

Stock Code: 3090



# 2024 Annual Shareholders' Meeting Handbook

**Time: 9:00 AM, June 25, 2024 (Tuesday)**

**Venue: Nichidenbo Corporation's 1F Conference Room (1F, No. 4, Lane 1,  
Siwei Lane, Zhongzheng Road, Xindian District, New Taipei City)**

**Type: Physical Shareholders' Meeting**

This English version is a translation based on the original Chinese version. Where any discrepancy arises between the two, the Chinese version shall prevail.

# Nichidenbo Corporation

## Table of Contents of 2024 Annual Shareholders' Meeting Handbook

	Page
I. Meeting Agenda .....	1
II. Reports.....	2
1. 2023 Business Report.....	2
2. Audit Committee's Review Report.....	2
3. 2023 Earnings Distribution of Cash Dividends.....	2
4. 2023 Distribution of Remuneration to Employees and Directors. ....	2
III. Adoptions .....	3
1. 2023 Business Report and Financial Statements. ....	3
2. 2023 Earnings Distribution.....	3
IV. Discussion.....	4
Amendments to the Articles of Incorporation .....	4
V. Election.....	5
Election of the 14th Board of Directors .....	5
VI. Others .....	7
Removal of Non-Competition Restriction for the New Directors.....	7
VII. Extempore Motion .....	7
VIII. End of Meeting.....	7
IX. Attachments.....	8
1. 2023 Business Report.....	8
2. Audit Committee's Review Report.....	10
3. 2023 Independent Auditors' Report and Financial Statements .....	11
4. Comparison Table for Amendments to the Articles of Incorporation.....	31
X. Appendices .....	33
1. Articles of Incorporation .....	33
2. Rules of Procedure for Shareholders Meetings .....	39
3. Procedures for Election of Directors .....	48
4. Number of Shares Held by Directors .....	50

## I. Meeting Agenda

# **Nichidenbo Corporation** **2024 Annual Shareholders' Meeting Agenda**

Time: 9:00 AM, June 25, 2024 (Tuesday)

Venue: 1F, No. 4, Lane 1, Siwei Lane, Zhongzheng Road, Xindian District, New Taipei City

1. Call to Order

2. Chairperson's Statement

3. Reports

1. 2023 Business Report

2. Audit Committee's Review Report

3. 2023 Earnings Distribution of Cash Dividends

4. 2023 Distribution of Remuneration to Employees and Directors

4. Adoptions

1. 2023 Business Report and Financial Statements

2. 2023 Earnings Distribution

5. Discussion

1. Amendments to the Articles of Incorporation

6. Election

1. Election of the 14th Board of Directors

7. Others

1. Removal of Non-Competition Restriction for the New Directors

8. Extempore Motion

9. End of Meeting

## II. Reports

### Proposal 1

Subject: 2023 Business Report

Description: Refer to page 8 for the business report

### Proposal 2

Subject: Audit Committee's Review Report

Description: Refer to page 10 for the audit committee's review report

### Proposal 3

Subject: 2023 Earnings Distribution of Cash Dividends

Description: 1. The cash dividend distribution method is based on registered shareholders and holdings on the ex-dividend base date, with an allotment of NT\$3.4 per share. The cash dividend is distributed up to NT\$1 (rounded down). Dividends less than NT\$1 will be included in the other income section. For new shares or corporate bonds due to capital increase, employee stocks, and treasury stock buybacks or transfers affecting outstanding shares for distribution and dividend rate, the Board of Directors will authorize the chairperson to handle related matters with full discretion.

2. The Board of Directors reached a resolution on March 13, 2024 and authorized the chairperson to set the ex-dividend and distribution dates among other relevant matters.

### Proposal 4

Subject: 2023 Distribution of Remuneration to Employees and Directors

Description: 1. On March 13, 2023, the resolution was passed by the Board of Directors to remunerate employees and directors with 7% and 1.5% of the net profit before tax, respectively, after deducting accumulated losses. The method aligns with the Articles of Incorporation.

2. According to 2023 profitability, NT\$60,583 thousand and NT\$12,982 thousand are to be remunerated to employees and directors, which is no different from the recognized expenses. The method of distribution is cash and recipients may include employees of affiliated companies who meet certain criteria.

3. The Board of Directors reached a resolution on March 13, 2024 and authorized the chairperson to set the date of issuance and handle relevant matters with full discretion.

### III. Adoptions

#### Proposal 1

Subject: 2023 Business Report and Financial Statements (Proposed by the Board of Directors)

Description: 1. The 2023 financial statements and business report have been audited by Deloitte & Touche accountants Shao Chih-Ming and Wong Ya-Ling in the attached report.

2. Please refer to page 8 for the business report and page 11 for the independent auditors' report and financial statements.

Resolution:

#### Proposal 2

Subject: 2023 Earnings Distribution (Proposed by the Board of Directors)

Description: 1. Articles of Incorporation 21 and 21-1 proposed earnings distribution as follows:

(1) 2023 earnings distribution was approved by the Board of Directors on March 13, 2024.

(2) Details of the 2023 earnings distribution are as follows:

Nichidenbo Corporation  
Earnings distribution statement  
2023

Unit: NT \$

Item	Amount	Remark
Undistributed retained earnings before adjustment	807,116,146	
Deduct: recognized actuarial loss	301,025	
Add: disposal of comprehensive income at fair value accounted for using equity methods	23,915,764	
Add: dividends from new employee stocks not yet vested	794,200	
Undistributed retained earnings after adjustment	831,525,085	
Add: 2023 net profit after tax	706,306,420	
Deduct: recognized legal reserve	73,071,536	
Add: reversal of special reserve	40,925,737	
Retained earnings for distribution	1,505,685,706	
Deduct: Cash dividends (Note)	723,034,310	Cash dividend per share: NT \$3.4
Undistributed retained earnings	782,651,396	

Note: The Company prioritizes 2023 earnings distribution.

Chairperson: Chou Wei Lin

General Manager: Yu Yao Kuo

Controller: Ku Hsin Ping

Resolution:

## IV. Discussion

Proposal 1

Subject: Amendments to the Articles of Incorporation (Proposed by the Board of Directors)

Description: 1. Proposal to amend the Articles of Incorporation to meet Company needs.

2. Please refer to page 31 for the comparison table and page 33 for the Articles of Incorporation in full

Resolution:

## V. Election

Subject: Election of the 14th Board of Directors (Proposed by the Board of Directors)

Description: 1. The term of office of the 13th Board of Directors will end on July 21, 2024. 8 directors (including 4 independent directors) will be re-elected in this Annual Shareholders' Meeting.

2. Nominated under the Articles of Incorporation, the candidates are as follows:

Job Title	Candidates	Education	Experience	Current Position	Holdings
Director	CHOU WEI LIN	MBA, European University, Switzerland	Arvin Industries Inc (USA) Section Chief, Chemi-Con Corporation, Taiwan Nichidenbo Corporation Chief Operating Officer and General Manager	Nichidenbo Corporation Chief Executive Officer Lipers Enterprise Co., Ltd. representative Director and Chairperson Lipers (Hong Kong) Enterprise Co., Ltd. representative Director Scope Technology Co., Ltd. representative Director and Chairperson Advance Electronic Supply Inc. representative Director and Chairperson Nichidenbo (Mauritius) Ltd. Director	1,720,000
Director	LEE KUN CHAN	Department of Foreign Languages, Taichung Commercial College	Cygnus Inc. Chairperson Special Assistant Taiwan Chemi-Con Corporation Business Nichidenbo Corporation General Manager	Nichidenbo Corporation Chief Operating Officer VIC-DAWN Enterprise Co., Ltd. representative Director and Chairperson TONSAM Corporation representative Director and Chairperson KOHO (Taiwan) Co., Ltd. representative Director and Chairperson	1,730,532
Director	YU YAO KUO	MBA, National Taiwan University	Acer Incorporated Director Sertek Incorporated Senior Vice President Yosun Industrial Corp Senior Vice President Nichidenbo Corporation Executive Vice President	Nichidenbo Corporation General Manager Lipers Enterprise Co., Ltd. General Manager Advance Electronic Supply Inc. General Manager Lipers Electronic (SZ) Co., Ltd. General Manager Nichidenbo (Shenzhen) Trading Co., Ltd. General Manager Nichidenbo Suzhou Trading Co., Ltd. General Manager	324,548
Director	Zong Xin Investment Co., Ltd. representative: HUANG PEI CHING	Department of Applied Art, Fu Jen Catholic University	Zong Xin Investment Co., Ltd. Chairperson	Zong Xin Investment Co., Ltd. Chairperson	5,630,000
Independent Director	WU CHIA HSUN	Master of Finance, National Chengchi University	Associate Professor, Department of Finance and International Business, Fu Jen Catholic University	Nichidenbo Corporation Remuneration and Audit Committee Member Answer CPAs Firm Consultant Tait Marketing & Distribution Co., Ltd. Independent Director, Audit and Remuneration Committee Member Tidehold Development Co., Ltd. Independent Director, Audit and Remuneration Committee Member	0
Independent Director	SU MING YANG	Department of Electrical Engineering, National Taiwan University	Panasonic Industrial Devices Sales Taiwan Co., Ltd Director Egalax Empia Technology Inc. Chairperson	Nichidenbo Corporation Remuneration Committee and Audit Committee Member	0

Job Title	Candidates	Education	Experience	Current Position	Holdings
Independent Director	HSU HSOU CHUN	MBA, National Taiwan University	Cirocomm Technology Corporation Vice President Tailyn Technologies, Inc. General Manager Special Assistant Chief Financial Officer, Siltrontech Electronics Corporation	Nichidenbo Corporation Remuneration Committee and Audit Committee Member Moneypool Consultant Ltd. Person in charge E-Life Mall Corporation Independent Director, Remuneration Committee member and Audit Committee Convener Jet One Technology Co., Ltd. Supervisor InnoGreat Technology Co., Ltd Director	0
Independent Director	WAN GWO WEI	Department of Electrical and Computer Engineering, Tamkang University	Renesas Electronics Taiwan Co., Ltd. Chairperson	None	0

3. New directors shall serve 3-year terms from June 25, 2024 to June 24, 2027.

Election results:



## VI. Others

Subject: Removal of Non-Competition Restriction for the New Directors

(Proposed by the Board of Directors)

Description: 1. For operational needs, non-compete clause in Article 209 of the Company Act and other laws are to be lifted for new directors who are concurrently serving as directors or managers in other companies or China.

2. The concurrent positions of directors in other companies or China are as follows:

Job Title	Name	Concurrent Position
Director	CHOU WEI LIN	Lipers Enterprise Co., Ltd. representative Director and Chairperson Lipers (Hong Kong) Enterprise Co., Ltd. representative Director Scope Technology Co., Ltd. representative Director and Chairperson Advance Electronic Supply Inc. representative Director and Chairperson Nichidenbo (Mauritius) Ltd. Director
Director	LEE KUN CHAN	VIC-DAWN Enterprise Co., Ltd. representative Director and Chairperson TONSAM Corporation representative Director and Chairperson KOHO (Taiwan) Co., Ltd. representative Director and Chairperson
Director	YU YAO KUO	Lipers Enterprise Co., Ltd. General Manager Advance Electronic Supply Inc. General Manager Lipers Electronic (SZ) Co., Ltd. General Manager Nichidenbo (Shenzhen) Trading Co., Ltd. General Manager Nichidenbo Suzhou Trading Co., Ltd. General Manager
Director	Zong Xin Investment Co., Ltd. representative: HUANG PEI CHING	Zong Xin Investment Co., Ltd. Chairperson
Independent Director	WU CHIA HSUN	Answer CPAs Firm Consultant Tait Marketing & Distribution Co., Ltd. Independent Director, Audit and Remuneration Committee Member Tidehold Development Co., Ltd. Independent Director, Audit and Remuneration Committee Member
Independent Director	SU MING YANG	None
Independent Director	HSU HSOU CHUN	Moneypool Consultant Ltd. Person in charge E-Life Mall Corporation Independent Director, Remuneration Committee member and Audit Committee Convener Jet One Technology Co., Ltd. Supervisor InnoGreat Technology Co., Ltd Director
Independent Director	WAN GWO WEI	None

Resolution:

## VII. Extempore Motion

## VIII. End of Meeting

## IX. Attachments

### 1. 2023 Business Report

## Nichidenbo Corporation 2023 Business Report

1. In 2023, the Company's operating revenue was NT\$10,655,709 thousand, an increase of 2.06% compared to NT \$10,440,729 thousand in 2022. Gross profit was NT\$1,642,209 thousand, a decrease of 7.75% compared to NT \$1,780,241 thousand in 2022. Net income was NT \$873,188 thousand, a decreased of 2.16% compared to NT \$892,421 thousand in 2022. Net profit before tax was NT \$922,693 thousand, a decrease of 9.57% compared to NT \$1,020,343 thousand in 2022.

2. The following is an analysis of the implementation outcomes of the 2023 business plan, budget, financial income, expenditure, and profitability:

#### (1) Business Plan

Unit: NT \$thousands

Item	2023		2022		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Operating revenue	10,655,709	100.00	10,440,729	100.00	214,980	2.06
Gross profit	1,642,209	15.41	1,780,241	17.05	(138,032)	(7.75)
Net income	873,188	8.19	892,421	8.55	(19,233)	(2.16)
Net profit before tax	922,693	8.66	1,020,343	9.77	(97,650)	(9.57)

#### (2) Budget Execution in 2023

Without public forecasts in 2023, budget disclose is not required. However, overall operating conditions and performance roughly follow internal plans.

### (3) Financial income, expenditure, and profitability

Unit: NT \$thousands

Item		2023	2022	Increase/ decrease (%)	
Finance Income	Operating revenue	10,655,709	10,440,729	2.06	
	Gross profit	1,642,209	1,780,241	(7.75)	
	Net profit before tax	922,693	1,020,343	(9.57)	
Earning Power	Return on assets (%)	8.35	17.35	(51.87)	
	Return on equity (%)	11.15	26.92	(58.58)	
	Ratio to paid-in capital (%)	Net income	41.06	41.96	(2.14)
		Net profit before tax	43.38	47.98	(9.59)
	Net profit margin (%)	6.75	14.85	(54.55)	
	Earnings per share (NT\$)	3.39	8.02	(57.73)	

#### 3. Market development status:

The Company and its subsidiaries have established business locations in Hong Kong, Shenzhen, Suzhou, and Wuhan to effectively increase operational scale, serve existing client base, attract new customers, and stay updated on market information.

Considering significant changes in geopolitical and economic trends, we have not only expanded within the Greater China region but also into the Asia-Pacific and India, thereby serving local clientele and Taiwanese migrants to capitalize on emerging business opportunities. Vietnam has been the initial springboard for us to venture into the Philippines, Thailand, Malaysia, Indonesia, and India. Sales performance of automotive industry in Vietnam, India, and China have gradually improved in particular.

In response to the continuous growth of the business scale of customers in various industries in the ASEAN market and the increasing demand, we will increase marketing personnel and technicians in various regions to continue developing customer sources and increasing market share. In addition, we will achieve synergy through internal integration and resource-sharing mechanisms to understand industrial context and channels better, thereby actively increasing sales and enhancing the variety and professionalism of products. By offering one-stop services, we aim to position ourselves in high-end application industries and improve operational efficiency.

Chairperson: Chou Wei Lin

General Manager: Yu Yao Kuo

Controller: Ku Hsin Ping

## 2. Audit Committee's Review Report

### **Nichidenbo Corporation** **Audit Committee's Review Report**

Deloitte & Touche accountants Shao Chih-Ming and Wong Ya-Ling have audited the accompanying business report, financial statements, and earnings distribution for 2023. In our opinion, the aforementioned documents present fairly in all material respects in accordance with the Securities and Exchange Act and Company Act.

To

2024 Annual Shareholders' Meeting of Nichidenbo Corporation

Audit committee convener: Yen Kuo-Lung

Date: March 13, 2024

### 3. 2023 Independent Auditors' Report and Financial Statement

#### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Nichidenbo Corporation

#### **Opinion**

We have audited the accompanying financial statements of Nichidenbo Corporation (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the financial statements for the year ended December 31, 2023 are as follows:

#### Valuation of Inventories

Inventories are stated at the lower of cost or net realizable value. The net realizable value was based on significant judgments and accounting estimates made by management; therefore, we identified the valuation of inventories as a key audit matter in our audit for the year ended December 31, 2023.

The main audit procedures that we performed in respect of the valuation of inventories included obtaining the estimated data of inventories stated at the lower of cost or net realizable value by management and sampling recent sales data to evaluate the reasonableness of the net realizable value.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the 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 financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Ming Shao and Ya-Ling Wong.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2024

Notice to Readers

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

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



**NICHIDENBO CORPORATION**  
**BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 1,261,101	18	\$ 612,381	8
Financial assets at fair value through profit or loss - current (Note 7)	-	-	100,006	1
Financial assets at fair value through other comprehensive income - current (Note 8)	10,491	-	187,273	3
Financial assets at amortized cost - current (Notes 9 and 10)	505,000	7	810,000	11
Notes receivables, net (Note 11)	3,493	-	2,599	-
Trade receivables from unrelated parties, net (Notes 11 and 25)	454,588	7	543,830	7
Trade receivables from related parties (Note 36)	41,114	1	49,810	1
Other receivables (Note 11)	5,452	-	4,727	-
Other receivables from related parties (Note 36)	358,114	5	544,778	7
Inventories (Note 12)	237,963	4	498,713	7
Prepayments	570	-	581	-
Other current assets (Notes 19 and 36)	539	-	598	-
Total current assets	<u>2,878,425</u>	<u>42</u>	<u>3,355,296</u>	<u>45</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	96,979	1	93,384	1
Financial assets at amortized cost - non-current (Notes 9, 10 and 37)	150	-	150	-
Investments accounted for using the equity method (Notes 13, 14, 30, 31 and 32)	3,540,130	52	3,692,149	50
Property, plant and equipment (Notes 15 and 37)	182,588	3	184,304	3
Investment properties (Notes 17 and 37)	154,289	2	84,035	1
Intangible assets (Note 18)	537	-	872	-
Deferred tax assets (Note 27)	14,573	-	13,425	-
Refundable deposits (Note 36)	826	-	815	-
Total non-current assets	<u>3,990,072</u>	<u>58</u>	<u>4,069,134</u>	<u>55</u>
<b>TOTAL</b>	<u>\$ 6,868,497</u>	<u>100</u>	<u>\$ 7,424,430</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 20)	\$ 209,810	3	\$ 259,783	4
Contract liabilities - current (Note 25)	184	-	357	-
Trade payables to unrelated parties (Note 21)	115,922	2	151,810	2
Trade payables to related parties (Note 36)	30,838	1	56,964	1
Other payables to unrelated parties (Note 22)	152,505	2	225,738	3
Other payables to related parties (Note 36)	205	-	180	-
Current tax liabilities (Note 27)	28,309	-	30,940	-
Other current liabilities (Note 22)	2,352	-	1,862	-
Total current liabilities	<u>540,125</u>	<u>8</u>	<u>727,634</u>	<u>10</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Note 27)	71,052	1	66,521	1
Net defined benefit liability - non-current (Note 23)	22,165	-	25,785	-
Guarantee deposits received (Note 36)	1,109	-	1,094	-
Total non-current liabilities	<u>94,326</u>	<u>1</u>	<u>93,400</u>	<u>1</u>
Total liabilities	<u>634,451</u>	<u>9</u>	<u>821,034</u>	<u>11</u>
<b>EQUITY</b>				
Common stock	<u>2,126,572</u>	<u>31</u>	<u>2,126,572</u>	<u>29</u>
Capital surplus	<u>1,625,096</u>	<u>24</u>	<u>1,621,500</u>	<u>22</u>
Retained earnings				
Legal reserve	935,029	14	785,382	11
Special reserve	51,875	1	10,950	-
Unappropriated earnings	<u>1,537,832</u>	<u>22</u>	<u>2,167,303</u>	<u>29</u>
Total retained earnings	<u>2,524,736</u>	<u>37</u>	<u>2,963,635</u>	<u>40</u>
Other equity	<u>(42,358)</u>	<u>(1)</u>	<u>(108,311)</u>	<u>(2)</u>
Total equity	<u>6,234,046</u>	<u>91</u>	<u>6,603,396</u>	<u>89</u>
<b>TOTAL</b>	<u>\$ 6,868,497</u>	<u>100</u>	<u>\$ 7,424,430</u>	<u>100</u>

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

# NICHIDENBO CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 36)	\$ 1,820,389	100	\$ 1,915,945	100
OPERATING COSTS (Notes 12 and 36)	<u>1,463,538</u>	<u>80</u>	<u>1,466,056</u>	<u>77</u>
GROSS PROFIT	356,851	20	449,889	23
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>349</u>	<u>-</u>	<u>788</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>356,502</u>	<u>20</u>	<u>449,101</u>	<u>23</u>
OPERATING EXPENSES (Notes 26 and 36)				
Selling and marketing expenses	122,821	7	149,939	8
General and administrative expenses	116,173	6	183,778	9
Expected credit gain	<u>(449)</u>	<u>-</u>	<u>(737)</u>	<u>-</u>
Total operating expenses	<u>238,545</u>	<u>13</u>	<u>332,980</u>	<u>17</u>
PROFIT FROM OPERATIONS	<u>117,957</u>	<u>7</u>	<u>116,121</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES (Notes 26 and 36)				
Interest income	24,396	1	6,340	1
Other income	136,603	8	118,583	6
Other gains and losses	9,138	1	2,073	-
Finance costs	(10,836)	(1)	(7,771)	-
Share of profit of subsidiaries	<u>499,177</u>	<u>27</u>	<u>615,545</u>	<u>32</u>
Total non-operating income and expenses	<u>658,478</u>	<u>36</u>	<u>734,770</u>	<u>39</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	776,435	43	850,891	45
INCOME TAX EXPENSE (Note 27)	<u>70,129</u>	<u>4</u>	<u>69,859</u>	<u>4</u>
NET PROFIT FROM CONTINUING OPERATIONS	<u>706,306</u>	<u>39</u>	<u>781,032</u>	<u>41</u>
NET PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	<u>-</u>	<u>-</u>	<u>707,013</u>	<u>37</u>
NET PROFIT FOR THE YEAR	<u>706,306</u>	<u>39</u>	<u>1,488,045</u>	<u>78</u>

(Continued)

# NICHIDENBO CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
(Notes 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 29	-	\$ 5,534	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	86,065	5	(64,502)	(4)
Share of other comprehensive loss of subsidiaries accounted for using the equity method	(19,874)	(1)	(24,316)	(1)
Income tax related to items that will not be reclassified subsequently to profit or loss	(6)	-	(1,107)	-
	<u>66,214</u>	<u>4</u>	<u>(84,391)</u>	<u>(5)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	1,499	-	12,889	1
Share of other comprehensive (loss) income of subsidiaries accounted for using the equity method	(8,556)	(1)	7,538	-
	<u>(7,057)</u>	<u>(1)</u>	<u>20,427</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of income tax	<u>59,157</u>	<u>3</u>	<u>(63,964)</u>	<u>(4)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 765,463</u>	<u>42</u>	<u>\$ 1,424,081</u>	<u>74</u>
<b>EARNINGS PER SHARE (Note 28)</b>				
From continuing and discontinued operations				
Basic	<u>\$ 3.39</u>		<u>\$ 8.02</u>	
Diluted	<u>\$ 3.33</u>		<u>\$ 7.89</u>	
From continuing operations				
Basic	<u>\$ 3.39</u>		<u>\$ 4.21</u>	
Diluted	<u>\$ 3.33</u>		<u>\$ 4.14</u>	

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

(Concluded)

**NICHIDENBO CORPORATION**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Common Stock (Notes 24 and 29)	Capital Surplus (Notes 24, 29 and 32)	Retained Earnings (Note 24)			Other Equity (Notes 24 and 29)			Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefit	
BALANCE AT JANUARY 1, 2022	\$ 1,786,572	\$ 475,353	\$ 690,815	\$ 10,950	\$ 1,480,027	\$ (54,771)	\$ 86,237	\$ -	\$ 4,475,183
Appropriation of 2021 earnings									
Legal reserve	-	-	94,567	-	(94,567)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(714,629)	-	-	-	(714,629)
Total	-	-	94,567	-	(809,196)	-	-	-	(714,629)
Other changes in capital surplus	-	189	-	-	-	-	-	-	189
Net profit for the year ended December 31, 2022	-	-	-	-	1,488,045	-	-	-	1,488,045
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	8,427	20,427	(92,818)	-	(63,964)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,496,472	20,427	(92,818)	-	1,424,081
Issuance of common stock for cash	300,000	1,020,600	-	-	-	-	-	-	1,320,600
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisition or disposals	-	(553)	-	-	-	-	-	-	(553)
Issuance of restricted shares for employees	40,000	125,911	-	-	-	-	-	(82,937)	82,974
Share-based payment arrangements	-	-	-	-	-	-	-	15,551	15,551
BALANCE AT DECEMBER 31, 2022	2,126,572	1,621,500	785,382	10,950	2,167,303	(34,344)	(6,581)	(67,386)	6,603,396
Appropriation of 2022 earnings									
Legal reserve	-	-	149,647	-	(149,647)	-	-	-	-
Special reserve	-	-	-	40,925	(40,925)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,169,614)	-	-	-	(1,169,614)
Total	-	-	149,647	40,925	(1,360,186)	-	-	-	(1,169,614)
Other changes in capital surplus	-	439	-	-	-	-	-	-	439
Net profit for the year ended December 31, 2023	-	-	-	-	706,306	-	-	-	706,306
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(301)	(7,057)	66,515	-	59,157
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	706,005	(7,057)	66,515	-	765,463
Share-based payment arrangements	-	3,157	-	-	794	-	-	30,411	34,362
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	23,916	-	(23,916)	-	-
BALANCE AT DECEMBER 31, 2023	\$ 2,126,572	\$ 1,625,096	\$ 935,029	\$ 51,875	\$ 1,537,832	\$ (41,401)	\$ 36,018	\$ (36,975)	\$ 6,234,046

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

**NICHIDENBO CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax		
Income before income tax from continuing operations	\$ 776,435	\$ 850,891
Income before income tax from discontinued operations	<u>-</u>	<u>707,013</u>
	776,435	1,557,904
Adjustments for:		
Depreciation expense	3,974	3,489
Amortization expense	531	474
Expected credit gain	(449)	(737)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(56)	(150)
Finance costs	10,836	7,771
Interest income	(24,396)	(6,340)
Dividend income	(20,745)	(20,994)
Share-based payment	24,631	11,974
Share of profit of subsidiaries	(499,177)	(662,323)
Gain on disposal of subsidiary	-	(660,235)
Loss on net realizable value of inventories	16,590	7,421
Unrealized gain on transactions	349	788
Other items	794	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	100,062	(39,856)
Notes receivables	(898)	2,448
Trade receivables from unrelated parties	89,695	144,267
Trade receivables from related parties	8,696	(16,693)
Other receivables from unrelated parties	(110)	976
Other receivables from related parties	(406)	(122)
Inventories	244,160	(232,531)
Prepayments	11	(75)
Other current assets	59	(26)
Contract liabilities	(173)	(880)
Trade payables to unrelated parties	(35,888)	(97,292)
Trade payables to related parties	(26,126)	25,140
Other payables to unrelated parties	(71,635)	72,559
Other payables to related parties	25	24
Other current liabilities	490	245
Net defined benefit liabilities	<u>(3,591)</u>	<u>(2,352)</u>
Cash generated from operating activities	593,688	94,874
Interest received	23,851	3,845
Interest paid	(10,855)	(7,054)
Income tax paid	<u>(69,383)</u>	<u>(105,272)</u>
Net cash generated from (used in) operating activities	<u>537,301</u>	<u>(13,607)</u>

(Continued)

# NICHIDENBO CORPORATION

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at fair value through other comprehensive income	259,252	-
Purchase of financial assets at amortized cost	(1,365,000)	(1,110,000)
Proceeds from sale of financial assets at amortized cost	1,670,000	300,000
Acquisition of investments accounted for using equity method	-	(78,080)
Proceeds from investments accounted for using equity method	-	778,417
Proceeds from capital reduction of investments accounted for using equity method	76,081	-
Payments for property, plant and equipment	(1,712)	(855)
Increase in refundable deposits	(11)	(15)
Other receivables from related parties - increase in financing of funds	(713,000)	(779,000)
Other receivables from related parties - decrease in financing of funds	900,000	242,000
Payments for intangible assets	(196)	(602)
Payments for investment properties	(70,800)	-
Dividends received	<u>576,314</u>	<u>496,110</u>
Net cash generated from (used in) investing activities	<u>1,330,928</u>	<u>(152,025)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	915,299	1,583,615
Repayments of short-term borrowings	(965,272)	(1,669,299)
Guarantee deposits received	15	36
Cash dividends paid	(1,169,614)	(714,629)
Proceeds from issuance of common stock	-	1,320,600
Acquisition of additional interests in subsidiary	-	(3,520)
Proceeds from issuance of restricted shares for employees	-	87,720
Dividends from claims extinguished by prescription	<u>63</u>	<u>105</u>
Net cash (used in) generated from financing activities	<u>(1,219,509)</u>	<u>604,628</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	648,720	438,996
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>612,381</u>	<u>173,385</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,261,101</u>	<u>\$ 612,381</u>

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Nichidenbo Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of Nichidenbo Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we

do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements for the year ended December 31, 2023 are as follows:

#### Valuation of Inventories

Inventories are stated at the lower of cost or net realizable value. The net realizable value was based on significant judgments and accounting estimates made by management; therefore, we identified the valuation of inventories as a key audit matter in our audit for the year ended December 31, 2023.

The main audit procedures that we performed in respect of the valuation of inventories included obtaining the estimated data of inventories stated at the lower of cost or net realizable value by management and sampling recent sales data to evaluate the reasonableness of the net realizable value.

#### **Other Matter**

We have also audited the parent company only financial statements of Nichidenbo Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

#### **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 miantian professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We 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 consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Ming Shao and Ya-Ling Wong.

Chih-ming, Shao

Ya-Ling Wong

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2024

Notice to Readers

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

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

# NICHIDENBO CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 2,081,962	22	\$ 1,424,947	15
Financial assets at fair value through profit or loss - current (Note 7)	1,558	-	100,006	1
Financial assets at fair value through other comprehensive income - current (Note 8)	102,333	1	303,715	3
Financial assets at amortized cost - current (Notes 9 and 10)	505,000	6	810,000	9
Notes receivables, net (Notes 11, 12 and 37)	114,961	1	113,680	1
Trade receivables from unrelated parties, net (Notes 11 and 25)	3,289,314	35	3,047,033	33
Other receivables from unrelated parties (Note 11)	32,491	-	24,512	-
Current tax assets (Note 27)	1,578	-	3,941	-
Inventories (Note 12)	1,934,283	21	2,317,061	25
Prepayments	2,704	-	3,657	-
Other current assets (Note 19)	1,936	-	1,464	-
Total current assets	<u>8,068,120</u>	<u>86</u>	<u>8,150,016</u>	<u>87</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	96,979	1	93,384	1
Financial assets at amortized cost - non-current (Notes 9, 10 and 37)	178,930	2	178,879	2
Property, plant and equipment (Notes 14 and 37)	678,453	7	614,455	7
Right-of-use assets (Note 15)	30,899	1	9,046	-
Investment properties (Notes 16 and 37)	190,222	2	191,465	2
Goodwill (Note 17)	21,805	-	21,805	-
Other intangible assets (Note 18)	30,853	-	34,922	-
Deferred tax assets (Note 27)	77,961	1	64,362	1
Refundable deposits	5,137	-	3,442	-
Net defined benefit assets - non-current (Note 23)	3,817	-	4,043	-
Total non-current assets	<u>1,315,056</u>	<u>14</u>	<u>1,215,803</u>	<u>13</u>
<b>TOTAL</b>	<u>\$ 9,383,176</u>	<u>100</u>	<u>\$ 9,365,819</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 20 and 37)	\$ 1,554,378	17	\$ 1,170,046	12
Contract liabilities - current (Note 25)	6,311	-	2,281	-
Notes payables (Note 21)	251	-	207	-
Trade payables to unrelated parties (Note 21)	980,730	10	891,409	10
Other payables to unrelated parties (Note 22)	299,815	3	377,317	4
Current tax liabilities (Note 27)	85,728	1	118,053	1
Lease liabilities - current (Note 15)	9,771	-	9,740	-
Other current liabilities (Note 22)	42,948	1	47,754	1
Total current liabilities	<u>2,979,932</u>	<u>32</u>	<u>2,616,807</u>	<u>28</u>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Note 27)	77,929	1	74,126	1
Lease liabilities - non-current (Note 15)	22,116	-	544	-
Net defined benefit liability - non-current (Note 23)	23,564	-	29,800	-
Guarantee deposits received	5,521	-	5,520	-
Total non-current liabilities	<u>129,130</u>	<u>1</u>	<u>109,990</u>	<u>1</u>
Total liabilities	<u>3,109,062</u>	<u>33</u>	<u>2,726,797</u>	<u>29</u>
<b>EQUITY</b>				
Common stock	<u>2,126,572</u>	<u>23</u>	<u>2,126,572</u>	<u>23</u>
Capital surplus	<u>1,625,096</u>	<u>17</u>	<u>1,621,500</u>	<u>17</u>
Retained earnings				
Legal reserve	935,029	10	785,382	9
Special reserve	51,875	1	10,950	-
Unappropriated earnings	<u>1,537,832</u>	<u>16</u>	<u>2,167,303</u>	<u>23</u>
Total retained earnings	<u>2,524,736</u>	<u>27</u>	<u>2,963,635</u>	<u>32</u>
Other equity	<u>(42,358)</u>	<u>-</u>	<u>(108,311)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	6,234,046	67	6,603,396	71
<b>NON-CONTROLLING INTERESTS</b>				
	<u>40,068</u>	<u>-</u>	<u>35,626</u>	<u>-</u>
Total equity	<u>6,274,114</u>	<u>67</u>	<u>6,639,022</u>	<u>71</u>
<b>TOTAL</b>	<u>\$ 9,383,176</u>	<u>100</u>	<u>\$ 9,365,819</u>	<u>100</u>

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

## NICHIDENBO CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 25)	\$ 10,655,709	100	\$ 10,440,729	100
OPERATING COSTS (Notes 12 and 26)	<u>9,013,500</u>	<u>85</u>	<u>8,660,488</u>	<u>83</u>
GROSS PROFIT	<u>1,642,209</u>	<u>15</u>	<u>1,780,241</u>	<u>17</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	565,363	5	620,316	6
General and administrative expenses	202,684	2	267,664	2
Expected credit loss (gain)	<u>974</u>	<u>-</u>	<u>(160)</u>	<u>-</u>
Total operating expenses	<u>769,021</u>	<u>7</u>	<u>887,820</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>873,188</u>	<u>8</u>	<u>892,421</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Interest income	39,072	1	14,824	-
Other income	66,011	1	45,288	-
Other gains and losses	22,970	-	107,796	1
Finance costs	<u>(78,548)</u>	<u>(1)</u>	<u>(39,986)</u>	<u>-</u>
Total non-operating income and expenses	<u>49,505</u>	<u>1</u>	<u>127,922</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	922,693	9	1,020,343	10
INCOME TAX EXPENSE (Note 27)	<u>202,387</u>	<u>2</u>	<u>229,742</u>	<u>2</u>
NET PROFIT FROM CONTINUING OPERATIONS	720,306	7	790,601	8
NET PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	<u>-</u>	<u>-</u>	<u>759,899</u>	<u>7</u>
NET PROFIT FOR THE YEAR	<u>720,306</u>	<u>7</u>	<u>1,550,500</u>	<u>15</u>

(Continued)

**NICHIDENBO CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b> (Notes 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (376)	-	\$ 10,695	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	61,465	-	(96,438)	(1)
Income tax related to items that will not be reclassified subsequently to profit or loss	4,995	-	1,360	-
	<u>66,084</u>	<u>-</u>	<u>(84,383)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(7,057)	-	20,428	-
Other comprehensive income (loss) for the year, net of income tax	<u>59,027</u>	<u>-</u>	<u>(63,955)</u>	<u>(1)</u>
<b>TOTAL COMPREHENSIVE PROFIT FOR THE YEAR</b>	<u>\$ 779,333</u>	<u>7</u>	<u>\$ 1,486,545</u>	<u>14</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owner(s) of the Company	\$ 706,306	7	\$ 1,488,045	14
Non-controlling interests	<u>14,000</u>	<u>-</u>	<u>62,455</u>	<u>1</u>
	<u>\$ 720,306</u>	<u>7</u>	<u>\$ 1,550,500</u>	<u>15</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owner(s) of the Company	\$ 765,463	7	\$ 1,424,081	14
Non-controlling interests	<u>13,870</u>	<u>-</u>	<u>62,464</u>	<u>-</u>
	<u>\$ 779,333</u>	<u>7</u>	<u>\$ 1,486,545</u>	<u>14</u>
<b>EARNINGS PER SHARE (Note 28)</b>				
From continuing and discontinued operations				
Basic	<u>\$ 3.39</u>		<u>\$ 8.02</u>	
Diluted	<u>\$ 3.33</u>		<u>\$ 7.89</u>	
From continuing operations				
Basic	<u>\$ 3.39</u>		<u>\$ 4.21</u>	
Diluted	<u>\$ 3.33</u>		<u>\$ 4.14</u>	

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

# NICHIDENBO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other Equity (Notes 24 and 29)			Non-controlling Interests (Notes 24, 29, 30, 31 and 32)	Total Equity	
	Ordinary Shares (Notes 24 and 29)	Capital Surplus (Notes 24, 29 and 32)	Retained Earnings (Note 24)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits			Total
			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2022	\$ 1,786,572	\$ 475,353	\$ 690,815	\$ 10,950	\$ 1,480,027	\$ (54,771)	\$ 86,237	\$ -	\$ 4,475,183	\$ 402,787	\$ 4,877,970
Appropriation of 2021 earnings											
Legal reserve	-	-	94,567	-	(94,567)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(714,629)	-	-	-	(714,629)	-	(714,629)
Total	-	-	94,567	-	(809,196)	-	-	-	(714,629)	-	(714,629)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(54,545)	(54,545)
Other changes in capital surplus	-	189	-	-	-	-	-	-	189	4	193
Net profit for the year ended December 31, 2022	-	-	-	-	1,488,045	-	-	-	1,488,045	62,455	1,550,500
Other comprehensive (loss) income for the year ended December 31, 2022, net of income tax	-	-	-	-	8,427	20,427	(92,818)	-	(63,964)	9	(63,955)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,496,472	20,427	(92,818)	-	1,424,081	62,464	1,486,545
Issuance of common stock for cash	300,000	1,020,600	-	-	-	-	-	-	1,320,600	-	1,320,600
Difference between consideration and carrying amount of subsidiaries' net assets during actual acquisition or disposals	-	(553)	-	-	-	-	-	-	(553)	(2,967)	(3,520)
Issuance of restricted shares for employees	40,000	125,911	-	-	-	-	-	(82,937)	82,974	-	82,974
Share-based payment arrangements	-	-	-	-	-	-	-	15,551	15,551	4,381	19,932
Changes of non-controlling interests	-	-	-	-	-	-	-	-	-	(376,498)	(376,498)
BALANCE AT DECEMBER 31, 2022	2,126,572	1,621,500	785,382	10,950	2,167,303	(34,344)	(6,581)	(67,386)	6,603,396	35,626	6,639,022
Appropriation of 2022 earnings											
Legal reserve	-	-	149,647	-	(149,647)	-	-	-	-	-	-
Special reserve	-	-	-	40,925	(40,925)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,169,614)	-	-	-	(1,169,614)	-	(1,169,614)
Total	-	-	149,647	40,925	(1,360,186)	-	-	-	(1,169,614)	-	(1,169,614)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(9,445)	(9,445)
Other changes in capital surplus	-	439	-	-	-	-	-	-	439	17	456
Net profit for the year ended December 31, 2023	-	-	-	-	706,306	-	-	-	706,306	14,000	720,306
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(301)	(7,057)	66,515	-	59,157	(130)	59,027
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	706,005	(7,057)	66,515	-	765,463	13,870	779,333
Share-based payment arrangements	-	3,157	-	-	794	-	-	30,411	34,362	-	34,362
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	23,916	-	(23,916)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	\$ 2,126,572	\$ 1,625,096	\$ 935,029	\$ 51,875	\$ 1,537,832	\$ (41,401)	\$ 36,018	\$ (36,975)	\$ 6,234,046	\$ 40,068	\$ 6,274,114

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

**NICHIDENBO CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax		
Income before income tax from continuing operations	\$ 922,693	\$ 1,020,343
Income before income tax from discontinued operations	<u>-</u>	<u>785,072</u>
	<u>922,693</u>	<u>1,805,415</u>
Adjustments for:		
Depreciation expense	26,378	29,763
Amortization expense	4,442	9,680
Expected credit loss (gain)	974	(150)
Net loss on fair value changes of financial assets or liabilities at fair value through profit or loss	604	2,750
Finance costs	78,548	40,117
Interest income	(39,072)	(17,283)
Dividends income	(20,745)	(20,994)
Share-based payment	31,989	19,932
Loss on disposal of property, plant and equipment	24	690
Gain on disposal of subsidiary	-	(660,235)
Inventory write-downs	-	1,308
Loss on net realizable value of inventories	40,887	12,287
Impairment losses	-	3,449
Others	794	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	101,750	(48,470)
Notes receivables	(3,204)	18,813
Trade receivables from unrelated parties	(246,906)	270,188
Other receivables from unrelated parties	(6,445)	(95)
Inventories	339,533	(28,193)
Prepayments	939	(5,142)
Other current assets	(478)	4
Net defined benefit asset	(104)	603
Financial liabilities held for trading	(3,906)	-
Contract liabilities	4,082	(3,369)
Notes payables	45	(112)
Trade payables to unrelated parties	90,381	(240,470)
Other payables to unrelated parties	(79,488)	81,146
Other current liabilities	(4,804)	14,266
Net defined benefit liabilities	<u>(6,282)</u>	<u>(3,267)</u>
Cash generated from operating activities	1,232,629	1,282,631
Interest received	37,496	15,030
Interest paid	(74,626)	(37,582)
Income tax received	1,815	1,593
Income tax paid	<u>(238,852)</u>	<u>(309,324)</u>
Net cash generated from operating activities	<u>958,462</u>	<u>952,348</u>

(Continued)

**NICHIDENBO CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 259,252	\$ -
Purchase of financial assets at amortized cost	(1,572,703)	(1,475,836)
Proceeds from sale of financial assets at amortized cost	1,877,652	818,347
Net cash outflow on acquisition of subsidiary	-	(62,266)
Disposal of subsidiaries	-	599,270
Payments for property, plant and equipment	(5,342)	(1,181)
Proceeds from disposal of property, plant and equipment	14	28
Increase in refundable deposits	(1,749)	(206)
Payments for intangible assets	(375)	(5,407)
Payments for investment properties	(70,691)	-
Dividends received	<u>20,745</u>	<u>20,994</u>
Net cash generated from (used in) investing activities	<u>506,803</u>	<u>(106,257)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	5,733,320	7,956,348
Repayments of short-term borrowings	(5,348,819)	(8,720,051)
Proceeds from short-term bills payable	28,963	495,074
Repayments of short-term bills payable	(28,963)	(730,013)
Guarantee deposits received	3	16
Repayment of the principal portion of lease liabilities	(14,233)	(16,786)
Cash dividends paid	(1,169,614)	(714,629)
Proceeds from issuance of common stock	-	1,320,600
Dividends paid to non-controlling interests	(9,445)	(54,545)
Changes of non-controlling interests	-	(3,520)
Proceeds from issuance of restricted shares for employees	-	87,720
Dividends from claims extinguished by prescription	<u>456</u>	<u>193</u>
Net cash used in financing activities	<u>(808,332)</u>	<u>(379,593)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>82</u>	<u>8,265</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	657,015	474,763
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>1,424,947</u>	<u>950,184</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 2,081,962</u>	<u>\$ 1,424,947</u>

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



## 4. Comparison table of amendments to Articles of Incorporation

### Nichidenbo Corporation

#### Comparison Table of Amendments to Articles of Incorporation

Implemented after Annual Shareholders' Meeting was passed on June 25, 2024

Articles after amendment	Article before amendment	Notes
<p>Article 21</p> <p>If there is a surplus in the final accounts of the Company, the tax shall be paid first to make up for previous losses, and the 10% shall be added to the legal reserve, except when the legal reserve has reached the paid-up capital of the Company. In addition, <u>according to the company's operating needs and legal regulations, after listing or reversing special reserve, the balance (hereinafter referred to as "distributable surplus of the current year") shall be combined with the unappropriated retained earnings at the beginning of the same period, and board of directors shall propose a surplus distribution case to shareholders' meeting resolution, and pay a dividend that is no less than 50% of the distributable surplus of the current year.</u></p> <p>In accordance with Article 240 of Company Act, the Company authorizes the board of directors to attend by over two-thirds of the directors, and over half of the directors' resolution to distribute dividends, bonuses, all or part of the legal reserve and capital surplus stipulated in Article 241 of Company Act in the form of cash, and report to the shareholders' meeting, which shall not be subject to the provisions of shareholders' meeting resolution.</p>	<p>Article 21</p> <p>If there is a surplus in the final accounts of the Company, the tax shall be paid first to make up for previous losses, and 10% shall be added to the legal reserve, except when the legal reserve has reached the paid-up capital of the company. In addition, the special reserve shall be listed or reversed according to the Company's operating needs and legal regulations. The total amount of dividends distributed each year shall not be less than 50% of the distributable earnings of the current year, and the board of directors shall draft a surplus distribution plan to shareholders' meeting resolution for distribution.</p> <p>In accordance with Article 240 of Company Act, the Company authorizes the board of directors to attend by over two-thirds of the directors, and over half of the directors' resolution to distribute dividends, bonuses, all or part of the legal reserve and capital surplus stipulated in Article 241 of Company Act, in the form of cash, and report to the shareholders' meeting, which shall not be subject to the provisions of the shareholders' meeting resolution.</p>	<p>Amendment based on the Company's operating needs</p>
<p>Article 23</p> <p>The Articles were made on December 21, 1992. The 1st amendment was made on May 5, 1993. The 2nd amendment was made on November 21, 1995. The 3rd amendment was made on August 9, 1996. The 4th amendment was made on August 31, 1996. The 5th amendment was made on July 19, 1997. The 6th amendment was made on July 20, 1998. The 7th amendment was made on March 1, 1999. The 8th amendment was made on March 23, 1999. The 9th amendment was made on August 3, 2000. The 10th amendment was made on September 5, 2000. The 11th amendment was made on April 2, 2001. The 12th amendment was made on November 23, 2001. The 13th amendment was made on March 25, 2002. The 14th amendment was made on May 20, 2003. The 15th amendment was made on June 8, 2004. The 16th amendment was made on June 8, 2004. The 17th amendment was made on June 3, 2005. The 18th amendment was made on June 14, 2006. The 19th amendment was made on June 14, 2006.</p>	<p>Article 23</p> <p>The Articles were made on December 21, 1992. The 1st amendment was made on May 5, 1993. The 2nd amendment was made on November 21, 1995. The 3rd amendment was made on August 9, 1996. The 4th amendment was made on August 31, 1996. The 5th amendment was made on July 19, 1997. The 6th amendment was made on July 20, 1998. The 7th amendment was made on March 1, 1999. The 8th amendment was made on March 23, 1999. The 9th amendment was made on August 3, 2000. The 10th amendment was made on September 5, 2000. The 11th amendment was made on April 2, 2001. The 12th amendment was made on November 23, 2001. The 13th amendment was made on March 25, 2002. The 14th amendment was made on May 20, 2003. The 15th amendment was made on June 8, 2004. The 16th amendment was made on June 8, 2004. The 17th amendment was made on June 3, 2005. The 18th amendment was made on June 14, 2006. The 19th amendment was made on June 14, 2006.</p>	<p>Adding this amendment into the timeline</p>

Articles after amendment	Article before amendment	Notes
<p>The 20th amendment was made on June 13, 2007.  The 21st amendment was made on June 13, 2008.  The 22nd amendment was made on September 15, 2008.  The 23rd amendment was made on June 10, 2009.  The 24th amendment was made on June 18, 2010.  The 25th amendment was made on June 13, 2011.  The 26th amendment was made on June 21, 2012.  The 27th amendment was made on June 23, 2014.  The 28th amendment was made on June 11, 2015.  The 29th amendment was made on June 17, 2016.  The 30th amendment was made on June 14, 2017.  The 31st amendment was made on June 20, 2018.  The 32nd amendment was made on June 20, 2019.  The 33rd amendment was made on July 22, 2021.  The 34th amendment was made on June 15, 2022.  The 35th amendment was made on June 15, 2023.  <u>The 36th amendment was made on June 25, 2024.</u></p>	<p>The 20th amendment was made on June 13, 2007.  The 21st amendment was made on June 13, 2008.  The 22nd amendment was made on September 15, 2008.  The 23rd amendment was made on June 10, 2009.  The 24th amendment was made on June 18, 2010.  The 25th amendment was made on June 13, 2011.  The 26th amendment was made on June 21, 2012.  The 27th amendment was made on June 23, 2014.  The 28th amendment was made on June 11, 2015.  The 29th amendment was made on June 17, 2016.  The 30th amendment was made on June 14, 2017.  The 31st amendment was made on June 20, 2018.  The 32nd amendment was made on June 20, 2019.  The 33rd amendment was made on July 22, 2021.  The 34th amendment was made on June 15, 2022.  The 35th amendment was made on June 15, 2023.</p>	

# X. Appendices

## 1. Articles of Incorporation

### Articles of Incorporation

Approved by Annual Shareholders' Meeting on June 15, 2023

#### Chapter 1 General

- Article 1 The Company is organized in accordance with the provisions of Company Act, and is named Nichidenbo Corporation.
- Article 2 The business of the Company is as follows:
1. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
  2. CC01040 Lighting Equipment Manufacturing.
  3. CC01070 Wireless Communication Machinery and Equipment Manufacturing.
  4. CC01080 Electronics Components Manufacturing.
  5. CC01110 Computers and Peripheral Equipment Manufacturing.
  6. CC01990 Other Electrical Machinery and Electronic Machinery Equipment Manufacturing.
  7. CZ99990 Unclassified Other Industrial Products Manufacturing.
  8. F106010 Hardware Wholesale Business.
  9. F113020 Wholesale of Electrical Appliances.
  10. F113070 Telecommunications Equipment Wholesale.
  11. F119010 Electronic Materials Wholesale Business.
  12. F213060 Telecom Equipment Retail Business.
  13. F219010 Electronic Materials Retail Business.
  14. F401010 International Trade.
  15. I301010 Information Software Services.
  16. ZZ9999 All Business Items that are not Prohibited or Restricted by Law, except those that are Subject to Special Approval.
- Article 2-1 The Company may implement external guarantees in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees”.
- Article 2-2 When the Company is a limited liability shareholder of another company, its total investment may not be restricted by Article 13 of Company Act, which shall not exceed 40% of the paid-in capital of share capital.
- Article 3 The Company’s headquarters in New Taipei City, and, if necessary, through the board of directors’ resolution, may set up branches at appropriate locations both domestically and internationally.
- Article 4 The announcement method of the Company is in accordance with Article 28 of Company Act.

#### Chapter 2 Shares

- Article 5 The total capital of the Company is fixed at NT\$5 billion, divided into 500,000,000 shares, with a value of NT\$10 per share. The unissued shares are authorized to be issued in installments by board of directors. NT\$100,000,000 was reserved for the issuance of corporate bonds with warrants, preferred shares with warrants, and shares converted from stock warrants for a total of ten million shares at a price of NT \$10 per share.

- Article 5-1 The Company may issue employee stock option certificates with a price lower than the closing price of the common shares of the Company on the date of issue, provided that the employee stock option certificates representing over half of the total number of issued shares shall be present and agreed by over two-thirds of the voting rights of the shareholders present, and may be declared in installments within one year from the date of shareholders' meeting resolution.
- Article 5-2 Treasury shares purchased by the Company can be transferred to employees at a price lower than the actual average repurchase price, subject to the relevant laws and regulations and the consent of shareholders' meeting.
- Article 6 The Company shall purchase treasury shares in accordance with Company Act, and the counterparties of the transfer shall include employees of controlling or affiliated companies that meet certain conditions.  
The recipients of employee stock option certificates of the Company may include employees of controlling or affiliated companies who meet certain conditions.  
When the Company issues new shares, employees who acquire shares may include employees of controlled or affiliated companies that meet certain conditions.  
The recipients of new restricted employee shares issued by the Company may include employees of controlling or affiliated companies who meet certain conditions.
- Article 7 Shares of the Company are registered and signed or sealed by a director representing the Company, and issued after being certified by a bank that may serve as a visa issuer for the shares in accordance with the law. The Company is exempted from printing stock certificates after the public offering of the stock, but it shall be registered with the securities depository institution.
- Article 7-1 Shareholders of the Company who handle stock affairs or exercise any of their rights are subject to the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority, as well as other laws and securities regulations.
- Article 8 Changes to the shareholder registry shall not be made within 60 days before the annual shareholders' meeting, within 30 days before the extraordinary shareholders' meeting, or within five days before the day the Company determines the distribution of dividends, bonuses or any other benefits.

### Chapter 3 Shareholders' Meeting

- Article 9 Shareholders' meeting is divided into two categories: the annual shareholders' meeting and the special shareholders' meeting. The annual shareholders' meeting shall be held once a year, and shall be held by the board of directors within six months after the end of each fiscal year in accordance with the law. The special shareholders' meeting shall be convened in accordance with the law when necessary. Shareholders' Meeting may be convened by electronic means with the consent of the counterparty. For shareholders holding less than 1,000 registered shares, the aforementioned convening notice may be made by announcement. The Company Shareholders' Meeting may be held via video conference or Other announced by Ministry of Economic Affairs.
- Article 9-1 Shareholders' meeting is convened by the board of directors and presided over by the Chairperson. In the absence of the Chairperson, the vice Chairperson shall act on their

behalf. If there is no vice Chairperson or the vice Chairperson is also absent, the Chairperson will appoint one of the directors to act on their behalf. If the Chairperson did not appoint anyone, then the board of directors will elect one representative among themselves to preside over the meeting. If there are two or more conveners, one shall be elected to preside over the meeting.

- Article 10 If shareholders are unable to attend the shareholders' meeting for any reason, they may issue a power of attorney issued by the Company to specify the scope of the authorization to appoint a proxy to attend the meeting. In addition to the provisions of Article 177 of Company Act, the shareholders' attendance by proxy shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.
- Article 11 Each share of the Company has one voting right, except for the circumstances specified in Article 179 of Company Act.
- Article 12 Shareholders' Meeting Resolution shall, unless otherwise provided by relevant laws and regulations, be adopted by a majority of the shareholders present who represent a majority of the total number of issued shares.
- Article 12-1 Shareholders' meeting's resolution matters shall be recorded into minutes, which will be signed or sealed by the Chairperson and distributed to each shareholder within 20 days after the meeting, and shall be kept permanently during the Company's existence. The production and distribution of the aforementioned meeting minutes may be made by way of announcement.

#### Chapter 4 Director and audit committee

- Article 13 The Company shall have 7 to 11 directors, and at least three of them shall be Independent Directors. The number of directors to be elected shall be determined by the board of directors within the said quota. The term of office is three years, and the directors may be re-elected. The election of the Company directors adopts a candidate nomination system, and shareholders' meeting elects from the director candidate list, and independent directors and non-independent directors should be elected together to calculate the number of elected candidates. After the Company publicly issued its shares, the shareholding ratio of all directors in total shall be in accordance with the regulations of the securities regulatory authority. The Company shall purchase liability insurance for all directors within the term of their office for liabilities legally due to their scope of business.
- Article 13-1 The Company may set up a functional committee under the board of directors, and the establishment and responsibilities of the relevant committee shall be conducted in accordance with the regulations established by the competent authority.
- The Company established audit committee in accordance with Article 14-4 of Securities and Exchange Act. The audit committee is composed of all independent directors, and members of audit committee or the audit committee itself are responsible to exercise the functions and powers of supervisors stipulated by Company Act, Securities and Exchange Act and other laws.
- Article 14 The board of directors is organized by directors, with the attendance of over two-thirds of the directors and the consent of over half of the attending directors, one person is elected as the Chairperson, and one person is elected as the vice Chairperson in the same way if

needed. The Chairperson represents the company externally. If the board of directors meeting is held via video conference, the directors who participate in the meeting via video conference shall be deemed as having attended the meeting in person.

Article 14-1 The board of directors shall, unless otherwise provided by Company Act, be convened by the Chairperson. The board of directors meeting's resolution, unless otherwise provided by Company Act, shall be agreed by over half of the attending directors, and the amount of directors present must be higher than half of the total directors.

Article 14-2 The notice of convening the board of directors meeting shall be sent to each director before the deadline set by the securities regulatory authority. The Company may convene board of directors at any time in case of emergency. The Company board of directors may be convened in writing, by electronic means (E-mail or Line) or by facsimile.

Article 15 When the Chairperson applies for leave or cannot exercise its authority for any reason, its agent shall handle it in accordance with Article 208 of Company Act.

Article 15-1 If a director is unable to attend board of directors for any reason, he or she may entrust another director to attend as a proxy, which shall be handled in accordance with Article two hundred and five of Company Act.

Article 16 The travel expenses of all directors are agreed by board of directors. If the company director concurrently holds the position of another company, the remuneration for the position of the Company shall be paid by the Chairperson under the authorization of the board of directors in accordance with the internal management regulations of the Company. The remuneration of the Chairperson and directors will be determined by remuneration committee based on the extent of their participation in the operation of the Company and the value of their contribution, with reference to the Company's operating performance and the usual level of the industry.

Article 16-1 Deleted.

## Chapter 5 Managers

Article 17 The Company may set up one general manager and several managers. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of Company Act.

## Chapter 6 Accounting

Article 18 The Company's fiscal year shall begin on January 1 and end on December 31. The final accounts shall be processed at the end of each fiscal year.

Article 19 At the end of each fiscal year, the following books and records shall be prepared by the board of directors and submitted to annual shareholders' meeting for confirmation in accordance with legal procedures.

1. Business report.
2. Financial statements.
3. Proposal for earning distribution or loss appropriation.

Article 20 If the Company makes a profit in a year, no less than five% shall be set aside as employee compensation and no over three% shall be set aside as director compensation. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

Article 21 In accordance with Article 240 of Company Act, the Company authorizes the board of directors to attend by over two-thirds of the directors, and over half of the directors' resolution to distribute dividends, bonuses, all or part of the legal reserve and capital surplus stipulated in Article 241 of Company Act in the form of cash, and report to the shareholders' meeting, which shall not be subject to the provisions of shareholders' meeting resolution.

Article 21-1 The Company will consider the environment and its growth stage, in response to future capital needs and long-term financial planning. The earnings shall be distributed in accordance with Article 21 of Articles of Incorporation, and the cash dividend distributed to shareholders in the current year shall be no less than 30% of the total amount of shareholders' dividends.

### Chapter 7 Supplementary Provisions

Article 22 Matters not covered herein shall be handled in accordance with Company Act and other regulations.

Article 23 These Articles were entered into on December 21, 1992.

The 1st amendment was made on May 5, 1993.

The 2nd amendment was made on November 21, 1995.

The 3rd amendment was made on August 9, 1996.

The 4th amendment was made on August 31, 1996.

The 5th amendment was made on July 19, 1997.

The 6th amendment was made on July 20, 1998.

The 7th amendment was made on March 1, 1999.

The 8th amendment was made on March 23, 1999.

The 9th amendment was made on August 3, 2000.

The 10th amendment was made on September 5, 2000.

The 11th amendment was made on April 2, 2001.

The 12th amendment was made on November 23, 2001.

The 13th amendment was made on March 25, 2002.

The 14th amendment was made on May 20, 2003.

The 15th amendment was made on June 8, 2004.

The 16th amendment was made on June 8, 2004.

The 17th amendment was made on June 3, 2005.

The 18th amendment was made on June 14, 2006.

The 19th amendment was made on June 14, 2006.

The 20th amendment was made on June 13, 2007.

The 21st amendment was made on June 13, 2008.

The 22nd amendment was made on September 15, 2008.

The 23rd amendment was made on June 10, 2009.

The 24th amendment was made on June 18, 2010.

The 25th amendment was made on June 13, 2011.

The 26th amendment was made on June 21, 2012.

The 27th amendment was made on June 23, 2014.

The 28th amendment was made on June 11, 2015.

The 29th amendment was made on June 17, 2016.

The 30th amendment was made on June 14, 2017.

The 31st amendment was made on June 20, 2018.

The 32nd amendment was made on June 20, 2019.

The 33rd amendment was made on July 22, 2021.

The 34th amendment was made on June 15, 2022.

The 35th amendment was made on June 15, 2023.



## 2. Rules of Procedure for Shareholders Meetings

### **Nichidenbo Corporation** **Rules of Procedure for Shareholders Meetings**

Passed by Annual Shareholders' Meeting on June 15, 2023

#### Article 1

The Company shareholders' meeting, unless otherwise provided by laws and regulations or the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall be conducted in accordance with these rules.

The shareholders' meeting shall be convened by the board of directors, unless otherwise provided by law.

When the Company holds a shareholders' meeting video conference, it shall be specified in the articles, unless otherwise specified in Regulations Governing the Administration of Shareholder Services of Public Companies, and board of directors resolution shall be specified, and the video shareholders' meeting shall be held by the board of directors with over two-thirds of the attendance of directors and over half of the present directors' consent. Changes to how the shareholders' meeting is held should be conducted by the board of directors' resolution, and no later than the time when the notice of shareholders' meeting was sent.

The Company shall prepare and send the shareholders' meeting notice, power of attorney paper, the adoption cases, discussion, election, or dismissal of director, and the explanatory information into electronic files to the Market Observation Post System 30 days before the annual shareholders' meeting or 15 days before the extraordinary shareholders' meeting. The Company shall also send the shareholders' meeting agenda and supplementary information to the Market Observation Post System 21 days before the annual shareholders' meeting or 15 days before the extraordinary shareholders' meeting.

The Company shall provide shareholders with the meeting agenda and supplementary information in the preceding paragraph on the day of the shareholders' meeting in the following manner:

- I. When a physical shareholders' meeting is convened, it should be distributed on site at the shareholders' meeting.
- II. When holding a shareholders' meeting in video conference format, it shall be distributed on the site of Shareholders' Meeting and transmitted to the video conference platform with electronic files.
- III. When holding the video shareholders' meeting, an electronic file should be sent to the video conference platform.

The notice and announcement shall specify the reasons for convening the meeting; Where a notice has been given with the consent of the counterparty, it may be given by electronic means.

#### Article 2

The Company shall specify in the meeting notice the time of acceptance of shareholders, the place of registration and other precautions.

The time for accepting the shareholders' report in the preceding paragraph shall be at least 30 minutes before the commencement of the meeting; It should be clearly marked and assigned to suitable personnel to handle it. The shareholders' meeting shall be reported 30 minutes before the start of the meeting on the shareholders' meeting video conference

platform. Shareholders who have completed the presentation are deemed to have attended the meeting in person.

Article 2-1 When the Company convenes a Shareholders' Meeting video conference, it shall specify the following matters in the notice of Shareholders' Meeting:

- I. Methods for shareholders to participate in video conferences and exercise their rights.
- II. The video conferencing platform or the method of processing barriers to participate in video conferencing due to natural disasters, events or force majeure, including at least the following:
  - (1) The continuing inability to rule out the time at which a postponement of a meeting may occur and the date on which a postponement or takes place.
  - (2) Shareholders who did not participate in the original shareholders' meeting by video conference shall not participate in the postponement or adjournment of the meeting.
  - (3) Convening a shareholders' meeting in video conference format. If the video conference is unable to be continued, after deducting the number of shares present in the video conference participating in shareholders' meeting, the total number of shares present reaches the statutory quota of the meeting of the shareholders' meeting. Shareholders' meeting shall continue to carry out the video conference participating in shareholders, and the number of shares present shall be included in the total number of shares of shareholders present, and shall be deemed as having waived all the resolutions of the shareholders' meeting.
  - (4) The solution in the event that all resolutions have been announced, and extempore motion has not been carried out.
- III. Hold the shareholders' meeting in video conference format, and shall specify the appropriate replacement measures provided by shareholders who have difficulties in participating in the video conference. In addition to the circumstances specified in Article 44-9, Item 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with at least the connection equipment, any necessary assistance, and specify the period during which shareholders may apply to the company and other matters that need attention.

Article 3 The term “shareholder” herein refers to a shareholder, solicitor or entrusted agent. Shareholders should attend the shareholders' meeting by providing their attendance cards or other attendance documents. The solicitor that is a solicitation of the power of attorney should bring along the identification document for verification.

The registration counter shall have a signature book for attending shareholders to sign in or for attending shareholders to pay in lieu of signature, and shall deliver the meeting agenda, annual report, attendance certificate, speech article, voting ticket and other information to shareholders attending the shareholders' meeting. For those who elect director, the voting rights shall be attached. If the stockholders or their proxies sign in the card and deliver the card to the Company, they will be deemed to be present in person, and the Company will not be responsible for the identification.

When a government agency or juristic person is a shareholder, the representative of this shareholder meeting is not limited to just one person; However, when the corporate shareholder elects director, the number of persons that the corporate shareholder appoints

representative to attend is limited to the number of the shareholders' meeting intends to elect director. When a juristic person is entrusted to attend the shareholders' meeting, only one person may be designated to be the representative of the meeting. If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall register with the Company two days before the shareholders' meeting.

If the shareholders' meeting is held as a video conference, then the Company shall upload the meeting handbook, annual report and other relevant information to the shareholders' meeting video conference platform at least 30 minutes before the meeting, and continue to disclose it to the end of the meeting.

Article 3-1 A shareholder may present a power of attorney issued by the Company, specifying the scope of authorization, and entrusting a proxy to attend the shareholders' meeting each time it is held.

A shareholder who issues a proxy statement may appoint one person to attend the shareholders' meeting five days prior to a shareholders' meeting. If there are multiple proxies, the one served first shall prevail, unless the previous appointment was cancelled. After the power of attorney has been served on the Company, if a shareholder intends to attend the shareholders' meeting in person or intends to exercise his voting rights in writing or electronically, he shall notify the Company in writing two days before the shareholders' meeting to revoke the power of attorney. In the event of a late revocation, the voting rights exercised by the entrusted representative shall prevail.

After the power of attorney has been served on the Company, if a shareholder wishes to attend the shareholders' meeting by video conferencing, he or she shall notify the Company in writing of the revocation of the power of attorney two days before the shareholders' meeting. In the event of a late revocation, the voting rights exercised by the entrusted representative shall prevail.

Article 4 When a meeting is held, the Chairperson shall immediately announce the meeting, and at the same time announce relevant information such as the number of non-voting shares and the number of shares present. However, if shareholders do not represent over half of the total number of issued shares present, the Chairperson may declare the meeting to be postponed, and the postponement shall be limited to two times, and the postponement time shall not be over one hour in total. Where, for the second time, a meeting is postponed as announced by the Chairperson if the meeting is not attended by shareholders representing over one-third of the total number of issued shares; If Shareholders' Meeting is held as a video conference, the Company should also announce the video conference on the shareholders' meeting video conference platform.

When shareholders representing over one-third of the total number of issued shares attend the meeting due to delay of two times in the preceding paragraph, the resolution shall be a tentative resolution, and according to Article 175, paragraph 1 of Company Act, this tentative resolution shall be sent to the shareholders, and the shareholders shall convene another shareholders' meeting within one month. Shareholders who intend to attend the meeting by video conference Shareholders' Meeting shall re-register with the Company in accordance with Article 3 herein.

Before the end of the current meeting, if the number of shares represented by the shareholders present reaches over half of the total number of issued shares, the Chairperson

may take a false Resolution and re-submit it to Shareholders' Meeting for voting in accordance with Article 174 of Company Act.

Article 5 The attendance and voting of shareholders' meetings should be based on shares. The number of shares present is calculated based on the signature card and the number of shares reported on the video conference platform plus the number of shares exercised voting rights in writing or electronically.

If there is a shareholder proposing a role call, the Chairperson may not accept it. When a resolution is voted on, if the statutory amount is reached, the resolution is still approved.

Article 6 The venue of the shareholders' meeting shall be at the location of the Company or where the shareholders are able to attend and suitable for the shareholders' meeting, and the meeting shall not commence earlier than 9:00 a.m. or later than 3:00 p.m.

When the Company convenes a video shareholders' meeting, it is not subject to the restrictions of the place where the meeting is convened in the preceding paragraph.

Article 7 If a shareholders' meeting is convened by the board of directors, its Chairperson is served by the Chairperson. If the Chairperson is on leave or unable to exercise its authority for any reason, then the vice chairperson or one of the directors is appointed as its agent. If the Chairperson does not appoint an agent, the board of directors will elect one director to preside over the meeting.

If the meeting is presided over by the vice chairperson or a director, they must have served for over six months and understands the company's financial business status. The same applies to the Chairperson and their representative.

If the shareholders' meeting is convened by a person other than the board of directors, the Chairperson of the meeting shall be served by the person who convened the meeting. If there are two or more conveners, one shall be elected to preside over the meeting.

Article 8 If the shareholders' meeting is convened by the board of directors, the agenda will be set by board of directors. The relevant proposals (including extempore motion and the amendments to the original proposals) shall be voted. The meeting shall be conducted in accordance with the scheduled agenda and shall not be changed without the shareholders' meeting resolution. The provisions of the preceding paragraph shall apply to the shareholders' meeting if it is convened by a person other than the board of directors.

Until the meeting (including Extempore Motion) is concluded, the Chairperson shall not announce adjournment without resolution. However, in the event of a chaotic order in the meeting or other issues which makes it difficult to carry out the meeting normally, the Chairperson may announce adjournment.

After the meeting is held at adjournment, the shareholders shall not elect a Chairperson to continue the meeting at his original place or another place; However, if the Chairperson violates the rules of procedure and announces adjournment, a majority of the voting rights of the shareholders present may approve to elect one person as the Chairperson to continue the meeting.

Article 9 The Company may appoint a lawyer, accountant or relevant personnel to attend the shareholders' meeting. The personnel handling the affairs of Shareholders' Meeting should wear a ID card or an arm band.

Article 10 The Company shall continuously record the audio and video of the shareholders' attendance process, the process of the meeting, and the voting counting process from the time of

receiving the shareholders' registration.

The audio/video data in the preceding paragraph should be kept for at least one year. However, if a shareholder files a litigation in accordance with Article 189 of Company Act, the case shall be preserved until the end of litigation.

For those who convene the shareholders' meeting video conference, the Company shall keep records of the registration, registration, attendance, questions, voting and the Company's counting results of the shareholders, and continuously record and copy the video conference throughout the whole period.

The aforementioned data and audio recordings should be kept properly by the Company while it is still in operation, and the audio recordings should be provided to the person entrusted to handle the video conference affairs for preservation.

For those who convene shareholders' meeting in the form of video conference, it is advisable that the Company recording the user interface of the video conferencing platform at the back end.

Shareholders participating in the video conference shall not broadcast or transmit the live broadcast to link the website or record the shareholders' meeting live video and audio in order to protect the equity of the participants.

Article 11 Prior to any shareholder making a statement, the Chairperson shall specify the subject matter of the statement, the shareholder's account number (or attendance number) and the name of the account.

Any shareholder who has not yet spoken shall be deemed to have not spoken. If the content of the speech is inconsistent with the content of the speech article, the content of the speech shall prevail.

A shareholder who is a proxy and whose authority is limited by the power of attorney or by the method of Other shall not be bound to see to the notice of the Company to speak or vote by proxy.

When attending the shareholder's speech, except with the consent of the Chairperson and the shareholder who speaks, other shareholders shall not interfere with the speech, and the Chairperson shall stop anyone from violating this rule.

Article 12 The shareholder who gives a speech shall not exceed five minutes each time, but shall extend for three minutes if the Chairperson agrees.

Article 13 The speech of each shareholder in the same motion shall not exceed two times without the consent of the Chairperson. The Chairperson may stop the speech if the speech exceeds the time limit or is beyond the scope of the issue.

Article 14 If the subject is not a motion, it will not be discussed or voted on. When discussing a motion, the Chairperson shall give a full explanation and discussion opportunity for the motion and the amendments proposed by the shareholders or extempore motion. When the Chairperson believes that it has reached the extent to which the vote can be cast, he may announce the suspension of the discussion, submit the vote, and arrange the appropriate voting time.

Where a resolution has been announced to be discontinued, and where the Chairperson has declared that a vote is cast by way of a poll, the number of votes may be cast at the same time, but separate votes shall be cast.

Article 15 With the exception of the articles of association of Company Act and articles of the Company, the motion is approved by over half of the voting rights of the shareholders present.

Shareholders of the Company have one vote per share; The same does not apply, however, in cases where the person is restricted or does not have voting rights as provided in Paragraph 2, Article 179 of Company Act.

In accordance with Article 177-1 of the Company Act, shareholders who exercise their voting rights in writing or electronically are deemed to have attended Shareholders' Meeting in person. However, the person shall be deemed to have waived his rights with respect to the Shareholders' Meeting's extempore motion and the amendment or replacement of the original proposal.

Article 16 When a corporate shareholder appoints a representative of two or more to attend Shareholders' Meeting, the same motion may be proposed only by one person.

Article 17 After the shareholder makes the statement, the Chairperson may reply in person or appoint relevant personnel.

Shareholders who participate in the video-based meeting of the shareholders' meeting may ask questions in text on the video-based meeting platform of the shareholders' meeting after the Chairperson announces the meeting and before the announcement of adjournment. The number of questions for each motion shall not exceed two, the word count may not exceed 200, and the provisions of Articles 11 to 13 and 16 shall not apply to this rule.

If a question in the preceding paragraph does not violate the regulations or does not exceed the scope of the motion, the question should be disclosed on the shareholders' meeting video conference platform to be known.

Article 18 The scrutineer and vote-taking personnel shall be appointed by the Chairperson, and the scrutineer shall be a shareholder.

The vote counting operation of the shareholders' meeting voting or election shall be carried out in the public office of the shareholders' meeting, and after the completion of the vote counting, the voting or election results shall be announced on the spot, including the number of votes counted, the list of elected directors and their number of votes elected, and shall be recorded.

Shareholders who participated in the video conference shall, after the Chairperson announced the meeting, vote on each proposal and vote on the election proposal via the video conference platform.

The results shall be completed before the Chairperson announces the voting. Those who exceed the time limit shall be regarded as having abstained.

If a meeting is called by video conferencing, it be counted as a one-time vote after the Chairperson announces the closing of the vote as well as the voting and election results.

When the Company convenes a video shareholders' meeting, shareholders who have registered to attend shareholders' meeting by video in accordance with the provisions of Article 3, and who wish to attend the physical shareholders' meeting in person, the registration shall be revoked in the same manner as the registration two days before the shareholders' meeting. If the overdue period is revoked, they can only attend the shareholders' meeting via video conference.

If the voting rights are exercised in writing or electronically, and the expression of intent has not been revoked, and the participation in the shareholders' meeting by video conferencing is not allowed, except for extempore motion, to exercise voting rights for the original proposal or to propose amendments to the original proposal or to exercise voting rights for

amendments to the original proposal.

Article 19 In the event of irresistible circumstances, the Chairperson may decide to suspend the meeting temporarily and announce the date of adjournment as appropriate.

The shareholders' meeting resolution may, before the meeting agenda (including extempore motion) is closed, leave the meeting place to meet.

The shareholders' meeting may postpone or postpone the meeting within five days in accordance with Article 182 of Company Act.

Article 20 Where there is an amendment or substitution in the same motion, the Chairperson shall resolve the order in which he voted in the same motion. If one of the proposals is passed, other proposals will be considered as veto and will not be required to vote again.

Article 21 The Chairperson may direct the inspectors (or security officers) to assist in maintaining the order of the venue. Supervisors (or security personnel) who assist in maintaining order in the presence shall wear "security" writing or identification card.

Where the venue is equipped with sound amplification equipment, the Chairperson shall stop the shareholder from speaking on the equipment not equipped by the Company.

Where a shareholder violates the rules of procedure and fails to obey the Chairperson's correction, which prevents the conduct of the meeting and prevents the violation, the Chairperson may direct the supervisor or security officer to leave the meeting.

Article 22 The resolutions of Shareholders' Meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the Chairperson and distributed to each shareholder within 20 days after the meeting. The production and distribution of meeting minutes may be made electronically.

The distribution of the aforementioned meeting minutes may be entered into by the Company by way of an announcement made by the market observation post system.

The minutes of the meeting shall be recorded in accordance with the year, month, day, place, name of the Chairperson, resolution method, key points of the proceedings and voting results (including the weight of votes). When directors are elected, the number of votes received by each candidate shall be disclosed. During the continuance of the Company, it shall be preserved permanently.

If a video conference is convened by shareholders' meeting, the minutes shall be recorded in accordance with the provisions of the preceding paragraph, and the starting and ending time of the shareholders' meeting, the manner of the meeting, the names of the Chairperson and the minutes, and the treatment and handling of obstacles caused by natural disasters, events or force majeure.

When the Company convenes a video shareholders' meeting, it shall be handled in accordance with the provisions of the preceding paragraph, and it shall be specified in the minutes of the meeting, and the alternative measures provided by shareholders who have difficulties in participating in shareholders' meeting by video.

Article 23 The number of shares solicited by the person, the number of shares represented by the proxy and the number of shares present by the shareholder in writing or electronically, the Company shall be clearly revealed on the day of the shareholders' meeting in accordance with the statistical table in the prescribed format on the shareholders' meeting venue; The Company should upload the aforementioned information to the shareholders' meeting video conference platform at least 30 minutes before the meeting and continue to disclose it to the end of the meeting.

When announcing a shareholder meeting in the form of a video conference, the total number of shares of attending shareholders shall be disclosed on the video conference platform. The same shall apply if the total number of shares represented by shareholders present in the meeting as well as their voting rights.

For the shareholders' meeting resolution, if there is any material information required by laws and regulations or Taiwan Stock Exchange Corporation, the Company shall transmit the content to the Market Observation Post System within the prescribed time.

Article 24 If a video conference is held at shareholders' meeting, the Company shall immediately disclose the voting results and election results of each proposal on the shareholders' meeting video conference platform after the vote is closed in accordance with regulations, and shall continue to disclose them at least 15 minutes after the Chairperson announces adjournment.

Article 25 When the Company convenes a video shareholders' meeting, the Chairperson and recorder shall be at the same place in the country, and the Chairperson shall announce the address of the place at the time of the meeting.

Article 26 For those who convene a video conference, the Company may provide a simple connection test for shareholders before the meeting and provide related services immediately before and during the meeting to assist in handling technical issues in communication.

If the shareholders' meeting is held as a video conference, the Chairperson shall announce at the time of the announcement of the meeting a separate announcement that the video conference platform or participation in the video conference as stipulated in Paragraph 4, Article 44 of Regulations Governing the Administration of Shareholder Services of Public Companies does not need to be postponed or adjourned before the Chairperson announces adjournment, due to natural disasters, events, force majeure, or there are obstacles for the video conference platform or participation in the video conference. If it continues for over 30 minutes, the date of the postponed or adjourned meeting shall be within five days, and the provisions of Article 182 of Company Act shall not apply.

Shareholders who did not participate in the previous shareholders' meeting by video conference shall not participate in the postponement or renewal of the meeting due to the occurrence of the previous event.

In accordance with the provisions of the second paragraph, the shareholders who have registered to participate in the original shareholders' meeting and complete the registration of the video conference, and who do not participate in the postponement or renewal of the meeting, the number of shares present in the original shareholders' meeting, the voting rights exercised and the voting rights shall be included in the total number of shares of the shareholders present at the postponed or renewal meeting, the voting rights and the number of votes cast.

When the postponement or adjournment of the meeting of shareholders' meeting is postponed in accordance with the provisions of paragraph 2, there is no need to re-discuss and resolution for the proposals that have completed the voting and vote, and announced the voting results or the list of elected directors.

When the Company convenes a video conference to assist the shareholders' meeting, if it is impossible to renew the video conference in the second paragraph, after deducting the number of shares present in shareholders' meeting, the total number of shares present still reaches the statutory quota of shareholders' meeting, shareholders' meeting shall continue to do so without the need to postpone or postpone the conference in accordance with the second paragraph.



Shareholders who participate in the meeting by video conference shall be counted into the total number of shares of the shareholders present, but shall be deemed as having waived all the proposals of the shareholders' meeting.

The postponement or renewal of the assembly meeting of the Company in accordance with the second paragraph shall be processed in accordance with the original Shareholders' Meeting date and each section in accordance with the provisions of Paragraph 7, Article 44 of Regulations Governing the Administration of Shareholder Services of Public Companies.

Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies. The period set forth in the latter paragraph of Article 12, the third paragraph of Article 13, the second section of Article 44-5, Article 44-15 and Article 44-17 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies shall be extended or postponed in accordance with the second paragraph to the date of the shareholders' meeting for the assembly.

Article 27 When the Company convenes a video shareholders' meeting, it shall provide appropriate alternative measures to shareholders who have difficulties attending shareholders' meeting by video. In addition to the circumstances specified in Article 44-9, Item 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with at least the connection equipment and necessary assistance, and specify the period during which shareholders may apply to the Company and other matters that need attention.

Article 28 These rules, and any amendments hereto, have been adopted by shareholders' meeting.

These rules were formulated on March 25, 2002.

The 1st amendment was made on June 3, 2005.

The 2nd amendment was made on June 13, 2011.

The 3rd amendment was made on June 19, 2013.

The 4th amendment was made on July 22, 2021.

The 5th amendment was made on June 15, 2022.

The 6th amendment was made on June 15, 2023.

### 3. Procedures for Election of Directors

## **Nichidenbo Corporation Procedures for Election of Directors**

Passed by Annual Shareholders' Meeting on June 15, 2023

- Article 1 The election of the Company directors shall be conducted in accordance with these rules, unless otherwise provided by laws or the Articles of Association.
- Article 2 The election of the Company directors shall be conducted in accordance with the candidate nomination system procedures stipulated in Article 192-1 of Company Act.  
The election of the Company directors adopts the registered cumulative voting system. The name of the elected person may be replaced by the attendance certificate number printed on the elected vote. Unless otherwise stipulated or restricted by laws and regulations, each share has the same number of candidates as the number of candidates to be elected, and one person may be elected in a centralized manner or several persons may be distributed. The Company independent directors shall meet the requirements of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and “Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies”.
- Article 3 The Company independent directors and non-independent directors shall be elected by shareholders' meeting from the list of candidates, and the number of candidates shall be elected in accordance with Articles of Incorporation and the relevant announcements. According to the statistical results of electronic voting, voting on the video conference platform and voting, those who have received a higher number of voting rights will be elected as an independent director or a non-independent director in sequence. If over two persons are entitled to the same number of votes but over one person is entitled to the same number of votes, the lot shall be determined by the same person who has been entitled to the same number of votes, and the lot shall be determined by the Chairperson who has not attended or has not attended the meeting.
- Article 4 The right to convene a meeting shall prepare ballots equal to the number of votes cast on the directors to be elected and distribute them to the shareholders present at shareholders' meeting, who shall exercise their voting rights electronically or cast their votes through the video conference platform, and shall not produce another ballots to be cast.
- Article 5 Prior to the commencement of the election, the Chairperson shall designate a scrutineer who is a shareholder and a number of vote counters each to perform the relevant duties.
- Article 6 The voting box for the election shall be prepared by the person in charge, and shall be examined by the scrutineer when voting.
- Article 7 The votes of directors are counted separately according to the votes of independent directors and non-independent directors.
- Article 8 Any of the following circumstances shall not invalidate the votes cast:  
(1) No ballots prepared by the convocation agent will be used.  
(2) Those who cast their ballots in blank into the box.  
(3) Where the handwriting is blurred and cannot be identified or modified.  
(4) The nominated candidates are inconsistent with the list of candidates for directors.  
(5) In addition to filling in the number of voting rights, and other words are written.

- (6) If the same person elects to fill in two or more candidates.
- (7) If the total number of votes cast by the person elected exceeds the total number of votes held by the person elected.
- (8) If the number of elected people exceeds the number of persons to be elected.
- (9) Tickets not put in the box.
- (10) Other acts that violate laws, regulations, the Articles of Association and relevant regulations.

Article 9 An invoice shall be issued on the spot after the voting is completed. The invoicing results shall be announced by the Chairperson or the driver on the spot, including the elected list of directors and the number of their elected votes.

The ballots cast for the election in the preceding paragraph shall be sealed and signed by the scrutineer and shall be properly kept for at least one year. However, if a shareholder files a litigation in accordance with Article 189 of Company Act, the case shall be preserved until the end of litigation.

Article 10 The elected directors shall be voted by a notice of election given by the Company board of directors.

Article 11 These measures shall be implemented after being approved by the shareholders' meeting, and the same shall apply to any amendment.

These measures were established on July 22, 2021.

The 1st amendment was made on June 15, 2023.

#### 4. Number of Shares Held by Directors

Job Title	Name	Date Elected	Shares held on the book closure date (Note 1)
Chairperson	Chou Wei Lin	2021.7.22	3,220,000 (Note 2)
Vice Chairperson	Lee Kun Chan	2021.7.22	1,730,532
Director	Zong Xin Investment Co., Ltd.	2021.7.22	5,630,000
	Representative: Huang Pei Ching	2023.12.20	0
Director	Yu Yao Kuo	2021.7.22	324,548
Director	Hou Chin Hwa	2021.7.22	428,215
Director	Hung Chin Han	2021.7.22	500,674
Director	Civic Textile Co., Ltd.	2021.7.22	197,000
	Representative: Tsai Yu Chin		0
Independent Director	Yen Kuo Lung	2021.7.22	0
Independent Director	Su Ming Yang	2021.7.22	0
Independent Director	Hsu Hsou Chun	2021.7.22	0
Independent Director	Wu Chia Hsun	2023.6.15	0
Total shares of directors (excluding independent)		-	12,030,969
Total shares of independent directors		-	0
Total shares of directors and independent directors		-	5.66%

Note 1: The last transfer date of Annual Shareholders' Meeting is April 26, 2024, and the book closure period is from April 27, 2024 to June 25, 2024. Total shares issued as of April 27, 2024 is 212,657,150.

Note 2: A total of 1,500,000 shares of Chairperson Chou Wei-Lin's trust account have been added.

Note 3: According to Article 26 of the Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, minimum shares held by all directors excluding independent directors should be 12,000,000.