

Stock code: 8076



Firich Enterprises Co., Ltd.

2024 Annual General Shareholders'  
Meeting

Meeting Handbook

Convening method of the shareholders' meeting:

Physical meeting

June 19, 2024

6F, No. 308, Datong Road, Section 1, Xizhi District,

New Taipei City

(The Company's Xizhi factory)

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# Firich Enterprises Co., Ltd.

## Meeting Procedures of the 2024 Annual General Shareholders' Meeting

I. Meeting called to order

II. Chairman's remarks

III. Report Items

IV. Proposals for Acceptance and Approval

V. Discussion and Elections

VI. Extraordinary Motions

VII. Meeting adjourned

# Firich Enterprises Co., Ltd.

## Meeting Agenda of the General Shareholders' Meeting

- I. Meeting Date and Time: June 19, 2024 (Wednesday), 9:00 AM
- II. Meeting Venue: 6F, No. 308, Datong Road, Section 1, Xizhi District, New Taipei City (The Company's Xizhi factory)
- III. Call Meeting to Order
- IV. Chairman's Remarks
- V. Report Items
  - (I) 2023 Business Report and Financial Statements
  - (II) 2023 Audit Committee's Review Report
  - (III) Report on 2023 Distribution of Remunerations of Directors and Employees.
  - (IV) Report on amendment to the Company's "Rules of Procedures for Board Meetings".
  - (V) Report on 2023 Distribution of Cash Dividends from Earnings.
- VI. Proposals for Acceptance and Approval
  - (I) 2023 Business Report and Financial Statements.
  - (II) 2023 Earnings Distribution Proposal.
- VII. Discussions and Elections
  - (I) Supplemental Election of Independent Directors of the Company.
  - (II) Proposal on Cancellation of Non-compete Restriction for New Independent Directors.
  - (III) Amendments to the Company's "Articles of Incorporation"
  - (IV) Re-establishment of the "Rules of Procedure for Shareholders' Meetings" of the Company.
- VIII. Extraordinary Motions
- IX. Meeting adjourned

## Report items

- I. 2023 Business Report and Financial Statements are hereby presented for approval.

Explanation: Please refer to Attachment 1 of the Meeting Handbook for the 2023 Business Report.

- II. 2023 Audit Committee's Review Report is hereby presented for approval.

Explanation: Please refer to Attachment 2 of the Meeting Handbook for the Audit Committee's Review Report.

- III. Report on 2023 Distribution of Remunerations of Directors and Employees is hereby presented for approval.

Explanation: The Company's net income before tax (excluding remunerations of directors and employees) was NT\$49,151,135 in 2023. According to the Company's Articles of Incorporation, 5% and 0.5% of the net income is appropriated as remuneration to employees and directors, respectively, for an amount of NT\$2,457,557 and NT\$245,756, which are paid in cash, respectively.

- IV. Report on amendments to the Company's "Rules of Procedures for the Board of Directors Meeting", submitted for approval.

Explanation: The "Rules of Procedure for the Board of Directors' Meeting" of the Company have been amended pursuant to Jin-Guan-Zheng-Fa-Zi No. 1120383996 Decree of the Financial Supervisory Commission (FSC) dated January 11, 2024. Please refer to Attachment 3 to this Handbook.

- V. The 2023 Distribution of cash dividend from earnings and additional paid-in capital is hereby presented for approval.

Explanation: (I) The Company plans to distribute cash dividends of NT\$26,299,224 to shareholders. After deduction of the treasury shares of 9,239,000 shares from the capital shares of 301,452,592 as of April 21, 2024, the

actual outstanding stock was 292,213,592 shares, and NT\$0.09 per share was to be distributed, i.e., NT\$90 per one thousand shares (calculated and rounded up to the integer dollar with the rounded off amount recorded in the Company's "other income" account).

- (II) The Company plans to distribute cash dividend from the additional paid-in capital of common stock issued at a premium for an amount of NT\$207,471,651. After deduction of the treasury shares of 9,239,000 shares from the capital shares of 301,452,592 as of April 21, 2024, the actual outstanding stock was 292,213,592 shares, and EPS NT\$0.71 to be distributed, i.e., NT\$710 per one thousand shares (it was calculated and rounded up to the dollar with the rounded off amount booked in the Company's "other income" account).
- (III) For the aforementioned earnings distribution with cash dividends and the cash distribution with additional paid-in capital, a total of NT\$0.8 per share is distributed according to the shareholders' shareholding percentage listed in the shareholders' roster on the cash distribution base date.
- (IV) This proposal has been approved by the Board of Directors through resolution and the Chairman is delegated to set the ex-dividend record date, payout date, and other relevant matters. In the case of a change in the number of the Company's ordinary shares subsequently, resulting in a change in the payout ratio, the Chairman is also delegated to adjust it.

## Proposals for Acceptance and Approval

Proposal 1: (Proposed by the Board of Directors)

Agenda: 2023 Business Report and Financial Statements.

Explanation: (I) The Company's 2023 financial statements (including the consolidated financial statements) were audited by CPAs Ping-Chun Chih and Tsung-Hsi Lai of PwC Taiwan together with the business report, and approved by the Board of Directors after review by the Audit Committee of the Company.

(II) Please refer to Attachment 1 and Attachment 4 of the Meeting Handbook for the 2023 Business Report, Independent Auditor's Audit Report, and the aforementioned Financial Statements.

(III) Please accept and approve

Resolution:

Proposal 2: (Proposed by the Board of Directors)

Agenda: 2023 Earnings Distribution Proposal.

Explanation: (I) The Company's 2023 Statement of Earnings Distribution has been approved by the Board of Directors through resolution and reviewed by the Audit Committee. Please refer to Attachment 5 of the Meeting Handbook for details.

(II) Please approve and accept.

Resolution:

## Discussion and Elections

Proposal 1: (Proposed by the Board of Directors)

Agenda: Supplemental Election of Independent Directors of the Company.

Explanation: (I) According to the provisions of the Articles of Incorporation of the Company, one additional seat of independent director of the Company is required; therefore, supplemental election is proposed.

(II) For present supplemental election of one seat of independent director, it shall be elected from the independent director candidate roster. The term of office of the newly elected independent director shall be from June 19, 2024 to June 28, 2026, to make up the original term of office until the expiration of the present term of office.

(III) The Company adopts a candidate nomination system for the independent directors in accordance with the Articles of Incorporation, and the candidate roster is as follows:

Item Name	Title	Education	Work experience	Current employment	Number of shares held as of April 21, 2024
Wen-Hsien Tsai	Independent Director	PhD. of Material Engineering, University of Cincinnati, U.S.A	Chairman of You Qing Consulting Co., Ltd. Chairman of Hui Yang Venture Capital Co., Ltd. Adjunct Associate Professor of Department of Public Administration and Policy, National Taipei University Vice Chairman of Entie Commercial Bank, Ltd. Independent Director of Xxentria Technology Materials Co., Ltd. Independent Director of Taiwan Taxi Co., Ltd. Supervisor of Contemporary Taiwan Development Foundation Independent Director of Phoenix Pioneer technology Co., Ltd.	Chairman of You Qing Consulting Co., Ltd. Chairman of Hui Yang Venture Capital Co., Ltd. Adjunct Associate Professor of Department of Public Administration and Policy, National Taipei University Vice Chairman of Entie Commercial Bank, Ltd. Independent Director of Xxentria Technology Materials Co., Ltd. Independent Director of Taiwan Taxi Co., Ltd. Supervisor of Contemporary Taiwan Development Foundation Independent Director of Phoenix Pioneer technology Co., Ltd.	0

(IV) Please proceed with the election.

Election Result:



Proposal 2: (Proposed by the Board of Directors)

Agenda: Proposal on Cancellation of Non-compete Restriction for New Independent Directors.

Explanation: (I) According to Article 209 of the Company Act, “directors who act for themselves or others within the company's business scope shall explain the important content of their actions to and obtain permission from the shareholders meeting.”

(II) As the independent directors of the Company may invest in or operate other companies with the same or similar business scope as the Company and act as directors, they hereby request the shareholders' meeting to agree to cancel the non-competition restriction for new independent directors in accordance with Article 209 of the Company Act, and the details of the competing business are as follows:

Title	Name	Non-compete Restriction Cancellation Item (Current adjunct positions at other companies)
Independent Director	Wen-Hsien Tsai	Chairman of You Qing Consulting Co., Ltd. Chairman of Hui Yang Venture Capital Co., Ltd. Adjunct Associate Professor of Department of Public Administration and Policy, National Taipei University Vice Chairman of Entie Commercial Bank, Ltd. Independent Director of Xxentria Technology Materials Co., Ltd. Independent Director of Taiwan Taxi Co., Ltd. Supervisor of Contemporary Taiwan Development Foundation Independent Director of Phoenix Pioneer technology Co., Ltd.

(III) Please proceed with discussion.

Resolution:

Proposal 3: (Proposed by the Board of Directors)

Agenda: Proposal for amendments to the Company's "Articles of Incorporation".

Explanation: (I) The Company's "Articles of Incorporation" is amended according to Jin-Guan-Zheng-Fa-Zi No. 11203479121 Letter of the FSC dated August 11, 2023. Please refer to Attachment 6 for details.

(II) Please proceed with discussion.

Resolution:

Proposal 4: (Proposed by the Board of Directors)

Agenda: Proposal for re-establishment of the "Rules of Procedure for Shareholders' Meetings" of the Company.

Explanation: (I) The Company's "Rules of Procedure for Shareholders' Meetings" is amended in accordance with the Zheng-Gui-Jian-Zi No. 11200552441 Announcement of Taipei Exchange (TPEX) dated March 23, 2023.

(II) Based on the consideration that the extend of amendment to the current "Rules of Procedure for Shareholders' Meetings" of the Company is relatively great, the Company's Rules of Procedure for Shareholders' Meetings is to be re-established, and the original Rules of Procedure for Shareholders' Meetings is abolished.

(III) The Company's "Rules of Procedure for Shareholders' Meetings" is enclosed. Please refer to Appendix 1 for details.

(IV) Please refer to Attachment 7 for the re-established "Rules of Procedure for Shareholders' Meetings".

(V) Please proceed with discussion.

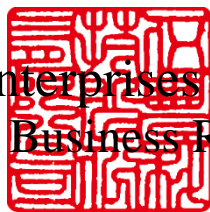
Resolution:

Extraordinary Motions

Meeting Adjourned

[Attachment I]

Firich Enterprises Co., Ltd.  
2023 Business Report



I. 2023 Business Overview

(I) Business Plan Implementation Outcome and Budget Implementation Status

The Company's 2023 consolidated operating revenue was NT\$2,547,887 thousand, decreased by NT\$167,084 thousand from the 2022 consolidated operating revenue of NT\$2,714,971 thousand. The consolidated gross profit was NT\$752,237 thousand, decreased by NT\$41,080 thousand from the 2022 consolidated gross profit of NT\$793,317 thousand. The net income after tax was NT\$53,758 thousand, decreased by NT\$271,184 thousand from the 2022 net income after tax of NT\$324,942 thousand. The net income after tax attributable to the parent company was NT\$42,712, decreased by NT\$269,248 thousand from the 2022 net income after tax attributable to the parent company of NT\$311,960 thousand.

Unit: NT\$ thousand

Item	2023	2022	Increased (Decreased) Amount	% change
Operating revenue	2,547,887	2,714,971	-167,084	-6.15%
Gross profit	752,237	793,317	-41,080	-5.18%
Net income after tax	53,758	324,942	-271,184	-83.46%
Net Profit Attributable to the Parent Company	42,712	311,960	-269,248	-86.31%

Note: The data in the above table are all results of the consolidated financial statements

(II) The analysis of receipts, expenditures, and profitability

1. The capacity of financial revenue and profitability

Unit: NT\$ thousand

Item	2023	2022	Increased (Decreased) Amount	% change
Net cash inflow from operating activities	279,172	283,218	-4,046	-1.43%
Net cash inflow (outflow) from investment activities	284,217	(186,300)	470,517	252.56%
Net cash outflow from financing	(450,932)	(283,989)	-166,943	-58.79%

activities				
The effect upon cash inflow (outflow) from the change in foreign exchange rate	(51,226)	57,698	-108,924	-188.78%
Net cash inflow (outflow)	61,231	(129,373)	190,604	147.33%

## 2. Profitability

Unit: NT\$ thousand

Item		Year	2023	2022
Basic Financial Information	Current asset		2,672,808	2,773,361
	Current liabilities		1,809,599	2,160,920
	Total liabilities		2,395,393	2,744,540
	Interest expense		33,364	31,345
	Operating revenue		2,547,887	2,714,971
	EPS (NT\$)		0.15	1.07
Financial structure (%)	Self-owned capital		62.84%	60.17%
	Long-term capital/ fixed assets		1557.07%	1565.54%
Solvency (%)	Current ratio		147.70%	128.34%
	Interest coverage ratio		3.60	13.44
Profitability (%)	Return on assets		1.21%	5.24%
	Return to equity		1.31%	8.38%
	Net profit ratio		2.11%	11.97%

Note: The ratios are calculated based on the results of the consolidated financial statements

### (III) Research and development status

Invest in R&D resources to develop the hardware and equipment required for the new generation of smart stores, build a cloud platform and management tools, and set up a SaaS maintenance team.

## II. 2024 Business Plan Overview

### (I) Operating Principles

As the time advances, the role of digital equipment in business environment becomes more prominent, and in particular, the store meal ordering and management field. Digital transformation equipment includes DIY meal order machine, card reader, kitchen display, QR Code diverse payment equipment, smart sales equipment, unmanned goods mailing/pickup scanner, and diverse and comprehensive bill payment process and equipment. Nevertheless, since equipment tends to be provided by different suppliers without integration, such that store operators are facing great challenges in the management use of the such equipment. Furthermore, the data generated

by such equipment may also be stored in different locations and media, such that comprehensive analysis on the customer demands and business operation status is limited. Despite that introduction of digital equipment requires a certain amount of investment cost, insufficient integration and inadequate usage will cause failure in achieving expected benefits.

To overcome the aforementioned issues, we are committed to become a smart store equipment solution provider and focus on assisting new and old customers to accelerate their modern POS system transformation in various types of scenarios and fields. In addition to hardware products, we also provide the SaaS (software as a service) platform services and software management tools while cooperating with the system integrators and end customers, in order to strengthen and implement new business model of digital platform.

## (II) Important Production and Sales Policies

Our hardware products include four main categories of POS machines:

**Traditional Integrated AIO POS:** Designed for catering and retail business customers, focusing on front-end single order type of checkout counter design, equipped with streamline appearance and operation of high efficiency, and particularly suitable to small and medium size of store operators.

**Embedded POS:** We actively develop applications for different scenarios, including the fields of kitchen order receipt, sales order with number calling for meal pickup, smart sales machine, smart drinking machine, and unmanned goods mailing and pickup logistics, and this type of POS emphasizes smart and multi-functions, which is suitable to the catering, retail and logistics businesses.

**Backend Server Type POS:** For large chain stores and enterprises, we provide comprehensive data management solution and focus on highly efficient resource management and data analysis function. In addition, the POS performance is also improved continuously, and smart AI function is also introduced, in order to provide comprehensive after-sale service, including equipment maintenance and data analysis support.

**Integrated AIO DIY machine:** It focuses on the advantages of convenience and cost saving. In addition, comprehensive technical support and training are

provided, and customized solution is provided according to the customer demand.

Furthermore, we also provide four main categories of software products:

1. **Equipment Management:** Internal equipment management solution for stores is provided, including smart equipment configuration management and remote control function, in order to assist store operators to manage all equipment easily and to maintain normal operation.
2. **Store Management:** Service operator management, store and company organization management, account authority and safety management functions are integrated, in order to provide effective store management and organization structure clarity with controllable user authorities, thereby ensuring data security and compliance.
3. **Schedule Update Management:** Resources of the system integrators and service providers are integrated, in order to achieve effective management of store operation scheduling and early warning notification, thereby ensuring the system stability and security.
4. **Order Center:** Resources of the POS system, service providers and third party application program developers are integrated, in order to provide digital order management, menu and product management, standard connection to third party order delivery platform and order platform functions, thereby increasing the order processing efficiency of store operators and achieving increase of revenue and expansion of business scope.

Our goal for 2024 is to expand to different business fields, and we particularly focus on the market segmentation, such as hotel and recreation industry, medical and health sector, and additional new distributors will also be established. In addition to hardware products, we will also increase the sale of software products, and particularly, we will develop solutions for catering and logistics operations. We will update the four main software product functions quarterly, and two new products are expected to be released during the 3rd quarter of 2024. We further plans to expand the platform service scale, and the service provision quantity of more than 10,000 units will be increased quarterly.

### III. Company's Future Development Strategies

The Company's future development strategies include continuous investment in resources related to the development of hardware products for new generation of smart stores, and accelerating the development of software products for the matured and new markets, in order to explore new applications from the existing distributor customers. We will also develop smart IT equipment necessary for future smart stores according to the new applications of stores and development demands of new customers. Moreover, we will also implement lateral integration of platform and service models, in order to create new platform business model and service model, along with the promotion of cloud platform services, thereby establishing the bridging service between the development of cloud platform and application software.

### IV. Impacts of External Competitive Environment, Legal Environment and Overall Operating Environment

With regard to the external competition environment, we will continue to be cautious and pay attention to competitors from the Greater China area and other international markets. Under the severe competition in the market, we are committed to achieve innovation continuously and to improve the competitiveness of our products and services, and to further flexibly adjust strategies in order to cope with the market change. With regard to the regulatory environment, we will actively respond to the reform of environmental protection laws and regulations. In addition, sustainability promotion organization is to be established in order to promote the Company's development in compliance with relevant laws and regulations. Regulatory changes may cause impact on the product design, manufacturing and sales. Accordingly, we will monitor such changes closely and make adjustments timely. In terms of the overall business environment, we will pay attention to market changes and supply chain risks closely, and corresponding response measures will also be established. Instability of the overall business environment may cause fluctuation to the revenue and profit of the Company. Accordingly, we will handle such instability properly with care, in order to maintain sound financial status and business stability.

Chairman: Hsu, Ming-Che



Managerial Officer: Peng, He-Feng



Accounting Officer: Lai, Ying-Fu





[Attachment 2]

Firich Enterprises Co., Ltd.  
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements and earnings distribution proposal. The financial statements have been audited by CPAs Chih, Ping-Chun Chih and Tsung-Hsi Lai of PwC Taiwan, and the Independent Auditors' Audit Report has been issued accordingly. The aforementioned reports have been reviewed and determined to be correct and accurate by the Audit Committee members with this report issued in accordance with the Company Act and the Securities and Exchange Act.

Firich Enterprises Co., Ltd.

Audit Committee Convener

A handwritten signature in blue ink, consisting of three stylized Chinese characters: 石新丹 (Shi Xin Dan).

April 26, 2024

[Attachment 3]

Comparison Table for Amendment of Rules of Procedure for Board of Directors' Meetings

Amended Clause	Current Clause	Description
<p>Article 8:            During the convention of a board meeting, the management department (or meeting affairs unit designated by the board of directors) shall prepare relevant documents to the attending directors for review and reference at any time. When convening a board meeting, depending upon the agenda, personnel of relevant departments or subsidiaries may be informed to attend the meeting as nonvoting participants. When it is considered necessary, certified public accountant (CPA), legal counsel or other professionals may be invited to attend the meetings and to provide explanations; however, they shall leave the meeting during discussion or voting process.            The chair shall call the board meeting to order at the appointed meeting time and when more than half of all the directors are in attendance of the meeting.            If more than half of all directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time <u>for the same meeting day</u>, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair may reconvene the meeting according to the procedure of Paragraph 1 of Article 3.            The terms "all directors" described in the preceding paragraph and Subparagraph 2 of Paragraph 2 of Article 16 shall be counted as the actual number of directors currently holding those positions.</p>	<p>Article 8:            During the convention of a board meeting, the management department (or meeting affairs unit designated by the board of directors) shall prepare relevant documents to the attending directors for review and reference at any time. When convening a board meeting, depending upon the agenda, personnel of relevant departments or subsidiaries may be informed to attend the meeting as nonvoting participants. When it is considered necessary, certified public accountant (CPA), legal counsel or other professionals may be invited to attend the meetings and to provide explanations; however, they shall leave the meeting during discussion or voting process.            The chair shall call the board meeting to order at the appointed meeting time and when more than half of all the directors are in attendance of the meeting.            If more than half of all directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair may reconvene the meeting according to the procedure of Paragraph 1 of Article 3.            The terms "all directors" described in the preceding paragraph and Subparagraph 2 of Paragraph 2 of Article 16 shall be counted as the actual number of directors currently holding those positions.</p>	<p>It is amended according to Jin-Guan-Zheng-Fa-Zi No. 1120383996 Decree of the FSC dated January 11, 2024.</p>
<p>Article 11:            Proposals for discussion in a board meeting shall be proceeded according to the agenda and procedure as indicated in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.            The chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.            At any time during the course of a Board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending Directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which</p>	<p>Article 11:            Proposals for discussion in a board meeting shall be proceeded according to the agenda and procedure as indicated in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.            The chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.            At any time during the course of a board of director's meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the</p>	<p>It is amended according to Jin-Guan-Zheng-Fa-Zi No. 1120383996 Decree of the FSC dated January 11, 2024.</p>

Amended Clause	Current Clause	Description
<p>case Paragraph <del>4</del>5 of Article 8 shall be applied mutatis mutandis.</p> <p><u>During a board meeting, where the chair cannot host the meeting or fails to announce the meeting adjourned according to the provision of Paragraph 2, then for the selection of the deputy chair, the provision of Paragraph 3 of Article 7 shall be applied mutatis mutandis.</u></p>	<p>meeting, in which case Paragraph 4 of Article 8 shall be applied mutatis mutandis.</p>	

## [Attachment 4]

### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Firich Enterprises Co., Ltd.

#### ***Opinion***

We have audited the accompanying parent company only balance sheets of Firich Enterprises Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended 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 Auditing and Attestation of Financial Statements by 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 parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, 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 judgement, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

#### **A. Valuation of allowance for inventory valuation losses**

### Description

For the description of accounting policy on inventory valuation, please refer to Note 4(13). For accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2). For the details of inventory, please refer to Note 6(5). As of December 31, 2023, the inventories of the Company and allowance for inventory valuation losses amounted to NT\$356,340 thousand and NT\$15,277 thousand, respectively.

Since the industry involves rapidly changing technology and were affected by market price, there was higher risk of incurring inventory valuation losses or having obsolete inventory. The Company's inventories were measured at the lower of cost and net realisable value, and measured the net realisable value in accordance with historical data of inventory clearance in order to provide losses for inventories that were over a certain age. The Company's determination of net realisable value for inventories at the balance sheet date involves subjective judgements and estimates which have a material effect on the financial statements. As a result, we determined the estimates of the allowance for inventory valuation losses as one of the key audit matters for this year's audit.

### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of provision policies and internal control procedures in relation to allowance for inventory valuation losses based on our understanding of the Company's operation and industry.
2. Verified the appropriateness of system logic in inventory aging analysis report and net realised value report by using the system, and confirmed whether the report information was consistent with its policies.
3. Checked the appropriateness of estimate basis that was adopted for each net realised value, re-verified the information that we obtained like market price, purchase price, and historical information of inventory clearance, and recalculated and evaluated the reasonableness of the information used by management in determining allowance for inventory valuation losses.

## **B. Impairment assessment of subsidiaries' investment using the equity method**

### Description

For the description of accounting policy on investments using the equity method and impairment of non-financial assets, please refer to Note 4 (14). For accounting estimates and assumptions of uncertainty for investments using the equity method, please refer to Note 5. For the details of investments using the equity method, please refer to Note 6(6). The Company indirectly invests in Oriental Regent Ltd. through its subsidiary Firich International Co., Ltd. of the investment balance using the equity method is NT\$882,439

thousand, constituting 14.48% of the total assets. In accordance with the provisions of IAS 28 "Investments in Associates and Joint Ventures", management should assess the investment immediately when there are signs of impairment that indicate that an investment using the equity method may have been impaired to the point where the carrying amount cannot be recovered. The management assessed the recoverable amount based on the prices generated by market transactions of comparable companies. As of 2023 for the years then ended, the assessed recoverable amount was less than the book value, an impairment loss of NT\$252,042 thousand was recognized (shown as "7070 Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method "). Since these major assumptions involve subjective judgments of management and may be affected by future market or economic climate, the estimates are highly uncertain. As a result, we determined the estimates of the investment impairment of subsidiaries using the equity method as one of the key audit matters for this year's audit.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understand management's internal process for asset impairment assessment.
2. Obtain the appraisal report issued by the expert appointed by the management and perform the following audit procedures.
  - Review the qualifications of experts to assess their independence, objectivity and competence.
  - Assess that the methods used by experts are generally adopted and appropriate.
  - Confirm that there is no significant difference between the comparison target used in the appraisal report and the business of the invested company.
  - Evaluate the relevance and reasonableness of the significant assumptions used by experts.
  - Review the sensitivity analysis performed on the above significant assumptions and parameters to confirm their impact on the impairment assessment results.

#### ***Other matter – Reference to the audits of other auditors***

We did not audit the financial statements of certain investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts and information which was disclosed in Note 13 included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for using the equity method amounted to NT\$685,216 thousand and NT\$2,195,111 thousand, constituting 11.2% and 33.8% of the total assets as at December 31, 2023 and 2022, respectively, and the share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT\$(26,126)

thousand and NT154,188 thousand, constituting(26.2%) and 26.6% of the total comprehensive income for the years then ended, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the parent company of 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 the parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only 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 controls.
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 parent company only 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 auditors' 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 parent company only 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.



Chih, Ping-Chiun

Lai, Chung-Hsi

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FIRICH ENTERPRISES CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 774,462	13	\$ 762,724	12
1170	Accounts receivable, net	6(4)	116,041	2	185,418	3
1180	Accounts receivable, net - related parties	6(4) and 7	429,226	7	104,784	1
1200	Other receivables		5,786	-	10,104	-
1210	Other receivables - related parties	7	216,144	3	41,048	1
130X	Inventories, net	6(5)	341,063	6	491,958	7
1410	Prepayments	7	23,792	-	41,065	1
1470	Other current assets		427	-	635	-
11XX	<b>Total current assets</b>		<u>1,906,941</u>	<u>31</u>	<u>1,637,736</u>	<u>25</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(2)	717,021	12	493,769	8
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	467,611	8	434,327	7
1550	Investments accounted for using the equity method	6(6)	2,537,290	41	3,521,933	54
1600	Property, plant and equipment, net	6(7) and 8	238,845	4	237,730	4
1755	Right-of-use assets	6(8)	1,211	-	-	-
1780	Intangible assets	6(9)	1,403	-	2,009	-
1840	Deferred income tax assets	6(26)	221,301	4	159,274	2
1900	Other non-current assets	6(10)	3,556	-	1,136	-
15XX	<b>Total non-current assets</b>		<u>4,188,238</u>	<u>69</u>	<u>4,850,178</u>	<u>75</u>
1XXX	<b>Total assets</b>		<u>\$ 6,095,179</u>	<u>100</u>	<u>\$ 6,487,914</u>	<u>100</u>

(Continued)

FIRICH ENTERPRISES CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(11) and 8	\$ 1,190,000	20	\$ 1,260,000	19
2130	Current contract liabilities	6(19)	28,193	-	35,954	1
2170	Accounts payable		219,566	4	198,885	3
2180	Accounts payable - related parties	7	9,117	-	11,944	-
2200	Other payables		80,670	1	84,908	1
2220	Other payables - related parties	7	-	-	234,116	4
2230	Current income tax liabilities	6(26)	39,473	1	28,723	1
2280	Current lease liabilities		535	-	-	-
2300	Other current liabilities		14,588	-	11,875	-
21XX	<b>Total current liabilities</b>		<u>1,582,142</u>	<u>26</u>	<u>1,866,405</u>	<u>29</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(12)	500,000	8	500,000	8
2570	Deferred income tax liabilities	6(26)	-	-	2,471	-
2580	Non-current lease liabilities		684	-	-	-
2600	Other non-current liabilities	6(13)	14,639	-	14,816	-
25XX	<b>Total non-current liabilities</b>		<u>515,323</u>	<u>8</u>	<u>517,287</u>	<u>8</u>
2XXX	<b>Total Liabilities</b>		<u>2,097,465</u>	<u>34</u>	<u>2,383,692</u>	<u>37</u>
<b>Equity</b>						
Share capital		6(14)(15)(16)				
3110	Common shares		3,014,526	50	2,960,915	46
Capital surplus		6(16)				
3200	Capital surplus		1,013,244	16	1,115,833	17
Retained earnings		6(17)				
3310	Legal reserve		220,802	4	189,170	3
3320	Special reserve		844,690	14	842,691	13
3350	Unappropriated retained earnings		75,732	1	318,318	5
Other equity interest		6(18)				
3400	Other equity interest		( 893,507)	( 14)	( 950,227)	( 15)
3500	Treasury stocks	6(14)(15)	( 277,773)	( 5)	( 372,478)	( 6)
3XXX	<b>Total equity</b>		<u>3,997,714</u>	<u>66</u>	<u>4,104,222</u>	<u>63</u>
Significant contingent liabilities and unrecognised contract commitments		9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 6,095,179</u>	<u>100</u>	<u>\$ 6,487,914</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

FIRICH ENTERPRISES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	\$ 1,887,768	100	\$ 1,977,189	100
5000	Operating costs	6(5)(7)(9)(14)(24) ) (25) and 7	( 1,362,883)	( 72)	( 1,470,157)	( 75)
5900	Gross profit		524,885	28	507,032	25
5910	Unrealised profit from sales		( 70,658)	( 4)	( 58,253)	( 3)
5920	Realised profit from sales		58,253	3	55,888	3
5950	Net gross profit		512,480	27	504,667	25
	Operating expenses	6(7)(8)(9)(13)(14) ) (24)(25) and 7				
6100	Selling expenses		( 101,079)	( 5)	( 123,603)	( 6)
6200	General and administrative expenses		( 106,486)	( 6)	( 142,021)	( 7)
6300	Research and development expenses		( 56,788)	( 3)	( 58,751)	( 3)
6450	Expected credit impairment gains	12(2)	476	-	3,028	-
6000	Total operating expenses		( 263,877)	( 14)	( 321,347)	( 16)
6900	Operating profit		248,603	13	183,320	9
	Non-operating income and expenses					
7100	Interest income	6(20)	11,119	-	3,373	-
7010	Other income	6(21)	24,514	1	3,509	1
7020	Other gains and losses	6(2)(22)	127,153	7	197,227	10
7050	Finance costs	6(23)	( 26,396)	( 1)	( 21,630)	( 1)
7070	Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(6)	( 338,545)	( 18)	1,203	-
7000	Total non-operating income and expenses		( 202,155)	( 11)	183,682	10
7900	<b>Profit before income tax</b>		46,448	2	367,002	19
7950	Income tax expense	6(26)	( 3,736)	-	( 55,042)	( 3)
8200	<b>Profit for the year</b>		\$ 42,712	2	\$ 311,960	16

(Continued)

FIRICH ENTERPRISES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (loss) (Net)</b>					
<b>Other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Gains on remeasurements if defined benefit plans	6(13)	\$ 177	-	\$ 4,001	-
8316 Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)	33,284	2	34,214	2
8330 Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(18)	( 9,504)	-	( 11,259)	( 1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(18)(26)	5,438	-	( 2,332)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		29,395	2	24,624	1
<b>Other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations	6(18)	27,467	1	242,938	12
8360 Components of other comprehensive income that will be reclassified to profit		27,467	1	242,938	12
8300 <b>Other comprehensive income for the year, net of tax</b>		<u>\$ 56,862</u>	<u>3</u>	<u>\$ 267,562</u>	<u>13</u>
8500 <b>Total comprehensive income for the year</b>		<u>\$ 99,574</u>	<u>5</u>	<u>\$ 579,522</u>	<u>29</u>
Basic earnings per share					
9750 Basic earnings per share		<u>\$</u>	<u>0.15</u>	<u>\$</u>	<u>1.07</u>
9850 Diluted earnings per share		<u>\$</u>	<u>0.15</u>	<u>\$</u>	<u>1.06</u>

The accompanying notes are an integral part of these parent company only financial statements.

FIRICH ENTERPRISES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings				Other equity interest			Treasury stocks	Total equity
		Common share	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Cumulative translation differences	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
<u>Year ended December 31, 2022</u>										
Balance at January 1, 2022		\$ 2,775,315	\$ 1,325,054	\$ 174,380	\$ 764,600	\$ 147,909	(\$ 721,971)	(\$ 491,459)	(\$ 388,632)	\$ 3,585,196
Profit for the year		-	-	-	-	311,960	-	-	-	311,960
Other comprehensive income	6(18)	-	-	-	-	3,201	242,938	21,423	-	267,562
Total comprehensive income		-	-	-	-	315,161	242,938	21,423	-	579,522
Distribution of 2021 retained earnings	6(17)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	14,790	-	( 14,790 )	-	-	-	-
Special reserve		-	-	-	78,091	( 78,091 )	-	-	-	-
Cash dividends		-	-	-	-	( 53,029 )	-	-	-	( 53,029 )
Cash dividends from capital surplus	6(16)	-	( 26,514 )	-	-	-	-	-	-	( 26,514 )
Stock dividends from capital surplus	6(16)	185,600	( 185,600 )	-	-	-	-	-	-	-
Treasury stocks transferred to employees	6(14)(15)(16)	-	2,893	-	-	-	-	-	16,154	19,047
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)(18)	-	-	-	-	1,158	-	( 1,158 )	-	-
Balance at December 31, 2022		\$ 2,960,915	\$ 1,115,833	\$ 189,170	\$ 842,691	\$ 318,318	(\$ 479,033)	(\$ 471,194)	(\$ 372,478)	\$ 4,104,222
<u>Year ended December 31, 2023</u>										
Balance at January 1, 2023		\$ 2,960,915	\$ 1,115,833	\$ 189,170	\$ 842,691	\$ 318,318	(\$ 479,033)	(\$ 471,194)	(\$ 372,478)	\$ 4,104,222
Profit for the year		-	-	-	-	42,712	-	-	-	42,712
Other comprehensive income	6(18)	-	-	-	-	142	27,467	29,253	-	56,862
Total comprehensive income		-	-	-	-	42,854	27,467	29,253	-	99,574
Distribution of 2022 retained earnings	6(17)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	31,632	-	( 31,632 )	-	-	-	-
Special reserve		-	-	-	1,999	( 1,999 )	-	-	-	-
Cash dividends		-	-	-	-	( 198,592 )	-	-	-	( 198,592 )
Stock dividends from capital surplus	6(16)	85,111	( 85,111 )	-	-	-	-	-	-	-
Subsidiary issues employee stock option certificates	6(16)	-	28	-	-	-	-	-	-	28
Changes in net equity value of affiliated companies	6(16)	-	( 4,270 )	-	-	-	-	-	-	( 4,270 )
Changes in equity of subsidiaries		-	-	-	-	( 3,248 )	-	-	-	( 3,248 )
Cancellation of treasury shares	6(15)(16)	( 31,500 )	( 13,236 )	-	-	( 49,969 )	-	-	94,705	-
Balance at December 31, 2023		\$ 3,014,526	\$ 1,013,244	\$ 220,802	\$ 844,690	\$ 75,732	(\$ 451,566)	(\$ 441,941)	(\$ 277,773)	\$ 3,997,714

The accompanying notes are an integral part of these parent company only financial statements.

FIRICH ENTERPRISES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 46,448	\$ 367,002
Adjustments			
Adjustments to reconcile profit (loss)			
Gains on financial assets at fair value through profit	6(2)(22)	( 115,226 )	( 93,226 )
Expected credit impairment gain	12(2)	( 476 )	( 3,028 )
Share-based payments compensation costs	6(14)	62	2,352
Provision for decline in market value and obsolescence of inventories	6(5)	11,803	4,921
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	6(6)	338,545	( 1,203 )
Depreciation and amortization	6(7)(8)(9)(24)	13,575	13,965
Interest income	6(20)	( 11,119 )	( 3,373 )
Interest expense	6(23)	26,396	21,630
Dividends income	6(21)	( 21,126 )	( 2,183 )
Unrealised gain from sales		70,658	58,253
Realised gain from sales		( 58,253 )	( 55,888 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		69,762	20,291
Accounts receivable, net - related parties		( 324,903 )	83,753
Other receivables		4,318	7,167
Inventories		139,092	60,862
Prepayments		17,273	( 5,778 )
Other current assets		208	( 635 )
Changes in operating liabilities			
Current contract liabilities		( 7,761 )	3,007
Accounts payable		20,681	( 153,068 )
Accounts payable - related parties		( 2,827 )	( 1,055 )
Other payables		( 4,238 )	9,557
Other payables - related parties		-	( 319 )
Other current liabilities		2,713	3,785
Cash inflow generated from operations		215,605	336,789
Interest received	6(20)	11,119	3,373
Interest paid		( 26,377 )	( 21,630 )
Income tax paid		( 52,046 )	( 7,774 )
Net cash flows from operating activities		<u>148,301</u>	<u>310,758</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in other receivables - related parties - financing	7	35,092	18,224
Increase in non-current financial assets at fair value through profit or loss		( 108,026 )	( 7,663 )
Proceeds from disposal of non-current financial assets at fair value through profit or loss		-	61,189
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6(3)	-	1,668
Acquisition of investments accounted for using the equity method	6(6)	( 122,139 )	( 360,266 )
Proceeds of investments accounted for using the equity method		316,227	150,008
Acquisition of property, plant and equipment	6(7)	( 13,248 )	( 10,404 )
Increase in prepayments for equipment	6(10)	( 1,770 )	-
Acquisition of intangible assets	6(9)	( 432 )	( 1,335 )
(Increase) decrease in refundable deposits	6(10)	( 650 )	3
Dividends received		27,390	7,364
Net cash flows from (used in) investing activities		<u>132,444</u>	<u>( 141,212 )</u>

(Continued)

FIRICH ENTERPRISES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(11)(28)	( \$ 70,000 )	( \$ 160,000 )
Capital surplus used to issue cash to shareholders	6(16)	-	( 26,514 )
Proceeds from treasury stocks acquired by employees	6(14)	-	16,151
Cash dividends paid	6(17)	( 198,592 )	( 53,029 )
Lease liability principal repayment	6(28)	( 415 )	-
Net cash flows used in financing activities		( 269,007 )	( 223,392 )
Net increase (decrease) in cash and cash equivalents		11,738	( 53,846 )
Cash and cash equivalents at beginning of year	6(1)	762,724	816,570
Cash and cash equivalents at end of year	6(1)	\$ 774,462	\$ 762,724



Firich Enterprises Co., Ltd.

Declaration of Consolidated Financial Report of Affiliated Enterprises



The business entities to be included in the Company's 2023 (from January 1, 2023 to December 31, 2023) "Affiliated Enterprise Consolidated Financial Statements" that are prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Report and Consolidated Financial Statements of Affiliated Enterprises" and the business entities to be included in the Company's parent-subsidiary consolidated financial statements in accordance with IFRS No. 10 are the same; also, the relevant information to be disclosed in the "Affiliated Enterprise Consolidated Financial Statements" has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements; therefore, the "Affiliated Enterprise Consolidated Financial Statements" will not be prepared separately.

Hereby declare,

Company name: Firich Enterprises Co., Ltd.

Responsible Person: Hsu, Ming-Che



March 14, 2024

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Firich Enterprises Co., Ltd.

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Firich Enterprises Co., Ltd. and its subsidiaries (the “Firich Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Firich Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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. Based on our audits and the reports of other auditors, 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 Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

## **A. Valuation of allowance for inventory valuation losses**

### Description

For the description of accounting policy on inventory valuation, please refer to Note 4(13). For accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2). For the details of inventory, please refer to Note 6(5). As of December 31, 2023, the Group's inventories and allowance for inventory valuation losses amounted to NT\$798,724 thousand and NT\$149,764 thousand, respectively.

Since the industry involves rapidly changing technology and were affected by market price, there was higher risk of incurring inventory valuation losses or having obsolete inventory. The Group's inventories were measured at the lower of cost and net realisable value, and measured the net realisable value in accordance with historical data of inventory clearance in order to provide losses for inventories that were over a certain age. The Group's determination of net realisable value for inventories on balance sheet date involves subjective judgements and estimates which have a material effect on the financial statements. As a result, we determined the valuation of allowance for inventory valuation losses as one of the key audit matters for this year's audit.

### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of provision policies and procedures in relation to allowance for inventory valuation losses based on our understanding of the Group's operation and industry.
2. Verified the appropriateness of system logic in inventory aging analysis report and net realised value report by using the system, and confirmed whether the report information was consistent with its policies.
3. Checked the appropriateness of estimate basis that was adopted for each net realised value, re-verified the information that we obtained like market price, purchase price, and historical information of inventory clearance, and recalculated and evaluated the reasonableness of the information used by management in determining allowance for inventory valuation losses.

## **B. Impairment assessment of subsidiaries' investments using the equity method**

### Description

For the description of accounting policy on investments using the equity method and impairment of non-financial assets, please refer to Note 4 (15). For accounting estimates and assumptions of uncertainty for investments using the equity method, please refer to Note 5.

For the details of investments using the equity method, please refer to Note 6(6).

The Group indirectly invests in Oriental Regent Ltd. through its subsidiary Firich International Co., Ltd. of the investment balance using the equity method is NT\$882,439

thousand, constituting 14.48% of the total assets. In accordance with the provisions of IAS 28 "Investments in Associates and Joint Ventures", management should assess the investment immediately when there are signs of impairment that indicate that an investment using the equity method may have been impaired to the point where the carrying amount cannot be recovered. The management assessed the recoverable amount based on the prices generated by market transactions of comparable companies. As of 2023 for the years then ended, the assessed recoverable amount was less than the book value, an impairment loss of NT\$252,042 thousand was recognized (classified as "7020 Other gains and losses "). Since these major assumptions involve subjective judgments of management and may be affected by future market or economic climate, the estimates are highly uncertain. As a result, we determined the estimates of the investment impairment of subsidiaries using the equity method as one of the key audit matters for this year's audit.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understand management's internal process for asset impairment assessment.
2. Obtain the appraisal report issued by the expert appointed by the management and perform the following audit procedures.
  - Review the qualifications of experts to assess their independence, objectivity and competence.
  - Assess that the methods used by experts are generally adopted and appropriate.
  - Confirm that there is no significant difference between the comparison target used in the appraisal report and the business of the invested company.
  - Evaluate the relevance and reasonableness of the significant assumptions used by experts.
  - Review the sensitivity analysis performed on the above significant assumptions and parameters to confirm their impact on the impairment assessment results.

#### ***Other matter – Reference to the audits of other independent auditors***

We did not audit the financial statements of certain subsidiaries and investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of the subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$802,694 thousand and NT2,304,906 thousand, constituting 12.5% and 33.5% of consolidated total assets as at December 31, 2023 and 2022, respectively, and the operating revenue of NT\$375,457 thousand and NT\$325,314 thousand, constituting 14.7% and 12.0% of

consolidated total operating revenue for the years then ended, respectively. Share of profit(loss) of associates and joint ventures accounted for using the equity method amounted to NT\$(7,579) thousand and NT\$68,703 thousand, constituting (6.8%) and 11.6% of consolidated total comprehensive income for the years ended December 31, 2023 and 2022, respectively.

***Other matter - Parent company only financial statements***

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Firich Enterprises Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

***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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 Firich 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 Firich 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 Firich Group's financial reporting process.

***Auditors' 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 auditors' 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 controls.
2. Obtain an understanding of internal controls 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 Firich 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 Firich 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 auditors' report. However, future events or conditions may cause the Firich 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 Firich Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 controls 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.

Chih, Ping-Chiun

Lai, Chung-Hsi

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,281,892	20	\$ 1,220,661	18
1150	Notes receivable, net	6(4)	57	-	557	-
1170	Accounts receivable, net	6(4)	338,559	5	478,570	7
1180	Accounts receivable - related parties	6(4) and 7	347,909	6	33,828	-
1200	Other receivables		15,632	-	26,932	-
1210	Other receivables - related parties	7	12,802	-	24,422	-
1220	Current tax assets	6(29)	516	-	488	-
130X	Inventories, net	6(5)	648,960	10	887,031	13
1410	Prepayments		26,041	-	63,674	1
1460	Non-current assets classified as held for sale, net	6(12)	-	-	36,549	1
1470	Other current assets		440	-	649	-
11XX	<b>Current Assets</b>		<u>2,672,808</u>	<u>41</u>	<u>2,773,361</u>	<u>40</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(2)	761,535	12	500,753	7
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	495,351	8	471,570	7
1550	Investments accounted for using the equity method	6(6)(11)	1,712,238	27	2,371,709	35
1600	Property, plant and equipment, net	6(7) and 8	297,476	5	301,910	4
1755	Right-of-use assets	6(8) and 7	84,710	1	77,123	1
1780	Intangible assets, net	6(10)(11)	167,865	3	177,577	3
1840	Deferred income tax assets	6(29)	222,249	3	160,217	2
1900	Other non-current assets	6(13)	31,787	-	55,705	1
15XX	<b>Non-current assets</b>		<u>3,773,211</u>	<u>59</u>	<u>4,116,564</u>	<u>60</u>
1XXX	<b>Total assets</b>		<u>\$ 6,446,019</u>	<u>100</u>	<u>\$ 6,889,925</u>	<u>100</u>

(Continued)



**FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>					
2100	Short-term borrowings	6(14) and 8	\$ 1,202,000	19	\$ 1,426,271	21
2130	Current contract liabilities	6(22)	52,724	1	42,213	1
2170	Accounts payable		300,062	5	323,913	5
2180	Accounts payable - related parties	7	-	-	150	-
2200	Other payables		146,181	2	155,762	2
2220	Other payables - related parties	7	4,925	-	7,975	-
2230	Current income tax liabilities	6(29)	45,568	1	37,824	-
2280	Current lease liabilities	7	20,102	-	13,003	-
2300	Other current liabilities		38,037	-	153,809	2
21XX	<b>Current Liabilities</b>		<u>1,809,599</u>	<u>28</u>	<u>2,160,920</u>	<u>31</u>
	<b>Non-current liabilities</b>					
2530	Bonds payable	6(15)	500,000	8	500,000	8
2570	Deferred income tax liabilities	6(29)	4,502	-	2,471	-
2580	Non-current lease liabilities	7	65,708	1	64,506	1
2600	Other non-current liabilities	6(16)	15,584	-	16,643	-
25XX	<b>Non-current liabilities</b>		<u>585,794</u>	<u>9</u>	<u>583,620</u>	<u>9</u>
2XXX	<b>Total Liabilities</b>		<u>2,395,393</u>	<u>37</u>	<u>2,744,540</u>	<u>40</u>
	<b>Equity attributable to owners of parent</b>					
	Share capital	6(17)(18)(19)				
3110	Share capital - common stock		3,014,526	47	2,960,915	43
	Capital surplus	6(19)				
3200	Capital surplus		1,013,244	16	1,115,833	16
	Retained earnings	6(20)				
3310	Legal reserve		220,802	3	189,170	3
3320	Special reserve		844,690	13	842,691	12
3350	Unappropriated retained earnings		75,732	1	318,318	5
	Other equity interest	6(21)				
3400	Other equity interest		( 893,507)	( 14)	( 950,227)	( 14)
3500	Treasury stocks	6(17)(18)	( 277,773)	( 4)	( 372,478)	( 6)
31XX	<b>Equity attributable to owners of the parent</b>		<u>3,997,714</u>	<u>62</u>	<u>4,104,222</u>	<u>59</u>
36XX	Non-controlling interest		<u>52,912</u>	<u>1</u>	<u>41,163</u>	<u>1</u>
3XXX	<b>Total equity</b>		<u>4,050,626</u>	<u>63</u>	<u>4,145,385</u>	<u>60</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 6,446,019</u>	<u>100</u>	<u>\$ 6,889,925</u>	<u>100</u>

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

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(22) and 7	\$ 2,547,887	100	\$ 2,714,971	100
5000 Operating costs	6(5)(7)(10)(17)(27)(28) and 7	( 1,795,650)	( 71)	( 1,921,654)	( 71)
5900 Operating margin		752,237	29	793,317	29
5910 Unrealised profit from sales		( 31,430)	( 1)	( 635)	-
5920 Realised profit from sales		635	-	1,300	-
5950 Net operating margin		721,442	28	793,982	29
Operating expenses	6(7)(8)(9)(10)(16)(17)(27)(28)				
6100 Selling expenses		( 188,798)	( 7)	( 216,969)	( 8)
6200 General and administrative expenses		( 308,832)	( 12)	( 348,492)	( 13)
6300 Research and development expenses		( 67,570)	( 3)	( 73,815)	( 2)
6450 Expected credit impairment losses	12(2)	( 17,955)	( 1)	( 27,306)	( 1)
6000 Total operating expenses		( 583,155)	( 23)	( 666,582)	( 24)
6900 Operating profit		138,287	5	127,400	5
Non-operating income and expenses					
7100 Interest income	6(23)	16,901	1	6,509	-
7010 Other income	6(24)	29,437	1	9,120	-
7020 Other gains and losses	6(2)(11)(25)	22,352	1	196,842	7
7050 Finance costs	6(26)	( 33,364)	( 1)	( 31,345)	( 1)
7055 Expected credit impairment losses	12(2)	( 22,847)	( 1)	( 3,593)	-
7060 Share of (loss) profit of associates and joint ventures accounted for using the equity method	6(6)	( 63,901)	( 3)	84,993	3
7000 Total non-operating income and expenses		( 51,422)	( 2)	262,526	9
7900 Profit before income tax		86,865	3	389,926	14
7950 Income tax expense	6(29)	( 33,107)	( 1)	( 64,984)	( 2)
8200 Profit for the year		\$ 53,758	2	\$ 324,942	12

(Continued)

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (loss) (Net)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311 Gains on remeasurements of defined benefit plans	6(16)	\$ 177	-	\$ 4,001	-
8316 Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	23,780	1	22,955	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)(29)	5,438	-	(2,332)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		29,395	1	24,624	1
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations		28,669	1	243,866	9
8360 Components of other comprehensive income that will be reclassified to profit or loss		28,669	1	243,866	9
8300 <b>Other comprehensive income for the year</b>		\$ 58,064	2	\$ 268,490	10
8500 <b>Total comprehensive income for the year</b>		\$ 111,822	4	\$ 593,432	22
Profit, attributable to:					
8610 Owners of the parent		\$ 42,712	2	\$ 311,960	12
8620 Non-controlling interest		11,046	-	12,982	-
		\$ 53,758	2	\$ 324,942	12
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 99,574	4	\$ 579,522	21
8720 Non-controlling interest		12,248	-	13,910	1
		\$ 111,822	4	\$ 593,432	22
Earnings per share					
9750 Basic earnings per share	6(30)	\$ 0.15		\$ 1.07	
9850 Diluted earnings per share	6(30)	\$ 0.15		\$ 1.06	

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

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent												
Notes	Retained Earnings					Other equity interest			Total	Non-controlling interest	Total equity	
	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks				
<b>Year ended December 31, 2022</b>												
		\$ 2,775,315	\$ 1,325,054	\$ 174,380	\$ 764,600	\$ 147,909	(\$ 721,971 )	(\$ 491,459 )	(\$ 388,632 )	\$ 3,585,196	\$ 26,789	\$ 3,611,985
		-	-	-	-	311,960	-	-	-	311,960	12,982	324,942
	6(21)	-	-	-	-	3,201	242,938	21,423	-	267,562	928	268,490
		-	-	-	-	315,161	242,938	21,423	-	579,522	13,910	593,432
	6(20)	-	-	-	-	-	-	-	-	-	-	-
		-	-	14,790	-	( 14,790 )	-	-	-	-	-	-
		-	-	-	78,091	( 78,091 )	-	-	-	-	-	-
		-	-	-	-	( 53,029 )	-	-	( 53,029 )	-	( 53,029 )	-
	6(19)	-	( 26,514 )	-	-	-	-	-	( 26,514 )	-	( 26,514 )	-
	6(21)	185,600	( 185,600 )	-	-	-	-	-	-	-	-	-
	6(19)	-	2,893	-	-	-	-	-	16,154	19,047	464	19,511
		-	-	-	-	1,158	-	( 1,158 )	-	-	-	-
		\$ 2,960,915	\$ 1,115,833	\$ 189,170	\$ 842,691	\$ 318,318	(\$ 479,033 )	(\$ 471,194 )	(\$ 372,478 )	\$ 4,104,222	\$ 41,163	\$ 4,145,385
<b>Year ended December 31, 2023</b>												
		\$ 2,960,915	\$ 1,115,833	\$ 189,170	\$ 842,691	\$ 318,318	(\$ 479,033 )	(\$ 471,194 )	(\$ 372,478 )	\$ 4,104,222	\$ 41,163	\$ 4,145,385
		-	-	-	-	42,712	-	-	-	42,712	11,046	53,758
	6(21)	-	-	-	-	142	27,467	29,253	-	56,862	1,202	58,064
		-	-	-	-	42,854	27,467	29,253	-	99,574	12,248	111,822
	6(20)	-	-	-	-	-	-	-	-	-	-	-
		-	-	31,632	-	( 31,632 )	-	-	-	-	-	-
		-	-	-	1,999	( 1,999 )	-	-	-	-	-	-
		-	-	-	-	( 198,592 )	-	-	( 198,592 )	-	( 198,592 )	-
	6(19)	85,111	( 85,111 )	-	-	-	-	-	-	-	-	-
	6(17)(18)(19)	-	28	-	-	-	-	-	-	28	129	157
	6(3)(21)	-	( 4,270 )	-	-	-	-	-	( 4,270 )	-	( 4,270 )	-
		-	-	-	-	( 3,248 )	-	-	( 3,248 )	( 628 )	( 3,876 )	-
		( 31,500 )	( 13,236 )	-	-	( 49,969 )	-	-	94,705	-	-	-
		\$ 3,014,526	\$ 1,013,244	\$ 220,802	\$ 844,690	\$ 75,732	(\$ 451,566 )	(\$ 441,941 )	(\$ 277,773 )	\$ 3,997,714	\$ 52,912	\$ 4,050,626

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

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 86,865	\$ 389,926
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and amortization	6(7)(8)(9)(10)(27)	63,805	63,448
Expected credit impairment loss	12(2)	40,802	30,899
Provision for decline in market value and obsolescence of inventories	6(5)	72,306	21,941
Share-based payments compensation costs	6(17)	157	3,360
Gains on financial assets at fair value through profit or loss	6(2)(25)	( 116,756 )	( 177,405 )
Losses on disposal of investments	6(25)	49,180	-
Share of loss (profit) of associates and joint ventures accounted for using the equity method	6(6)	63,901	( 84,993 )
(Gain) loss on disposal of property, plant and equipment	6(25)	( 197,288 )	77
Gain on lease modification	6(8)	-	( 471 )
Impairment loss	6(6)(11)(25)	252,042	69,703
Interest income	6(23)	( 16,901 )	( 6,509 )
Interest expense	6(26)	33,364	31,345
Dividends income	6(24)	( 21,306 )	( 2,201 )
Unrealised profit from sales		31,430	635
Realised profit from sales		( 635 )	( 1,300 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		500	( 557 )
Accounts receivable, net		124,229	15,163
Accounts receivable, net - related parties		( 314,542 )	17,159
Other receivables		11,300	18,651
Other receivables - related parties		( 129 )	198
Inventories		202,582	42,777
Prepayments		34,422	( 14,720 )
Other current assets		209	7,114
Changes in operating liabilities			
Current contract liabilities		10,511	2,914
Accounts payable		( 23,851 )	( 108,947 )
Accounts payable - related parties		( 150 )	( 3,164 )
Other payables		( 9,581 )	7,419
Other payables - related parties		( 3,050 )	( 2,965 )
Other current liabilities		( 278 )	93
Cash inflow generated from operations		373,138	319,590
Interest received	6(23)	16,901	6,509
Interest paid		( 29,901 )	( 29,373 )
Income tax paid		( 80,966 )	( 13,508 )
Net cash flows from operating activities		<u>279,172</u>	<u>283,218</u>

(Continued)

**FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (Increase) in other receivables due from related parties	7	\$ 12,301	(\$ 11,695)
Increase in non-current financial assets at fair value through profit or loss		( 144,027 )	( 7,663 )
Proceeds from disposal of non-current financial assets at fair value through profit or loss		-	64,557
Increase in non-current financial assets at fair value through other comprehensive income		-	( 768 )
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6(3)	-	1,668
Acquisition of investments accounted for using the equity method	6(6)	( 36,000 )	( 337,800 )
Proceeds from capital reduction or liquidation of investments accounted for using the equity method	6(7)	322,050	-
Acquisition of property, plant and equipment	6(7)	( 16,253 )	( 13,816 )
Proceeds from disposal of property, plant and equipment		118,253	2
Acquisition of intangible assets	6(10)	( 432 )	( 1,334 )
(Increase) decrease in refundable deposits		3,181	( 2,588 )
Increase in prepayments for business facilities		( 1,770 )	-
Increase in advance receipts-disposal of assets		-	115,874
Dividends received		26,914	7,263
Net cash flows from (used in) investing activities		284,217	( 186,300 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in short-term borrowings	6(31)	( 223,267 )	( 203,089 )
Decrease in lease liabilities	6(31)	( 24,315 )	( 17,587 )
Acquisition of ownership interests in subsidiaries		( 3,876 )	-
Proceeds from treasury stocks acquired by employees	6(17)	-	16,151
Cash dividends paid	6(20)	( 198,592 )	( 53,029 )
Cash dividends from capital surplus	6(19)	-	( 26,514 )
Decrease (increase) in other non-current liabilities		( 882 )	79
Net cash flows used in financing activities		( 450,932 )	( 283,989 )
Effect of exchange rate changes on cash and cash equivalents		( 51,226 )	57,698
Net increase (decrease) in cash and cash equivalents		61,231	( 129,373 )
Cash and cash equivalents at beginning of year	6(1)	1,220,661	1,350,034
Cash and cash equivalents at end of year	6(1)	\$ 1,281,892	\$ 1,220,661

[Attachment 5]

  
 Firich Enterprises Co., Ltd.  
 2023 Statement of Earnings Distribution

Item	Amount
Unappropriated earnings - beginning	86,095,188
Net income and current amount other than net income booked in the unappropriated earnings of the current year	
Net income	42,712,204
Recognized the re-measurement amount of the defined benefit plan in retained earnings.	141,909
Changes in subsidiary's equity	-
Cancellation of treasury shares	49,969,726
Net income and current amount other than net income booked in the unappropriated earnings of the current year	-10,363,798
Less: Appropriated legal reserve	
Less: Appropriated special reserve	-
Distributable earnings of the current period (losses to be made up for in the current period)	26,914,131
Distributable items:	
Cash dividends	26,299,224
Stock dividends	-
Unappropriated earnings – ending (losses to be made up for at the end of the period)	614,907

Chairman: Hsu, Ming-Che



Managerial Officer: Peng, He-Feng



Accounting Officer: Lai, Ying-Fu



[Attachment 6]

The “Articles of Incorporation” amendment list

Amended Clause	Current Clause	Description
<p>Article 16 Among the Company’s aforementioned directors, the number of independent directors shall not be less than <del>2</del><u>3</u> and shall not be less than one-fifth of the total number of directors. Regarding independent directors’ professional qualifications, shareholdings, part-time restrictions, nomination and selection methods and other compliance matters, they shall be handled in accordance with the related regulations of the competent authority.</p>	<p>Article 16 Among the Company’s aforementioned directors, the number of independent directors shall not be less than 2 and shall not be less than one-fifth of the total number of directors. Regarding independent directors’ professional qualifications, shareholdings, part-time restrictions, nomination and selection methods and other compliance matters, they shall be handled in accordance with the related regulations of the competent authority.</p>	<p>It is amended according to Jin-Guan-Zheng-Fa-Zi No. 11203479121 Letter of the FSC dated August 11, 2023.</p>
<p>Article 25 (The aforementioned amendments omitted) <u>The 24th amendment was made on June 19, 2024.</u></p>	<p>Article 25 (The aforementioned amendments omitted)</p>	<p>The amendment date indicated.</p>



## [Attachment 7]

### Company's Rules of Procedure for Shareholders' Meetings (Draft)

Article I To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article II Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.

Article III Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.

When the Company convenes a virtual shareholders' meeting, unless the Regulations Governing the Administration of Shareholder Services of Public Companies specify others, the articles of incorporation shall describe procedures in detail, and the resolution of the board of directors shall be adopted, and the virtual shareholders' meeting shall be attended by more than two-thirds of the directors of the board and with resolution made based on the consents of a majority of attending directors.

Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.

Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). In addition, the Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30 percent or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency.

The Company shall provide the handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or

demerger of the Company, or any matter in the Subparagraphs of Paragraph 1 of Article 185 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion.

Where an election of all directors or supervisors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholders may submit suggestive proposals for urging the Company to promote public interests or fulfill its social responsibilities, provided that the procedure shall comply with relevant provisions of Article 172-1 of the Company Act, and the number of items so proposed shall be limited to one only, and no proposal containing more than one item shall be included in the meeting agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is 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 annual general meeting of shareholders and take part in the discussion of the proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

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

Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Once the proxy form is received by the Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting

shall prevail.

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

When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.

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

The time at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in place shall be clearly marked and staffed with a sufficient number of suitable personnel. When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.

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

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

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them until the end of the meeting.

Article 6-1 When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

I. Methods of shareholders participating in the video conference and exercising their rights.

II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:

(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

(II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.

(III) When a physical shareholders' meeting is convened, along with a video conference,

if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

(IV) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.

III. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified. Except for the conditions specified in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide connection equipment and necessary assistance to shareholders, and the period and other relevant precautions for shareholders to submit applications shall be described clearly.

Article VII If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select, from among themselves, one person to serve as the chair. When a managing director or director serves as the chair, as referred to in the preceding paragraph, the director shall have held that position for six months or more with great understanding of the Company's financial position and business conditions. The same shall apply for a representative of an institutional director to serve as the chair. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article VIII The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.

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

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, as well as voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.

The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage. If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference

platform.

Article IX Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conference platform plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Paragraph 1 of Article 175 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article X If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting. If the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply.

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

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

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; if the shareholder's speech

violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech.

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.

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

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

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of Paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

**Article XII** Votes cast at shareholders' meetings shall be calculated based on numbers of shares.

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding shares.

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

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

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

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

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

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

declaration is made to cancel the earlier declaration of intent.

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise the voting rights exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

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

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

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

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.

If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.

**Article XIV** The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors or supervisors and those who lost the election and the numbers of votes each candidate won.

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

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

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

When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.

Article XVI The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.

If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.

Article XVII Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

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

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

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

Article XVIII When a meeting is in progress, the chair may announce a break based on time



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

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article XIX When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.

Article XX When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.

Article XXI When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.

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

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postponed or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

When a shareholders' meeting is postponed or resumed in accordance with Paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors or supervisors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with Paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.

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

Article XXII When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be provided. Except for the conditions specified in Paragraph 6 of Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide connection equipment and necessary assistance to shareholders, and the period and other relevant precautions for shareholders to submit applications shall be described clearly.

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

## Appendix 1

### **Firich Enterprises Co., Ltd. Rules of Procedure for Shareholders' Meetings**

- I. Shareholders' meetings of the Company should be handled in accordance with the "Rules of Procedures."
- II. The Company shall have a visitors' book for the attending shareholders to sign in, or the attending shareholders shall hand in sign-in cards instead. The number of attending shares is calculated based on the signature book or the handed in sign-in cards.
- III. Attendance and voting at a shareholders' meeting shall be calculated based on the number of shares.
- IV. The venue for a shareholders' meeting shall be the Company's premises or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- V. If the shareholders' meeting is convened by the Board of Directors, the chairperson shall be the presiding chair. When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the directors to act as presiding chair. If the chairperson makes no such designation, the directors shall select one person from among themselves to serve as presiding chair.  
If the shareholders' meeting is convened by someone other than the Board of Directors with the right to convene, they shall select from among themselves one director to serve as presiding chair. If two or more such persons are having the right to convene, they shall select from among themselves one person to serve as presiding chair.
- VI. The Company may appoint the designated counsel, CPAs, or other related persons to attend the meeting. Staff handling the administrative affairs of a shareholders' meeting shall wear identification cards or armbands.
- VII. The Company shall record or videotape the entire proceedings of the shareholders' meeting and keep it for at least one year.
- VIII. The chair shall call the meeting to order at the scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. If the quorum is not met after two postponements, but the attending

shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act.

By the end of such meeting, if the number of shares represented by the attending shareholders has already constituted more than one-half of the outstanding shares, the presiding chair may put the tentative resolution to the vote at the general shareholders' meeting again in accordance with Article 174 of the Taiwan Company Act.

IX. If the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors. The shareholders' meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolution of the shareholders' meeting. If the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply. The agenda set out in the previous two items shall not be declared adjourned by the presiding chair without a resolution before the proceedings are over (including extraordinary motions). After the meeting is adjourned, shareholders may not elect a new presiding chair to continue the meeting at the meeting site or at another venue unless otherwise provided by law.

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

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

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.

XI. Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice concerning the same item, and each speech shall not last more than 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

XII. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

XIII. After an attending shareholder has spoken, the presiding chair may respond

- in person or direct relevant personnel to respond.
- XIV. When the presiding chair is of the opinion that a proposal has been discussed sufficiently for voting to proceed, the presiding chair may announce the closure of the discussion and call for a vote.
- XV. The examiners and counting staff of votes on motions shall be appointed by the presiding chair, but the examiners should have shareholder status. Voting results shall be made known on-site immediately and a record shall be taken.
- XVI. During the meeting, the presiding chair may announce a break at his or her discretion.
- XVII. Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
- XVIII. When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XIX. The presiding chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- XX. Matters left unresolved in these Rules of Procedure shall be handled in accordance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations and the Company's Articles of Incorporation.
- XXI. After these Rules of Procedure are approved by the Board of Directors, their implementation shall be announced after approval by the Shareholders' Meeting. The same shall hold true of the amendments.

# Appendix 2

## **Firich Enterprises Co., Ltd. Articles of Incorporation**

### **Chapter 1 General Provisions**

- Article 1: The Company shall be incorporated under the Company Act and its name shall be Firich Enterprises Co., Ltd.
- Article 2: The scope of business of the Company shall be as follows:  
CC01110 Computer and Peripheral Equipment Manufacturing;  
CE01990 Other Optics and Precision Instrument Manufacturing;  
I301010 Information Software Services.
- Article 3: The total amount of the Company's reinvestments is not subject to the limit specifying no more than 40% of stock capital. The Company may provide external guarantees among industry peers for business needs.
- Article 4: The Company has established its headquarters in New Taipei City. When necessary, branches may be established domestically and overseas by resolution of the Board of Directors.
- Article 5: When a public offering is cancelled for the Company's stock, the resolution of the Shareholders' Meeting shall be cited; furthermore, this provision shall not be changed during the period of listing on the Emerging Market board.

### **Chapter 2 Shares**

- Article 6: The total capital of the Company is set at NT\$4 billion and divided into 400 million shares at NT\$10 par. The Board of Directors is authorized to have the remaining unissued shares issued in installments.  
An amount of NT\$20 million out of the total stock capital in the preceding paragraph shall be set aside for employee stock warrant, the preferred stock with options or corporate bond with option at NT\$10 par, which can be issued in installments according to the resolution of the Board of Directors.
- Article 7: The Company's stock affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Service of Public Companies" as promulgated by the competent authority.
- Article 8: The share certificates of the Company shall be signed or sealed by the director representing the Company along with the seal of the Company, and shall be certified for issuance according to the laws. For the shares issued by the Company, the printing of share certificates may be exempted; however, the shares shall be registered with the Centralized Securities Depository Enterprises.
- Article 9: Changes in records in the register of shareholders shall not be done within 60 days before the general shareholders' meeting, within 30 days before an interim shareholders' meeting, or within 5 days before the base date when the Company has decided to distribute dividends and bonuses or other benefits.
- Article 10: When the Company transfers shares to employees at a price lower than the average price of the actual shares repurchased or issues employee stock warrant at a subscription price lower than the market price (net value per share), this shall be agreed with shareholders representing more than half of the total issued shares in attendance and with more than two-thirds of the voting rights of the shareholders present agreeing to proceed.

Article 10-1: Regarding treasury stock purchased by the Company, transfer counterparties include employees of affiliated companies who meet certain conditions.  
The Company issues employee stock warrants to counterparties including employees of affiliated companies who meet certain conditions.  
When the Company issues new shares, employees subscribing to the shares may include employees of affiliated companies who meet certain conditions.  
New restricted employee shares of the Company may include employees of affiliated companies who meet certain conditions.  
The Board of Directors is authorized to set the aforesaid “certain conditions.”

### **Chapter 3 Shareholders’ Meeting**

- Article 11: There are two types of shareholders’ meetings, namely general meetings and interim meetings. The general shareholders’ meeting is to be held once a year by the Board of Directors in accordance with the law within six months after the end of each fiscal year. Interim shareholders’ meetings may be convened according to law when necessary.
- Article 12: A shareholder absent from the meeting for a particular reason may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy’s authorization.
- Article 13: Shareholders of the Company shall have one voting right per share except in the case where the shares have no voting rights as stipulated in Article 179 of the Company Act.
- Article 14: Unless otherwise stipulated by the Company Act, the resolutions of the shareholders’ meeting shall be attended by shareholders representing more than half of the total number of issued shares and shall be implemented with more than half of the voting rights of the shareholders present. The Company’s shareholders may exercise their voting rights by electronic means according to the requirements of the competent authorities. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person with the related matters processed in accordance with the laws and regulations.  
The Board of Directors may resolve to have the shareholders’ meeting convened by means of visual communication network or other methods promulgated by the competent authority with the operating procedures and other compliances processed in accordance with the regulations of the competent authorities.

### **Chapter 4 Directors**

- Article 15: The Company shall have 7 directors serving terms of 3 years. The candidate nomination system is adopted and the shareholders’ meeting shall select from the list of candidates, and they are eligible for re-election.
- Article 16: Among the Company’s aforementioned directors, the number of independent directors shall not be fewer than 2 and not less than one-fifth of the number of directors. Regarding independent directors’ professional qualifications, shareholdings, part-time restrictions, nomination and selection methods and other compliance matters, they shall be handled in accordance with the related regulations of the competent authority.
- Article 16-1: The Company shall set up an Audit Committee in accordance with the Securities and Exchange Act. The Audit Committee shall be composed exclusively of

independent directors and number be not less than three. The composition of the Audit Committee, its exercise of authority, resolution methods, and other matters to be followed shall be handled in accordance with relevant laws and regulations or Company rules.

Article 17: When organizing the Board of Directors, the Board shall recommend a Chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors and approved, and may elect a Vice-Chairman from among themselves in the same manner. The Chairman of the Board of Directors shall represent the Company externally.

In calling a meeting of the Board of Directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the Board of Directors may be convened at any time. The Company's Board of Directors may have a board meeting convened by the means of written notification, e-mail, or fax.

Article 18: When the chairman asks for leave or is unable to exercise his authority for some reason, his representation shall be handled in accordance with Article 208 of the Company Act.

When a director cannot attend a meeting of the Board of Directors for some reason, a proxy may be issued specifying the scope of authorization for the convening reasons and reasons for entrusting another director to attend as a proxy. The proxy referred to in the preceding paragraph may be the appointed proxy of only one person.

Article 19: In respect to the remuneration of executive directors of the Company, and regardless of whether the operating profit or loss is paid at the usual level of the industry, the Board of Directors is authorized to negotiate according to the extent of their participation in the operation of the Company and the value of their contributions. In addition, during their terms of office, directors shall authorize the Board of Directors to purchase liability insurance for compensation liabilities payable in accordance with the law in respect of the scope of their duties.

## **Chapter 5     Managers**

Article 20: The Company may appoint several managers, whose appointment, dismissal and remuneration are to be handled in accordance with Article 29 of the Company Act.

## **Chapter 6     Accounting**

Article 21: The Company shall conclude each fiscal year with the Board of Directors' preparation of the following reports and adhere to legal procedures to submit them to the shareholders' meeting for acknowledgment:

(I) Business Report

(II) Financial Statements

(III) Proposals concerning profit distributions or covering of losses

Article 22: If the Company makes a profit for the year, it should allocate no less than 5% for employee compensation and no more than 1% for director's remuneration.

However, when the Company still has accumulated losses, an amount equivalent to the losses should be reserved in advance.

The employee compensation stated in the preceding paragraph is issued to recipients in stock or cash, including employees of affiliated companies who meet



certain conditions. The Board of Directors is authorized to handle the determination of such conditions.

Article 23: The Company is currently in the stage of corporate growth. The Board of Directors shall have the earnings distribution proposal drafted up in response to the future business development and expansion and capital needs for the approval of the shareholders' meeting.

In accordance with Article 240, Paragraph 5 of the Company Act, the Company may, with a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute dividends and bonuses or all or part of the legal reserve and additional paid-in capital as stipulated in Article 241, Paragraph 1 of the Company Act in the form of cash and report the same to the shareholders' meeting. The provisions of the preceding paragraph that shall be resolved by the shareholders' meeting are not applicable.

If a profit remains in the final annual accounts, it shall be assigned in the following order:

(I) First, payment of taxes.

(II) Make up for prior year losses.

(III) Ten percent to be set aside as a legal reserve.

(IV) Aside from the aforesaid legal reserve, the Company may, under its articles of incorporation or as required by the government, appropriate a special reserve.

The balance amount plus the undistributed earnings of previous periods is the distributable earnings. Shareholder's dividends are for an amount equivalent to 10%~100% (at least 10% of the dividends will be paid in cash) taking into account the capital budgeting and financial planning.

## **Chapter 7     Supplementary Provisions**

Article 24: Matters not stipulated in these Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 25: The Articles of Incorporation was stipulated on January 11, 1995.

The 1<sup>st</sup> amendment was made on March 8, 1995.

The 2<sup>nd</sup> amendment was made on May 1, 1995.

The 3<sup>rd</sup> amendment was made on March 1, 1997.

The 4<sup>th</sup> amendment was made on April 30, 1999.

The 5<sup>th</sup> amendment was made on April 25, 2002.

The 6<sup>th</sup> amendment was made on November 5, 2002.

The 7<sup>th</sup> amendment was made on April 7, 2003.

The 8<sup>th</sup> amendment was made on April 20, 2004.

The 9<sup>th</sup> amendment was made on February 16, 2005.

The 10<sup>th</sup> amendment was made on June 10, 2005.

The 11<sup>th</sup> amendment was made on June 9, 2006.

The 12<sup>th</sup> amendment was made on June 15, 2007.

The 13<sup>th</sup> amendment was made on June 13, 2008.

The 14<sup>th</sup> amendment was made on June 19, 2009.

The 15<sup>th</sup> amendment was made on June 18, 2010.

The 16<sup>th</sup> amendment was made on June 15, 2011.

The 17<sup>th</sup> amendment was made on June 14, 2013.

The 18<sup>th</sup> amendment was made on June 18, 2014.  
The 19<sup>th</sup> amendment was made on June 22, 2016.  
The 20<sup>th</sup> amendment was made on June 14, 2017.  
The 21<sup>st</sup> amendment was made on June 21, 2019.  
The 22<sup>nd</sup> amendment made on June 29, 2022.  
The 23<sup>rd</sup> amendment made on June 29, 2023.

## Appendix 3

### Method of Election of Directors of Firich Enterprises Co., Ltd.

- I. The election of directors of the Company shall be conducted in accordance with the provisions of the Company Act and the Company's Articles of Incorporation.
- II. The election of directors of the Company shall be by nomination of candidates and the shareholders' meeting shall elect the candidates from the list of candidates.
- III. The election of directors of the Company shall be conducted by the registered ballot method, and the registered names of the electors shall be replaced by the shareholders' account numbers.
- IV. The directors of the Company shall be elected by a cumulative voting system. Each share shall, in accordance with its voting rights, have the same voting rights as the number of directors to be elected. The board of directors shall prepare voting rights equal to the number of directors to be elected and distribute them to all shareholders. The votes referred to in the preceding paragraph may be collectively elected to one person or allocated to several persons.
- V. The directors of the Company shall be elected in accordance with the quotas set forth in the Company's Articles of Incorporation, and those who receive more votes representing the right to vote shall be elected as directors in that order; When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- VI. The Board of Directors shall prepare the ballot by number of the shareholders' account and fill in the number of their rights.
- VII. The chair, before the beginning of the election, shall appoint a number of monitoring and counting personnel to perform the respective duties of vote.
- VIII. The ballot boxes shall be prepared by the Board of Directors and shall be opened and examined by the scrutineers before voting.
- IX. The elector shall fill in the name of the candidate in the column of the ballot paper. If the candidate is a shareholder, he/she shall fill in the shareholder's account number, and if he/she is not a shareholder, he/she shall add the national ID card number or the unified number of the business; provided that if the government or corporate shareholder is the candidate, the name of the government or corporate shall be listed in the account name of the candidate of the ballot paper, and the name of the government or corporate and the name of its representative may also be listed. If there are several representatives, the names of the representatives shall be added separately.
- X. An election ballot is invalid under any of the following circumstances:
  1. Those who do not use the ballot prepared by the Board of Directors.
  2. A blank ballot is placed in the ballot box.
  3. The handwriting is illegible or has been altered.
  4. The candidate whose name is entered in the ballot is a shareholder and his/her account name and shareholder account number does not conform to the shareholder registry, or the candidate whose name is entered in the ballot is not a shareholder and does not conform to the name and identity card number provided.
  5. The name of the candidate (name) or the shareholder's account number (identification

number) and the number of allocated election rights are written in addition to other words.

6. The name of the candidate is the same as that of other shareholders, but the shareholder account number or identification number is not filled in for identification purposes.
- XI. The voting rights shall be calculated on-site immediately after the end of the poll; and the results of the calculation shall be announced by the chair on the site.
- XII. The Board of Directors shall issue a separate notice of election to the elected directors.
- XIII. Except for those approved by the competent authority, the Company shall have more than half of the seats among the directors and shall not have one of the following relationships:
  - I. Spouse.
  - II. Relatives within the second degree of kinship.
- XIV. In the event that a director does not meet the requirements of the preceding Article, the following provisions shall apply to determine the director to be elected:

If a director does not comply with the provisions of the preceding Article, the election of the director who has received a lower number of votes representing the right to vote among the directors who do not comply with the provisions of the preceding Article shall be ineffective.
- XV. The election of independent directors and non-independent directors shall be held together, and the number of directors to be elected shall be calculated separately for independent directors and general directors.
- XVI. This measure shall be effective upon adoption by the shareholders' meeting, so are the amendments.

## Appendix 4

### Firich Enterprises Co., Ltd. Status of directors' shareholdings

Base date: April 21, 2024

Title	Name	Appointment Date	Current Shareholdings			Note
			Type	Shares	% held as of that time	
Chairman	Hsu Ming-Che	2023.06.29	Common stock	27,041,065	8.97%	
Vice Chairman	Chu, Sheng-Fang	2023.06.29	Common stock	93,930	0.03%	
Directors	Hsu, Lu-Che	2023.06.29	Common stock	2,846,812	0.94%	
Directors	Chu, Sheng-Fang	2023.06.29	Common stock	93,930	0.03%	
Directors	Tai, Li-Ning	2023.06.29	Common stock	0	0.00%	
Independent Director	Fang, Ching-Yueh	2023.06.29	Common stock	0	0.00%	
Independent Director	Weng Tzu-Lin	2023.06.29	Common stock	0	0.00%	
Total				29,981,807	9.95%	

Total number of shares issued as of April 21, 2024: 301,452,592 shares

Note: The number of shares required to be held by all directors of the Company is 12,058,103 shares, and up to the date of April 21, 2024, number of shares held by all directors is: 29,981,807 shares

- ◎ Shares held by independent directors are not included in the number of shares held by directors and supervisors.
- ◎ The Company has set up an Audit Committee, so there is no applicability regarding the number of shares held by the supervisors.