporation,FunNow Ltd., Xrex Inc.,21st Century Digital Technology Co., Ltd. 21st Financial Technology Co., Ltd.(Cayman), Pi Mobile Technology Inc.,General Manager of CDIB Innovation Management Consultants Co., Ltd., General Manager of CDIB Capital Innovation Accelerator Co., Ltd. and Deputy General Manager of CDIB Innovation Management Consultants Co., Ltd.
Tan Hochen	Independent director of Groundhog Technologies Co., Ltd., Independent director of Yang Ming Shipping Co., Ltd., Director of KEDGE Construction Co., Ltd., and Director of Kindom Construction Co., Ltd.
Ethan Tu	Chunghwa Telecom) Co., Ltd. Independent Director Chairman and

Ethan Tu	Chairman and Chairman of Taiwan AI Labs & Foundation Director, Taiwan Creative Content Agency
Lambert Chien	KKCulture Inc. Chairman Manuscript Inc. Director KKCulture International Limited Director KKLIVE LIMITED Director KKVideo Limited Director KKFarm Inc. Director KKFarm International Limited Director JUST LIVE CO., LTD Director TVBS Media Inc Corporate director representative Respera Inc Director.

Special Motions

Meeting adjourned

PChome Online Inc. 2023 Business Report

Dear Shareholders:

In 2023, PChome revitalized its operational infrastructure, rebuilt its brand image, enhanced the shopping experience, and improved operational efficiency. The Company launched Taiwan's first high-density AI technology and fully automated warehousing equipment at the PChome Linkou A7 Smart Logistics Park to boost shipment efficiency. Emphasizing a "user-first" core value, PChome is dedicated to making consumers feel a tangible change in their service. In the first half of 2023, following the pandemic, consumers returned to their normal physical consumption and lifestyle patterns. Additionally, the saturation of electronic consumer products post-pandemic impacted the overall growth momentum of the e-commerce industry, further deepening the decline in PChome's revenue growth for the period. In the second half of the year, as consumers increasingly ventured outdoors and overall consumption demand gradually warmed up, there was significant growth in orders for travel-related electronic tickets and travel accessories. The demand for 3C home appliances also saw a rise, gradually narrowing the year-on-year decline. It is expected that growth momentum will be regained in 2024. In addition to its core e-commerce operations, PChome's subsidiaries continued to introduce innovative services, focusing resources to leverage synergies across the Group, thus contributing continuously to the Group's profitability. In 2023, the consolidated operating income was NT\$41.1 billion, with a 10.91% decrease from the previous year; the consolidated net loss after tax was NT\$528 million in 2023.

Operational highlights in 2023 are summarized as follows:

I. Continuously launching innovative differentiated services to integrate the brand into consumers' daily lives

PChome 24h Shopping has initiated the "Hami Point Redemption Scheme" in alliance with Chunghwa Telecom, enabling Chunghwa Telecom's extensive customer base to conveniently redeem points for purchases on PChome 24h Shopping. In collaboration with physical outlets, we have launched the pioneering "PChome 24h Shopping Installation Service Center," which introduces value-added services for 3C products, thus crafting a new OMO (Online Merge Offline) retail scenario. Together with our subsidiary, e-Insure, we have introduced a comprehensive e-commerce service

"Home Appliance Assurance," extending warranties up to three years. In partnership with 7-ELEVEN, we offer a "Large Item Pickup Service," providing consumers with more flexible and convenient delivery options. We have expanded our PChome Express Delivery Service to cover nine counties and seventy districts in northern, central, and southern Taiwan, and in collaboration with Uber Direct, we are optimizing our logistics experience in the Taipei and New Taipei areas. Our BOXMAN brand packaging has been redesigned to enhance customer brand awareness. In the fourth quarter, we launched BOXMAN-branded toilet paper, embedding our brand into consumers' everyday lives.

II. Optimizing shopping flow to enhance the mobile shopping experience

The revamp of the mobile shopping process has enhanced the app's user rating to 4.8 stars. The precision of the on-site search function has been optimized, resulting in a significant increase in product click-through rates. Enhanced search engine capabilities now include additional product attribute filters, allowing consumers to find products faster and more accurately. The redesign of the shopping page has made product features and promotional discounts more visible, effectively increasing the checkout rate of shopping carts. The user product reviews feature, launched at the end of the year, has accumulated several hundred thousand user comments and tens of thousands of responses from vendors. With 96% of the reviews being positive, it provides valuable information for consumers making purchasing decisions.

III. Building a product data labeling database for structural adjustments and supply chain enhancement

Millions of products are labeled according to their usage, attributes, and categories to establish a database aimed at business analytic. This system leverages data-driven insights to analyze consumer behaviors and explore order dynamics, enabling proactive measures. It includes tracking first-party data, segmenting members, re-engaging churned users, implementing targeted personalized marketing, and preparing for future AI applications. Centered around data capabilities, we are also developing empowering services for suppliers, continually collaborating with major manufacturers to create mutual benefits.

IV. Enhancing warehouse operational efficiency and optimizing operating

costs

The full-floor activation of the PChome Linkou A7 Smart Logistics Park has significantly improved shipping efficiency and substantially reduced the costs associated with manual warehouse maintenance. The A7 Smart Logistics Park now handles over 60% of the total order volume. Through precise management of server costs, payment processing fees, and other expenditures, we have successfully reduced operational costs.

V. We have fully leveraged the comprehensiveness resources of our subsidiaries and contributed to the profits of the group

21 FINTECH has partnered with Chunghwa Telecom to become the first telecommunications provider in Taiwan to offer the "iPhone for Life" subscription plan. Additionally, they have launched a laptop subscription scheme in collaboration with ASUS. The deficit of its subsidiary, Pi Wallet, has significantly narrowed. TapPay, a technology arm of Cherri Tech, Inc., has become a Tier 1 partner in the Asia-Pacific region for Apple's Apple Tap to Pay, extending its services offline. This expansion helps small businesses transform their smartphones into payment terminals, enhancing efficiency. After the merger of Ruten and PChome Store, the focus has shifted to three main strategies: cultivating online business communities, leveraging repeat customer economies, and diversifying operations. The synergistic effects and operational efficiency from the merger have shown substantial improvement. Bibian, a specialist in cross-border bidding and shopping from Japan, has formed alliances with local Japanese logistics, China Airlines, Peach Aviation, and FamilyMart in Taiwan to provide faster cross-border product sales, enhanced delivery and pickup services, and innovative marketing activities. E-Insure has partnered with FamilyMart to offer online insurance services across more than 4,200 stores throughout Taiwan.

Outlook for 2024

Looking ahead to 2024, PChome will continue to actively strengthen its operational framework, focusing on membership management and increasing the proportion of active users, while also reshaping its brand image to enhance consumer mindshare. With optimism about the rebound in the 3C market, PChome aims to create differentiation through value-added services and unique product offerings. Upholding the core philosophy of "user-first, integrated into daily life," PChome plans to expand its

household goods category. This includes enhancing product assortment and competitive pricing, improving gross margin structure, and rebuilding supplier relationships to create mutual benefits. To maximize operational efficiency, PChome will continue to optimize the efficiency of its automated warehousing while also expanding its third-party warehousing services. This strategy aims to provide high-quality warehousing solutions to the e-commerce industry.

We wish all shareholders
all the best and good health.

PChome Online Inc.

Chairman	Hung-Tze Jan
General Manager	Yu-Shan Chang

PChome Online Inc.
Audit Committee's Review Report

Approval for

The Board of Directors has prepared the Company's parent company only and consolidated financial statements for 2023, which were audited by certified public accountants of KPMG, Pearl Chen and Lillian Lien. The aforementioned financial statements, along with 2023 Business Report and Deficit Compensation 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 2024 Annual Shareholders' Meeting

Convener of the Audit Committee

He Chendan

Mar 23, 2024



安侯建業聯合會計師事務所

KPMG

台北市 110615信義路 5段 7號 68樓 (台北 101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電 話	Tel	+ 886 2 8101 6666
傳 真	Fax	+ 886 2 8101 6667
網 址	Web	kpmg.com/tw

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 balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material 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, 2023 and 2022, and its financial performance and its cash flows for the year ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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. Impairment assessment of investments accounted for using equity method

Please refer to Note (4)(m) “impairment of non-financial assets” for the accounting policy, Note (5) for “Significant accounting estimates”, and Note (6)(e) for the information about assessment of impairment of investments accounted for using equity method.

Description of key audit matter:

The amount of investment accounted for using equity method of the Company from equity transactions is measured as its recoverable amount based on its forecasts of future operations and discounted future cash flows. Due to the complexity and high uncertainty of the assessment process, which involves subjective judgments made by management and is a critical accounting estimation, we determine the impairment assessment of the investments accounted for using equity method as one of the most important matters.



How the matter was addressed in our audit:

Our principal audit procedures included:

Understand the process of impairment assessment by management, assess the reasonableness of the impairment model and the cash generating units identified by management.

Compare management's past estimates with actual results to assess the reasonableness of management's estimates.

The following procedures are required to assess the reasonableness of the significant assumptions used in the impairment model, including the expected growth rate and discount rate: (1) verifying the parameters and calculation formulas of the valuation model, (2) comparing the expected growth rate with historical results, economic and industrial forecasts, and (3) internal experts are assigned to assist in assessing the reasonableness of the valuation model and the corresponding discount rate used by the management in estimating the value in use, and to reperform and verify the calculations.

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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Chen, Yi-Chun and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2024

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023.12.31		2022.12.31		2023.12.31		2022.12.31	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Current Assets:								
1100 Cash and cash equivalents (Note 6)(e))	\$ 1,992,019	11	3,627,636	21	2100		700,000	4
1172 Accounts and notes receivable, net (Note 6)(e))	531,482	3	550,170	3	2130		458,376	3
1180 Accounts receivable due from related parties, net (Notes 6)(c) and (7))	372,117	2	368,543	2	2170		3,809,053	23
1200 Other receivables (Notes 6)(c) and (7))	288,521	2	742,191	5	2200		825,405	5
1300 Inventories (Note 6)(d))	1,739,439	9	1,960,700	12	2230		19,736	-
1476 Other current financial assets (Note 8))	403,018	2	418,037	2	2280		481,759	3
1479 Other current assets, others	109,689	1	83,458	-	2320		34,653	-
	<u>5,435,285</u>	<u>30</u>	<u>7,750,735</u>	<u>45</u>	<u>2300</u>		<u>43,320</u>	<u>-</u>
							<u>4,909,606</u>	<u>27</u>
Non-Current Assets:								
1517 Non-current financial assets at fair value through other comprehensive income (Note 6)(b))	673,193	4	618,310	4			2,863,501	16
1550 Investments accounted for using equity method (Note 6)(e))	5,881,638	32	5,578,381	33	2541		6,994	-
1600 Property, plant and equipment (Note 6)(h))	1,492,727	8	992,571	6	2570		4,090,652	22
1755 Right-of-use assets (Note 6)(i))	4,418,804	24	1,822,966	11	2612		-	-
1780 Intangible assets (Note 6)(j))	37,788	-	55,285	-	2670		10,090	-
1840 Deferred tax assets (Note 6)(g))	53,493	-	56,685	-			6,971,237	38
1980 Other non-current financial assets (Note 8))	326,926	2	112,838	1			11,880,843	65
1990 Other non-current assets, others	57,283	-	56,030	-			-	-
	<u>12,941,852</u>	<u>70</u>	<u>9,293,066</u>	<u>55</u>			<u>6,971,237</u>	<u>38</u>
							<u>11,880,843</u>	<u>65</u>
Total assets	<u>\$ 18,378,137</u>	<u>100</u>	<u>17,043,801</u>	<u>100</u>			<u>10,665,833</u>	<u>63</u>
LIABILITIES AND STOCKHOLDERS' EQUITY								
Current Liabilities:								
Short-term borrowings (Note 6)(k))								
Current contract liabilities (Note 6)(u))								
Accounts and notes payable								
Other payables								
Current tax liabilities								
Current lease liabilities (Note 6)(o))								
Long-term liabilities, current portion (Note 6)(m)(n))								
Other current liabilities (Note 6)(l))								
Non-Current liabilities:								
Long-term borrowings (Note 6)(m))								
Deferred tax liabilities (Note 6)(q))								
Non-current lease liabilities (Note 6)(o))								
Long-term accounts payable (Note 6)(f))								
Other non-current liabilities, others								
Total liabilities								
Equity (Note 6)(r)):								
Share capital:								
Ordinary share					3110		1,439,529	8
Capital surplus					3200		5,560,918	30
Total retained earnings					3300		(503,683)	(3)
Total other equity interest					3400		211,032	1
Treasury shares					3500		(210,502)	(1)
							<u>6,497,294</u>	<u>35</u>
Total equity							<u>6,377,968</u>	<u>37</u>
Total liabilities and equity	<u>\$ 18,378,137</u>	<u>100</u>	<u>17,043,801</u>	<u>100</u>			<u>17,043,801</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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023		2022	
		Amount	%	Amount	%
4111	Sales revenue	\$ 38,467,375	101	43,472,515	101
4170	Less: Sales returns	<u>520,859</u>	<u>1</u>	<u>576,208</u>	<u>1</u>
	Operating revenue, net (Notes (6)(u) and (7))	37,946,516	100	42,896,307	100
5000	Operating costs (Notes (6)(d) and (7))	<u>34,246,325</u>	<u>90</u>	<u>38,352,525</u>	<u>89</u>
	Gross profit from operations	<u>3,700,191</u>	<u>10</u>	<u>4,543,782</u>	<u>11</u>
	Operating expenses:				
6100	Selling expenses	3,760,162	10	3,808,874	9
6200	Administrative expenses	312,412	1	315,942	1
6300	Research and development expenses	407,019	1	449,578	1
6450	Expected credit (reversal of impairment losses) losses (Note (6)(c))	<u>(64)</u>	<u>-</u>	<u>611</u>	<u>-</u>
	Total operating expenses	<u>4,479,529</u>	<u>12</u>	<u>4,575,005</u>	<u>11</u>
	Net operating loss	<u>(779,338)</u>	<u>(2)</u>	<u>(31,223)</u>	<u>-</u>
	Non-operating income and expenses (Note (6)(w)):				
7100	Interest income	30,901	-	17,772	-
7010	Other income	7,708	-	23,874	-
7020	Other gains and losses	25,695	-	(1,045)	-
7050	Finance costs	(106,609)	-	(47,167)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	<u>92,116</u>	<u>-</u>	<u>69,461</u>	<u>-</u>
	Total non-operating income and expenses	<u>49,811</u>	<u>-</u>	<u>62,895</u>	<u>-</u>
	(Loss) Profit from continuing operations before tax	<u>(729,527)</u>	<u>(2)</u>	<u>31,672</u>	<u>-</u>
7950	Less: Income tax (benefit) expenses (Note (6)(q))	<u>(69,628)</u>	<u>-</u>	<u>84,466</u>	<u>-</u>
	Loss	<u>(659,899)</u>	<u>(2)</u>	<u>(52,794)</u>	<u>-</u>
	Other comprehensive (loss) income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(440)	-	26,036	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	83,799	-	(73,124)	-
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	5,557	-	27,538	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(q))	<u>88</u>	<u>-</u>	<u>(5,207)</u>	<u>-</u>
	Items that may not be reclassified subsequently to profit or loss	<u>89,004</u>	<u>-</u>	<u>(24,757)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign statements	(17,542)	-	3,162	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Items that may be reclassified subsequently to profit or loss	<u>(17,542)</u>	<u>-</u>	<u>3,162</u>	<u>-</u>
	Other comprehensive (loss) income, net of tax	<u>71,462</u>	<u>-</u>	<u>(21,595)</u>	<u>-</u>
8500	Total comprehensive loss	<u>\$ (588,437)</u>	<u>(2)</u>	<u>(74,389)</u>	<u>-</u>
	Earnings per share (Note (6)(t))				
9750	Basic earnings per share (NT dollars)	<u>\$ (5.01)</u>		<u>(0.42)</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 CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Share capital				Retained Earnings				Other Equity Interest			
	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	Total Equity
Balance at January 1, 2022	\$ 1,274,159	10,980	4,692,857	44,623	40,168	158,719	(12,414)	202,896	(77,362)	-	6,326,730	
Loss for the year ended December 31, 2022	-	-	-	-	-	(52,794)	-	-	-	-	(52,794)	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	22,094	3,162	(46,851)	-	-	(21,595)	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	(30,700)	3,162	(46,851)	-	-	(74,389)	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	9,490	-	(9,490)	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	-	(63,817)	-	-	-	-	(63,817)	
Reversal of special reserve	-	-	-	-	(40,168)	40,168	-	-	-	-	-	
Conversion of convertible bonds	10,980	(10,980)	-	-	-	-	-	-	-	-	-	
Purchase of treasury share	-	-	318,029	-	-	-	-	-	(133,140)	-	(133,140)	
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	
Share-based payment transactions	(3,510)	-	210	-	-	-	-	-	7,855	-	4,555	
Balance at December 31, 2022	\$ 1,281,629	-	5,011,096	54,113	-	94,880	(9,252)	156,045	(41)	(210,502)	6,377,968	
Loss for the year ended December 31, 2023	-	-	-	-	-	(659,899)	-	-	-	-	(659,899)	
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(605)	(17,542)	89,609	-	-	71,462	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(660,504)	(17,542)	89,609	-	-	(588,437)	
Capital increase by cash	160,000	-	485,850	-	-	-	-	-	-	-	645,850	
Changes in ownership interests in subsidiaries	-	-	65,128	-	-	-	-	-	-	-	65,128	
Share-based payment transactions	(2,100)	-	(1,156)	-	-	-	-	-	41	-	(3,215)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	7,828	-	(7,828)	-	-	-	
Balance at December 31, 2023	\$ 1,439,529	-	5,560,918	54,113	-	(557,796)	(26,794)	237,826	-	(210,502)	6,497,294	

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (729,527)	31,672
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	763,116	606,198
Amortization expense	38,355	30,668
Expected credit (reversal of impairment losses) losses	(64)	611
Net loss on financial assets at fair value through profit or loss	-	3,999
Interest expense	106,609	47,167
Interest income	(30,901)	(17,772)
Dividend income	(2,581)	(14,522)
Share-based payments transactions	3,083	4,555
Share of profit of associates and joint ventures accounted for using equity method	(92,116)	(69,461)
Gain on disposal of property, plant and equipment	(7,762)	(2,271)
Gain on disposal of investments	-	(111)
Loss on disposal of investments accounted for using equity method	4,261	-
Gains on lease modification	(28,749)	(49)
Total adjustments to reconcile profit	<u>753,251</u>	<u>589,012</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts and notes receivable	15,178	166,021
Other receivables	105,733	(28,888)
Inventories	221,261	(226,540)
Other financial assets	15,019	(247,445)
Other current assets	(27,843)	66,070
Total changes in operating assets	<u>329,348</u>	<u>(270,782)</u>
Changes in operating liabilities:		
Contract liabilities	(34,452)	99,382
Accounts and notes payable	(729,244)	13,324
Other payable	(39,093)	(44,472)
Other current liabilities	(6,879)	(21,197)
Other non-current liabilities	4,700	850
Total changes in operating liabilities	<u>(804,968)</u>	<u>47,887</u>
Total changes in operating assets and liabilities	<u>(475,620)</u>	<u>(222,895)</u>
Total adjustments	<u>277,631</u>	<u>366,117</u>
Cash flow (used in) generated from operations	(451,896)	397,789
Interest received	31,937	16,248
Dividends received	2,581	14,522
Interest paid	(98,892)	(35,348)
Income taxes (paid) received	10,837	(295,688)
Net cash flows from (used in) operating activities	<u>(505,433)</u>	<u>97,523</u>
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(37,552)
Proceeds from disposal of financial assets at fair value through other comprehensive income	28,916	-
Acquisition of investments accounted for using equity method	(587,239)	(960,006)
Proceeds from disposal of investments accounted for using equity method	147,405	83,173
Proceeds from disposal of subsidiaries	278,313	11,520
Acquisition of property, plant and equipment	(827,939)	(356,423)
Proceeds from disposal of property, plant and equipment	9,845	4,004
Increase in refundable deposits	(214,088)	(4,339)
Increase in other receivables due from related parties	350,000	(350,000)
Acquisition of intangible assets	(4,660)	(18,271)
Other non-current assets	(15,656)	(19,381)
Other payables	(343,360)	-
Net cash flows used in investing activities	<u>(1,178,463)</u>	<u>(1,647,275)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(699,000)	500,000
Repayments of bonds	(1,379,000)	-
Increase in long-term borrowings	2,798,100	843,300
Repayments of long-term borrowings	(825,646)	(240,700)
Payment of lease liabilities	(484,988)	(456,545)
Cash dividends paid	-	(63,817)
Capital increase by cash	638,813	-
Treasury shares sold to employees	-	(133,140)
Net cash flows from financing activities	<u>48,279</u>	<u>449,098</u>
Net decrease in cash and cash equivalents	<u>(1,635,617)</u>	<u>(1,100,654)</u>
Cash and cash equivalents at beginning of period	3,627,636	4,728,290
Cash and cash equivalents at end of period	<u>\$ 1,992,019</u>	<u>3,627,636</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, 2023 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 22, 2024



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

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 balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2023 and 2022 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, 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. Goodwill impairment assessment arising from investments in subsidiaries

Please refer to Note (4)(m) “impairment of non-financial assets” for the accounting policy, Note (5) for the “Significant accounting estimates involved in the assessment of goodwill impairment and Note (6)(l) for the information involving assessment of impairment of goodwill.



Description of key audit matter:

The amount of goodwill arising from the acquisition of the Company's subsidiaries is material, and when the assessment of impairment of goodwill measures its recoverable amount based on its value in use, the assumptions used in the assessment rely on subjective judgments of the management, which are complex and highly uncertain, and thus constitute a critical accounting estimate. Therefore, we determine the assessment of goodwill impairment as one of most significance.

How the matter was addressed in our audit:

Understand the process of accessing goodwill impairment by management, the reasonableness of the impairment model, and the cash generating units identified by management.

Compare management's past estimates with actual results to assess the reasonableness of management's estimates.

The following procedures are required to access the reasonableness of the significant assumptions used in the impairment model, including the expected growth rate and discount rate: (1) verifying the parameters and calculation formulas of the evaluation model, (2) comparing the expected growth rate with historical results, economic and industrial forecasts, and (3) internal experts are assigned to assist in assessing the reasonableness of the valuation model and the corresponding discount rate used by the management in estimating the value in use, and to reperform and verify the calculations.

Other Matter

PChome Online Inc. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, 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 Standards on Auditing of 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 consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Chen, Yi-Chun and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2024

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.

~4-3~

(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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023		2022	
		Amount	%	Amount	%
4111	Sales revenue	\$ 41,599,311	101	46,700,842	101
4170	Less: Sales returns	527,725	1	600,399	1
	Operating revenue, net (Notes (6)(x) and (7))	41,071,586	100	46,100,443	100
5000	Operating costs (Notes (6)(c) and (7))	36,308,911	88	40,660,354	88
	Gross profit from operations	4,762,675	12	5,440,089	12
	Operating expenses:				
6100	Selling expenses	3,763,952	9	3,859,652	8
6200	Administrative expenses	716,345	2	743,220	2
6300	Research and development expenses	566,811	2	638,980	1
6450	Expected credit loss (Note (6)(d))	443,555	1	258,643	1
	Total operating expenses	5,490,663	14	5,500,495	12
	Net operating loss	(727,988)	(2)	(60,406)	-
	Non-operating income and expenses (Note (6)(z)):				
7100	Interest income	53,744	-	22,102	-
7010	Other income	359,353	1	209,376	-
7020	Other gains and losses, net	(10,269)	-	166,363	-
7050	Finance costs	(151,489)	-	(85,650)	-
7060	Share of loss of associates and joint ventures accounted for using equity method, net	12,376	-	5,193	-
	Total non-operating income and expenses	263,715	1	317,384	-
	(Loss) Profit from continuing operations before tax	(464,273)	(1)	256,978	-
7950	Less: Tax expense (Note (6)(t))	63,590	-	213,386	-
	(Loss) Profit	(527,863)	(1)	43,592	-
	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	(694)	-	27,301	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note (6)(aa))	96,909	-	(13,844)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(t))	88	-	(5,207)	-
	Items that may not be reclassified subsequently to profit or loss	96,303	-	8,250	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign statements	(17,689)	-	4,295	-
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	(17,689)	-	4,295	-
	Other comprehensive income (loss), net of tax	78,614	-	12,545	-
8500	Total comprehensive income (loss)	\$ (449,249)	(1)	\$ 56,137	-
	(Loss) Profit attributable to:				
8610	Loss attributable to owners of parent	\$ (659,899)	(2)	(52,794)	-
8620	Profit, attributable to non-controlling interests	132,036	1	96,386	-
		\$ (527,863)	(1)	\$ 43,592	-
	Comprehensive income attributable to:				
8710	Comprehensive loss, attributable to owners of parent	\$ (588,437)	(2)	(74,389)	-
8720	Comprehensive income, attributable to non-controlling interests	139,188	1	130,526	-
		\$ (449,249)	(1)	\$ 56,137	-
	Earnings per share (Note (6)(w))				
9750	Basic earnings per share (NT dollars)	\$ (5.01)		(0.42)	

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 CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent							Other Equity Interest		Total Equity	
	Share capital	Retained Earnings			Unrealized gain (losses) from financial assets	Unrealized gain (losses) from financial assets	Unrealized gain (losses) from financial assets	Treasury shares	Non-controlling Interests		
	Ordinary Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Statements	Unrealized gain (losses) from financial assets	Unrealized gain (losses) from financial assets	Treasury shares	Non-controlling Interests	Total Equity
Balance at January 1, 2022	1,274,159	10,980	4,692,857	44,623	40,168	158,719	(12,414)	202,896	(77,362)	1,327,580	7,654,310
(Loss) Profit for the year ended December 31, 2022	-	-	-	-	(52,794)	-	-	-	-	96,386	43,592
Other comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	22,094	3,162	(46,851)	-	-	34,140	12,545
Total comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	(30,700)	3,162	(46,851)	-	-	130,526	56,137
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	9,490	-	(9,490)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(63,817)	-	-	-	-	-	(63,817)
Reversal of special reserve	-	-	-	-	(40,168)	-	-	-	-	-	-
Conversion of convertible bonds	10,980	(10,980)	-	-	-	-	-	-	(133,140)	-	(133,140)
Purchase of treasury share	-	-	318,029	-	-	-	-	-	318,029	556,285	874,314
Share-based payment transactions	(3,510)	-	210	-	-	-	-	7,855	-	4,555	4,555
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	47,803	47,803
Balance at December 31, 2022	1,281,629	5,011,096	54,113	-	94,850	(9,252)	156,045	(41)	(210,502)	2,062,194	8,440,162
(Loss) Profit for the year ended December 31, 2023	-	-	-	-	(659,899)	-	-	-	-	132,036	(527,863)
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(605)	(17,542)	89,609	-	-	71,462	78,614
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(660,504)	(17,542)	89,609	-	-	139,188	(449,249)
Appropriation and distribution of retained earnings:											
Capital increase by cash	160,000	-	485,850	-	-	-	-	-	-	-	645,850
Changes in ownership interests in subsidiaries	-	-	65,128	-	-	-	-	-	-	(56,778)	8,350
Share-based payment transactions	(2,100)	-	(1,156)	-	-	-	-	41	-	15,910	12,695
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(104,349)	(104,349)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	7,828	-	(7,828)	-	-	-	-
Balance at December 31, 2023	1,439,529	5,560,918	54,113	-	(557,796)	(26,794)	237,626	-	(210,502)	2,056,165	8,583,459

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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:	\$	\$
(Loss) profit before tax	(464,273)	256,978
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	891,292	753,123
Amortization expenses	127,521	105,453
Expected credit losses	443,555	258,643
Net Loss (gain) on financial assets at fair value through profit or loss	3,265	(139,438)
Interest expense	151,489	85,650
Interest income	(53,744)	(22,102)
Dividend income	(2,581)	(14,522)
Share-based payment transactions	19,732	4,555
Shares of profit of associates and joint ventures accounted for using equity method	(12,376)	(5,193)
Gain on disposal of property, plant and equipment and intangible assets	(7,364)	(2,061)
Loss/(Gain) on disposal of investments accounted for using equity method	1,262	(3,414)
Gain on lease modification	(28,896)	(153)
Total adjustments to reconcile profit	1,533,135	1,020,541
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts and notes receivable	(606,780)	(909,958)
Other receivables	(293,127)	65,159
Inventories	230,019	(218,115)
Other current assets	113,823	(111,760)
Other financial assets	(477,930)	(237,034)
Total changes in operating assets	(1,033,995)	(1,411,708)
Changes in operating liabilities:		
Contract liabilities	(35,883)	80,263
Accounts and notes payable	(739,533)	1,687
Other payables	78,723	(92,918)
Other current liabilities	(46,654)	(116,412)
Other non-current liabilities	5,002	7,923
Total changes in operating liabilities	(738,345)	(119,457)
Total changes in operating assets and liabilities	(1,772,340)	(1,531,165)
Cash flow used in operations	(239,185)	(510,624)
Interest received	(703,458)	(253,646)
Dividends received	52,934	17,588
Interest paid	9,904	14,522
Income taxes paid	(147,546)	(70,460)
Net cash flows used in operating activities	(155,600)	(464,501)
Cash flows from investing activities:	(943,766)	(736,497)
Acquisition of financial assets at fair value through other comprehensive income	-	(37,552)
Proceeds from disposal of financial assets at fair value through other comprehensive income	28,916	-
Acquisition of financial assets designated at fair value through profit or loss	(11,835)	(55,731)
Proceeds from disposal of financial assets designated at fair value through profit or loss	-	17,965
Acquisition of investments accounted for using equity method	-	(80,000)
Net cash flow from acquisition of subsidiaries	-	(1,310,327)
Proceeds from disposal of subsidiaries	(48,069)	-
Proceeds from capital reduction of investments accounted for using equity method	275	-
Acquisition of property, plant and equipment	(840,416)	(232,473)
Proceeds from disposal of property, plant and equipment	11,969	4,436
Acquisition of intangible assets	(5,928)	(23,539)
Other financial assets	84,289	(13,266)
Other non-current assets	(8,505)	(17,582)
Other payables	(334,523)	-
Net cash flows used in investing activities	(1,323,827)	(1,748,089)
Cash flows from financing activities:		
(Decrease) increase in short-term borrowings	(407,438)	1,098,788
Repayments of corporate bonds	(1,379,000)	-
Increase in long-term borrowings	3,079,568	1,322,500
Repayments of long-term borrowings	(1,581,421)	(521,000)
Payments of lease liabilities	(558,785)	(544,003)
Cash dividends paid	-	(63,817)
Capital increase by cash	638,813	-
Payments to acquire treasury shares	-	(133,140)
Change in non-controlling interests	(104,349)	48,359
Net cash flows (used in) generated from financing activities	(312,612)	1,207,687
Effect of exchange rate changes on cash and cash equivalents	(6,282)	(533)
Net decrease in cash and cash equivalents	(2,586,487)	(1,297,432)
Cash and cash equivalents at beginning of period	6,849,807	8,147,239
Cash and cash equivalents at end of period	4,263,320	6,849,807

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 party 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.

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

Appendix III

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 21, 2024): 143,952,945 common shares
- II. Minimum share ownership by all directors of the Company: 8,000,000 shares
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 21, 2024) 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	2021.07.29	3 years	1,627,427	1.38%	2,880,746	2%
Director	Site Inc. Representative: Vicky Tseng	2021.07.29	3 years	18,907,864	15.99%	18,907,864	13.13%
Director	Site Inc. Representative: Bruce Chou	2021.07.29	3 years				
Director	Site Inc. Representative: Allan Chou	2021.07.29	3 years				
Director	CDIB Venture Capital Corporation Representative: Ryan Kuo	2022.06.24	2 years	1,875,293	1.46%	1,875,293	1.3%
Independent Director	Tung Tzu Hsien	2021.07.29	3 years	0	0%	0	0%
Independent Director	He Chendan	2021.07.29	3 years	0	0%	0	0%
Independent Director	Ethan Tu	2023.06.28	1 years	0	0%	0	0%
Shareholding of all Directors						23,663,903	16.44%

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 2023 annual shareholders' meeting from April 14, 2023, to April 24, 2023. 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.