



Stock Code: 3557

# Jia Wei Lifestyle, Inc.

2024 Annual Meeting of Shareholders

Handbook

Time: 9 a.m., Monday, May 27, 2024

Venue: Cai-Feng Hall, 4F, SILKS PLACE Tainan, No. 1, Heyi Rd., West Central Dist.,  
Tainan City

Convening Method: Physical Shareholders' Meeting

Jia Wei Lifestyle, Inc.  
Handbook of 2024 Annual Meeting of Shareholders  
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# Jia Wei Lifestyle, Inc.

## Procedures and Agenda for the 2024 Annual Meeting of Shareholders

Time: 9 a.m., Monday, May 27, 2024

Venue: Cai-Feng Hall, 4F, SILKS PLACE Tainan, No. 1, Heyi Rd., West Central Dist., Tainan City

Convening Method: Physical Shareholders' Meeting

I. Call the Meeting to Order

II. Chairperson Takes Chair

III. Chairperson Remarks

IV. Management Presentations

(I) 2023 Business Report

(II) Report on Audit Committee's Review and Communication with Internal Audit Director

(III) Report on Revision of "Rules of Procedure for the Board of Directors"

(IV) Report on Distribution of Remuneration for Employees and Directors of 2023

(V) Report on Directors' Remuneration of 2023

(VI) Other Management Presentations

V. Proposals

(I) Proposal for 2023 Business Report and Financial Statements

(II) Proposal for 2023 Earnings Distribution

VI. Election

(I) Election of 1 Independent Director of the 8<sup>th</sup> Term

VII. Other Items

(I) Proposal for the Removal of the Non-Compete Clause for Directors and Their Proxies

VIII. Questions and Motions

IX. Adjournment

## Management Presentations

- I. 2023 Business Report (Please refer to pages 7 to 9, Attachment I of the Handbook).
- II. Submit report on Audit Committee's review and communication with internal audit director for deliberation.
  - (1) The Company's 2023 Financial Statements have been reviewed by the Audit Committee and approved by the Board of Director. We hereby entrust independent auditors CPA Calvin Chen and CPA Fangwen Lee of EY Taiwan to audit and certify the report, and issue a written audit report in accordance with Company Act and Securities and Exchange Act.
  - (2) Audit Committee's Review Report (Please refer to page 31, Attachment III of the Handbook).
  - (3) Report on Audit Committee's review and communication with internal audit director. (Please refer to page 32, Attachment III of the Handbook).
- III. Report on Revision of "Rules of Procedure for the Board of Directors"

The Company amended the rules in accordance with related laws and regulations. The comparison table of amended articles are provided in the Attachments (Please refer to page 33, Attachment IV of the Handbook).
- IV. Report on Distribution of Remuneration for Employees and Directors of 2023:

The distribution of remuneration of employees and Directors of the Company for 2023 was approved by the Remuneration Committee, Audit Committee and Board of Directors on March 8, 2024. According to Ernst & Young's audit, the profit before tax after the distribution of remuneration of employees and Directors was NT\$534,099,978. 4% was allocated for employees at NT\$21,363,999, and 4% was allocated for Directors at NT\$21,363,999 in cash (please refer to page 35 of Attachment V of the Handbook).
- V. Report on Directors' Remuneration of 2023
  - (1) The Company's policy, system, standard, and structure of remuneration to Independent Directors, and the correlation between duties, risk, and time input with the amount of remuneration:
    - A. The Company's policy, system, standard, and structure of remuneration:
      - (a) According to Articles of Incorporation: The Company shall pay remuneration to the Directors provided they have performed their duties, regardless of the Company's profit and loss, and their remuneration shall be determined depending on their participation in the Company's operation and their distribution values, and shall not be higher than the highest salary standard of the same industry. Additionally, if there is any profit in the year (i.e. profit before tax before deduction of remuneration allocated to employees and Directors), Jia Wei shall allocate no higher than 5% of the profit as Directors' remuneration.
      - (b) Independent Directors and Directors who do not concurrently serve as managers: They receive fixed compensation on a monthly basis, regardless of the Company's operating profit or loss, and are not involved in the distribution of Director remuneration.
      - (c) Directors who concurrently serve as managers: According to the "Managers

Remuneration Management Measures" of the Company, remuneration includes salary, bonuses, and employee benefits. Salaries are determined based on the individual's education and experience, professional capabilities, responsibilities, level of involvement in the Company's operations, and contributions, in accordance with the Company's salary range for respective positions and levels. Additionally, in accordance with the company's Articles of Incorporation, if the Company generates profits in a fiscal year, a minimum of 3% will be allocated for employee benefits. Bonuses and employee benefits for managers are determined based on individual performance achievements, and the basis for remuneration distribution calculations includes financial indicators (such as revenue achievement, gross profit contribution, cost reduction rate, development of environmentally friendly products, and new market expansion) and non-financial indicators (implementation of sustainable corporate responsibility projects, talent development, employee retention plans, quality and risk management, compliance of the law, etc.).

(d) The remuneration for Directors and managers undergoes careful evaluation and is subject to review by the Remuneration Committee and approval by the Board of Directors.

B. Correlation between operational performance and future risks:

(a) The aforementioned remuneration takes into full consideration the Directors' professional capabilities, level of involvement in operations, responsibilities, as well as the Company's operational objectives and financial condition.

(b) The Company makes significant operational decisions after weighing various risk factors. The performance of these decisions is reflected in the profitability, thereby influencing the remuneration of Directors and managers.

C. The individual breakdown of remuneration for Directors. (Please refer to pages 36 to 37, Attachment VI of the Handbook).

VI. Other Management Presentations:

(1) On May 29, 2023, the Company passed a resolution at the regular shareholders' meeting to amend the Company's Articles of Incorporation, authorizing the Board of Directors to distribute cash dividends at the end of each fiscal year. The amount and date of the cash dividends for each fiscal year of 2023 resolved by the Board of Directors of the Company are as follows:

Unit: NT\$

Year	Board of Directors Meeting	Dividend per share	Total Amount
2023	March 8, 2024	3.00	240,901,245
<b>Total</b>		<b>3.00</b>	<b>240,901,245</b>

(2) With the exception of proposals passed in the 15th meeting of the 8th term of Board of Directors on March 8, 2024 to nominate the candidates for Independent Director, the Company did not receive any nomination for Independent Director or any proposal from shareholders from March 23, 2024 to April 1, 2024.

## Proposals

### Proposal 1

**Proposed by the Board**

Cause: Submit the Proposal for 2023 Business Report and Financial Statements for deliberation.

Note: I. The Company's 2023 Business Report and Financial Statements have been reviewed by the Audit Committee and approved by the Board, and the Parent Company Only Financial Statements and Consolidated Financial Statements audited by independent auditors, CPA Calvin Chen and CPA Fangwen Lee of EY Taiwan, accompanied by the audit report with unqualified opinions.

II. The aforementioned Business Report, Parent Company Only Financial Statement, Consolidated Financial Statement and Audit Committee's Review Report (Please refer to Attachments I to III on pages 7 to 30 of the Handbook).

III. Submitted for proposal.

Resolutions:

### Proposal 2

**Proposed by the Board**

Cause: Ratification of the 2023 Earnings Distribution Proposal.

Note: I. The Company's 2023 Earnings Distribution Proposal was passed in resolutions of the Audit Committee and the meeting of the Board of Directors (Please refer to page 38, Attachment VII of the Handbook).

II. Submitted for proposal.

Resolutions:

## Election

### Proposal 1

**Proposed by the Board**

Cause: Election of 1 Independent Director of the 8th Term is submitted for voting.

Note: I. Due to a vacancy among the Independent Directors, the Company proposes to elect one Independent Director in accordance with relevant laws and the Company's Articles of Incorporation. The elected individual will assume office from the date of election at this shareholders' meeting and serve a term from May 27, 2024 to May 30, 2025.

II. Furthermore, in accordance with Article 192-1 of the Company Law and Article 13 of the Company's Articles of Incorporation, the Company adopts the candidate nomination system for election of the Directors and Independent Directors. Upon the announcement of the nomination period for Independent Director candidates and the number of positions available, as legally stipulated, except for the list of candidates for Independent Director proposed by the Company's Board of Directors, no other shareholders have nominated candidates for Independent Directors.

III. List of Independent Director Candidates. (Please refer to page 39, Attachment VIII of the Handbook).

IV. Submitted for election.

Election result:

## **Other Proposals**

### **Proposal 1**

**Proposed by the Board**

Cause: Proposal for the Removal of the Non-Compete Clause for Directors and Their Proxies

- Note: I. Handled pursuant to Article 209 of the Company Act, a Director who does anything for himself/herself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. If the Company's Directors and their representatives also invest in and act as the Directors of other companies that have the same or similar business scope as the Company, they shall submit this matter to the Shareholders' Meeting for approval according to the law. The prohibitions on Directors and their representatives from participating in competitive business shall be released upon their appointment as Directors or managers of other companies.
- III. Concurrent Posts of Directors and Their Proxies (Please refer to page 40, Attachment IX of the Handbook).
- IV. Submitted for discussion.

Resolutions:

## **Questions and Motions**

## **Adjournment**

## **Attachments**



## Jia Wei Lifestyle, Inc.

### 2023 Business Report

#### Business Results of the Previous Year

##### Business Plan Implementation Results and Budget Execution:

In 2023, JiaWei encountered several challenges in its primary market, the United States. These challenges included the impact of rising inflation and interest rates, which reduced consumer purchasing power. Additionally, customers adopted more conservative inventory procurement policies, leading to a slowdown in sales. To address these market conditions, JiaWei introduced competitively priced products to stimulate demand.

Despite these adverse effects, JiaWei managed to leverage its years of market experience and stabilize raw material prices. Consequently, the Company witnessed a counter-trend increase in gross profit margins. Operating profit margins and net profit margins were also maintained at a certain level. However, the decrease in revenue still had an impact on the overall profitability performance.

##### Financial Income and Expenditure:

Unit: NT\$ thousand

Item		Year		Amount of increase/decrease	Percentage of change (%)
		2023	2022		
Financial revenue and expenditure	Net operating revenue	4,752,422	5,621,206	(868,784)	(15.46)
	Operating costs	2,916,970	3,604,763	(687,793)	(19.08)
	Net income (loss) before tax	502,048	725,630	(223,582)	(30.81)
	Net income (loss)	386,413	564,757	(178,344)	(31.58)
	Total comprehensive income for the period	363,889	602,287	(238,398)	(39.58)

##### Profitability:

Item		Year	
		2023	2022
Profitability	Gross profit margin (%)	38.62	35.87
	Operating profit margin (%)	10.78	11.90
	Return on equity (%)	16.25	24.16
	Ratio of pretax income to paid-up capital (%)	62.52	90.36
	Net profit margin (%)	8.13	10.04
	Earnings per share (NT\$)	4.81	7.03

Financial revenue and expenditure analysis and explanation of reason for profitability changes:

In 2023, factors such as inflationary pressure, a reduction in the purchasing power of consumer, conservative buying policy adopted by customers, and currency depreciation of the US dollar resulted in a simultaneous reduction in exchange gains. Despite the rebound in gross profit margins and comparable operating net profit margins to the previous year, the decline in revenue continued to impact the overall profit performance.

Research and Development:

Unit: NT\$ thousand

Item	2023	2022	In 2023, the Company continued to design trendy and aesthetically-pleasing houseware products by launching a variety of functional, fun and ingenious brand kitchenware, and by developing environmentally friendly raw materials and products that combine different materials to maintain its leading position as the pioneer in the industry.
Research and development expenses	139,763	106,327	
Turnover	4,752,422	5,621,206	
Ratio of R&D expenses to operating revenue (%)	2.94%	1.89%	

**Summary of Business Plan of This Year**

Business Strategy:

With the transformation of the global economy, the manufacture-centered economy is moving towards service economy, knowledge economy, creative economy, and eventually experience economy. The competitive edge of an industry does not depend solely on land, capital or labor, but the integration of knowledge, creativity, culture and character. Design is about more than design but something that connects life and culture, and the imagination about the relationship between design and life has also become more complex and diversified, contributing to changes in the "meaning of life and the value of consumption."

The houseware product industry is deeply intertwined with the population and economy, as well as a reflection of culture. We aim to enhance the quality of houseware products that bring positive experience in terms of sight and touch, while combining an elegant home environment with a refined taste that encourages a lifestyle centered on enjoyment.

Looking ahead to year 2024, external markets are expected to witness gradual clearance of excess inventory after the painful period of inventory adjustments. Major customers hold optimistic outlooks for the future retail market. Internally, JiaWei possesses leading design capabilities in the industry and offers key advantages in providing customers with end-to-end services from design, production, shipping, to localization. In addition to steady growth in existing tableware products, market penetration of kitchenware products is increasing year by year. Furthermore, the Company aims to increase customer retention by expanding operations in the United States and Vietnam, establishing physical logistics and diversified online marketing, and enhancing our service quality. Moreover, amidst the global ESG net-zero trend and escalating environmental protection and carbon reduction issues, there's a growing demand for eco-friendly products. Since 2019, JiaWei has introduced R-PET materials with circular economy benefits, leveraging industry-leading manufacturing processes and breakthroughs in R-PET production technology. Products have evolved from single-colored to printed

decals, enabling excellent design aesthetics to be fully presented in eco-friendly materials, meeting market and customer demands. The usage of R-PET is growing annually, becoming a new mainstream in the market. In summary, the overall momentum for growth will continue, bringing operational growth to customers and the Company itself, and tangible progress in sustainable operations can be expected.

Expected Sales Volume and Basis:

The sales volume is based on the market demand and the orders the Company receives.

Significant production and sales policies:

The Company shall integrate operations, production and sales information and systems to meet the requirements for global multi-site business operations in the future, optimize the operation foundation, and consolidate strength for medium and long-term development.

**The company's future development strategy, and the effect of external competition, the legal environment, and the overall business environment.**

The Company shall collect and pay attention to relevant information on changes in the external competitive environment, regulatory environment and overall operating environment at all times, and quickly develop necessary response measures to meet the Company's operational development needs.

In the future, all employees of the Company will continue to be diligent and conscientious while striving to enhance the Company's competitiveness.

We aim to become an enterprise with sustainable operations and reward our shareholders with more profits.

Thank you again for your continuous support for the Company throughout the year!

Person in Charge: Jacky Huang

Manager: David Wu

Chief Accountant: Kelly Ko

## Independent Auditors' Report

To Jia Wei Lifestyle, Inc.

### Opinion

We have audited the accompanying consolidated balance sheets of Jia Wei Lifestyle, Inc. (the "Company") and its subsidiaries as of 31 December 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2023 and 2022, and their consolidated financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

## 1. Revenue Recognition

The main source of income for the Company and its subsidiaries is the sale of household goods. The Company recognized by the Company amounted to \$4,752,422 thousand. Since the products are mainly for overseas companies and shipped by sea, the income is recognized when the ownership and control of the promised goods are transferred to the customer and the performance obligation is fulfilled., and Therefore, we determined this a key audit matter.

Our audit procedures included (but were not limited to), understanding and testing the effectiveness of internal control in the sales cycle at the time of revenue recognition, selecting samples (including the newly added top ten customers in this period) to perform test of control, selecting samples to perform test of details, such as check sales orders, finished product delivery orders, sales invoices, export declarations and subsequent payments, etc., including checking whether the sales was appropriately recognized and the recipient of the payment is the same company, performing cut-off tests before and after the balance sheet date, performing analytical procedures on monthly sales revenue and gross profit margin. We also considered the appropriateness of disclosures of operating revenues in Notes 4.(18) and 6.(14) to the consolidated financial statements.

## 2. Loss allowance for accounts receivables

As of 31 December 2023, the Company and its subsidiaries' accounts receivable and loss allowance amounted to \$1,033,508 thousand and \$78,492 thousand, respectively. The net account receivable accounted for 19% of the total assets. Since the amount of allowance for receivables is measured by the lifetime expected credit loss, the measurement process must appropriately group the account receivables and determine the use of relevant assumptions in the analytical and measurement procedures, including the appropriate accounting aging schedule and the loss rate of each accounting aging interval. The measurement of expected credit losses involved judgment, analysis and estimation, while the measurement results would affect the net amount of accounts receivable, we therefore considered this a key audit matter.

Our audit procedures included (but not limited to) analyzing the appropriateness of the grouping method of accounts receivable; understanding the appropriateness of the management's provision of allowances for bad debts; testing the provision matrix the Company and its subsidiaries adopted, including assessing whether the aging interval is reasonably determined; testing the statistical information related to the average loss rate based on the monthly roll rate, and assessing its reasonableness; selecting samples to perform test the correctness of the aging; selecting samples to check the collection situation after the period of accounts receivable and assessing the recoverability. We also considered the appropriateness of the disclosure of the expected credit impairment loss of accounts receivable in Notes 4. (8), 5. (3) and 6. (15) of the consolidated financial statements.

### 3. Impairment Loss for Intangible Assets (Including Goodwill)

The Company and its subsidiaries' goodwill amounted to \$845,283 thousand as of 31 December 2023, as a result of goodwill arising from the acquisition. The goodwill accounted for 17% of the total assets, and the impairment assessment is based on management's assessment and involves assumptions such as accounting estimates. Therefore, we considered this a key audit matter.

Our audit procedures included (but not limited to), evaluating the management's assessment approaches and assumptions of value in use; involving internal expert to assist us in evaluating the reasonableness of key assumptions used by management such as discount rates, involving internal expert to assist us in evaluating the reasonableness of key components of discount rates such as cost of equity, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their model such as gross margin, growth rates, and the expected future market and economic conditions; comparing the actual financials to date with previously forecast financials and analyzing the Company's historical data and performance to assess the reasonableness of the cash flow forecast. We also considered the appropriateness of the impairment assessment of goodwill in Notes 4. (16), 5. (4) and 6. (22) of the consolidated financial statements.

### **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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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.

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 internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.



## **Others**

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended 31 December 2023 and 2022.

Chen, Cheng-Chu

Lee, Fang-Wen

Ernst & Young, Taiwan

8 March 2024

## **Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of Consolidated Financial Statements Originally issued in Chinese

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Assets	Notes	31 December 2023		31 December 2022		Liabilities and Equity	Notes	31 December 2023		31 December 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	4,6(1),12	\$523,635	10	\$391,499	8	Short-term loans	6(7),12	\$1,541,310	30	\$1,332,313	28
Accounts receivable, net	4,6(2)(15),12	955,016	19	1,011,577	22	Short-term notes payable	6(8),12	14,963	0	44,991	1
Other receivables	4,12	14,333	0	39,283	1	Contract liabilities, current	4,6(14)	11,009	0	12,648	0
Inventories	4,6(3)	885,986	18	1,098,502	23	Accounts payable	12	240,686	4	121,610	3
Prepayments	6(4)	79,798	2	69,301	1	Other payables	6(10),12	359,291	7	347,138	7
Other financial assets, current	8,12	42,100	1	131,801	3	Current tax liabilities	4,6(20)	84,835	2	131,145	3
Other current assets, current		-	-	353	0	Provisions	4,6(12)	63,332	1	47,577	1
<b>Total current assets</b>		<b>2,500,868</b>	<b>50</b>	<b>2,742,316</b>	<b>58</b>	Lease liabilities-Current	4,6(16)	25,629	1	19,808	0
						Current portion of long-term loans	6(9)	80,000	2	60,000	1
						Other current liabilities		15,353	0	13,580	0
<b>Non-current assets</b>						<b>Total current liabilities</b>		<b>2,436,408</b>	<b>47</b>	<b>2,130,810</b>	<b>44</b>
Property, plant and equipment	4,6(5),8	951,526	19	827,574	17						
Right-of-use assets	4,6(16)	403,886	8	94,334	2	<b>Non-current liabilities</b>					
Intangible assets	4,6(6),6(22)	1,002,777	20	1,029,176	21	Long-term loans	6(9)	130,390	3	230,390	5
Deferred tax assets	4,6(20)	133,301	3	90,367	2	Deferred tax liabilities	4,6(20)	2,994	0	6,730	0
Refundable deposits	12	15,530	0	7,417	0	Lease liabilities-Non current	4,6(16)	79,343	2	26,256	1
Other non-current assets		868	0	236	0	<b>Total non-current liabilities</b>		<b>212,727</b>	<b>5</b>	<b>263,376</b>	<b>6</b>
<b>Total non-current assets</b>		<b>2,507,888</b>	<b>50</b>	<b>2,049,104</b>	<b>42</b>	<b>Total liabilities</b>		<b>2,649,135</b>	<b>52</b>	<b>2,394,186</b>	<b>50</b>
						<b>Equity attributable to the parent company</b>	6(13)				
						Capital					
						Common stock		803,004	16	803,004	17
						Additional paid-in capital		682,138	14	682,138	14
						Retained earnings					
						Legal reserve		203,202	4	179,454	4
						Special reserve		-	-	-	-
						Undistributed earnings		684,338	14	723,175	15
						<b>Total retained earnings</b>		<b>887,540</b>	<b>18</b>	<b>902,629</b>	<b>19</b>
						Other equity		(13,061)	(0)	9,463	0
						<b>Total equity</b>		<b>2,359,621</b>	<b>48</b>	<b>2,397,234</b>	<b>50</b>
<b>Total assets</b>		<b>\$5,008,756</b>	<b>100</b>	<b>\$4,791,420</b>	<b>100</b>	<b>Total liabilities and equity</b>		<b>\$5,008,756</b>	<b>100</b>	<b>\$4,791,420</b>	<b>100</b>

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

English translation of Consolidated Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Items	Notes	2023		2022	
		Amount	%	Amount	%
Operating Revenues	4,6(14)	\$4,752,422	100	\$5,621,206	100
Operating costs	4,6(3)	(2,916,970)	(61)	(3,604,763)	(64)
Gross profit		1,835,452	39	2,016,443	36
Operating expenses					
Sales and marketing expenses	6(17)	(787,096)	(17)	(835,925)	(15)
General and administrative expenses	6(17)	(364,529)	(8)	(410,270)	(7)
Research and development expenses	6(17)	(139,763)	(3)	(106,327)	(2)
Expected credit impairment (losses) gains	4,6(15)	(31,725)	(1)	5,249	0
Subtotal		(1,323,113)	(29)	(1,347,273)	(24)
Operating income		512,339	10	669,170	12
Non-operating income and expenses	6(18)				
Interest income		4,614	0	2,165	0
Other income		13,775	0	28,024	0
Other gains and (losses)		28,248	1	71,582	1
Finance costs		(56,928)	(1)	(45,311)	(0)
Subtotal		(10,291)	0	56,460	1
Income from continuing operations before income tax		502,048	10	725,630	13
Income tax (expense)	4,6(20)	(115,635)	(2)	(160,873)	(3)
Profit from continuing operations		386,413	8	564,757	10
Net income		386,413	8	564,757	10
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	4,6(19)	(28,156)	(1)	46,912	1
Income tax related to items that may be reclassified subsequently	4,6(19)	5,632	0	(9,382)	0
Subtotal		(22,524)	(1)	37,530	1
Total comprehensive income		\$363,889	7	\$602,287	11
Net income attributable to:					
Stockholders of the parent		386,413	8	564,757	10
Non-controlling interests		-	-	-	-
		\$386,413	8	\$564,757	10
Comprehensive income attributable to:					
Stockholders of the parent		363,889	7	602,287	11
Non-controlling interests		-	-	-	-
		\$363,889	7	\$602,287	11
Earnings per share (NTD)	4,6(21)				
Earnings per share-basic		\$4.81		\$7.03	
Earnings per share-diluted		\$4.79		\$6.98	

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

English translation of Consolidated Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Items	Equity Attributable to the Parent Company						Total	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Equity		
			Legal Reserve	Special Reserve	Undistributed Earnings	Exchange Differences on Translation of Foreign Operations		
Balance as of 1 January 2022	\$803,004	\$682,138	\$124,150	\$37,984	\$657,541	(\$28,067)	\$2,276,750	\$2,276,750
Legal reserve	-	-	55,304	-	(55,304)	-	-	-
Cash dividends	-	-	-	-	(481,803)	-	(481,803)	(481,803)
Reversal of special reserve	-	-	-	(37,984)	37,984	-	-	-
Net income for the year ended 31 December 2022	-	-	-	-	564,757	-	564,757	564,757
Other comprehensive income, net of tax for the year ended 31 December 2022	-	-	-	-	-	37,530	37,530	37,530
Total comprehensive income	-	-	-	-	564,757	37,530	602,287	602,287
Balance as of 31 December 2022	\$803,004	\$682,138	\$179,454	-	\$723,175	\$9,463	\$2,397,234	\$2,397,234
Balance as of 1 January 2023	\$803,004	\$682,138	\$179,454	-	\$723,175	\$9,463	\$2,397,234	\$2,397,234
Legal reserve	-	-	23,748	-	(23,748)	-	-	-
Cash dividends	-	-	-	-	(401,502)	-	(401,502)	(401,502)
Net income for the year ended 31 December 2023	-	-	-	-	386,413	-	386,413	386,413
Other comprehensive income, net of tax for the year ended 31 December 2023	-	-	-	-	-	(22,524)	(22,524)	(22,524)
Total comprehensive income	-	-	-	-	386,413	(22,524)	363,889	363,889
Balance as of 31 December 2023	\$803,004	\$682,138	\$203,202	-	\$684,338	\$(13,061)	\$2,359,621	\$2,359,621

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

English translation of Consolidated Financial Statements originally issued in Chinese  
JIA WEI LIFESTYLE, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended 31 December 2023 and 2022  
(Amounts in thousands of New Taiwan Dollars)

Items	2023	2022
<b>Cash flows from operating activities:</b>		
Net income before tax	\$502,048	\$725,630
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments :		
Depreciation	94,271	87,017
Amortization	26,664	39,391
Expected credit impairment loss (gain)	31,725	(5,249)
Interest expense	56,928	45,311
Interest income	(4,614)	(2,165)
Loss on disposal of property, plant and equipment	1,197	2,030
Loss on inventory valuation and obsolescence	20,327	36,477
Changes in operating assets and liabilities:		
Accounts receivables	25,022	(25,636)
Other receivables	24,919	(33,622)
Inventories	193,416	138,927
Prepayments	(10,497)	40,461
Other current assets	353	(353)
Contract liabilities	(1,639)	(5,084)
Accounts payables	119,076	(91,186)
Other payables	9,093	(24,288)
Provisions	15,755	25,057
Other current liabilities	1,773	8,597
Cash generated from operations	<u>1,105,817</u>	<u>961,315</u>
Interest received	4,645	2,084
Income tax paid	<u>(202,983)</u>	<u>(23,037)</u>
Net cash provided by operating activities	<u>907,479</u>	<u>940,362</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(202,006)	(16,836)
Disposal of property, plant and equipment	-	70
(Increase) Decrease in refundable deposits	(8,113)	926
Acquisition of intangible assets	(36)	(2,199)
Acquisition of right-of-use assets	(255,824)	-
Decrease in Other financial assets	89,701	238,489
(Increase) Decrease in Other non-current assets	(632)	3,076
Net cash (used in) provided by investing activities	<u>(376,910)</u>	<u>223,526</u>
<b>Cash flows from financing activities:</b>		
Increase (Decrease) in short-term loans	208,997	(37,241)
Increase in short-term notes and bills payable	300,516	256,991
(Decrease) in short-term notes and bills payable	(330,544)	(212,000)
Repayments of long-term loans	(80,000)	(426,455)
Cash payments for the principal portion of the lease liability	(25,748)	(22,433)
Cash dividends	(401,502)	(481,803)
Interest paid	(53,868)	(64,477)
Net cash (used in) financing activities	<u>(382,149)</u>	<u>(987,418)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(16,284)</u>	<u>21,289</u>
Net Increase in cash and cash equivalents	132,136	197,759
Cash and cash equivalents at beginning of year	<u>391,499</u>	<u>193,740</u>
Cash and cash equivalents at end of year	<u>\$523,635</u>	<u>\$391,499</u>

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

# Independent Auditors' Report

To Jia Wei Lifestyle, Inc.

## Opinion

We have audited the accompanying parent company only balance sheets of Jia Wei Lifestyle, Inc. (the "Company") and as of 31 December 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2023 and 2022, and their parent company only financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of 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 Statements 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 Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 1. Revenue Recognition

The main source of revenue for the Company is the sale of household goods and recognized by the Company amounted to \$4,562,431 thousand. Since the products are mainly for overseas companies and shipped by sea, the revenue is recognized when the ownership and control of the promised goods are transferred to the customer and the performance obligation is fulfilled, we therefore considered this a key audit matter.

Our audit procedures included (but were not limited to), understanding and testing the effectiveness of internal control in the sales cycle at the time of revenue recognition, selecting samples (including the newly added top ten customers in this period) to perform test of control, selecting samples to perform test of details, such as check sales orders, finished product delivery orders, sales invoices, export declarations and subsequent payments, etc., including checking whether the sales was appropriately recognized and the recipient of the payment is the same company, performing cut-off tests before and after the balance sheet date, performing analytical procedures on sales products, regions, monthly sales revenue and gross profit margin. We also considered the appropriateness of disclosures of operating revenue in Notes 4.(17) and 6.(14) to the parent company only financial statements.

## 2. Loss allowance for accounts receivable

As of 31 December 2023, the Company's accounts receivable and loss allowance amounted to \$960,815 thousand and \$8,939 thousand, respectively. The net accounts receivable accounted for 19% of the total assets. Since the loss allowance for receivables is measured by the lifetime expected credit loss, the measurement process must appropriately group the account receivables and determine the use of relevant assumptions in the analytical and measurement procedures, including the appropriate accounting aging schedule and the loss rate of each aging interval. The measurement of expected credit losses involved judgment, analysis and estimation, while the measurement results would affect the net amount of accounts receivable, we therefore considered this a key audit matter.

Our audit procedures included (but not limited to) analyzing the appropriateness of the grouping method of accounts receivable; understanding the appropriateness of the management's provision of allowances for bad debts; testing the provision matrix the Company and its subsidiaries adopted, including assessing whether the aging interval is reasonably determined; testing the statistical information related to the average loss rate based on the monthly roll rate, and assessing its reasonableness; selecting samples to perform test the correctness of the aging; selecting samples to check the collection situation after the period of accounts receivable and assessing the recoverability. We also considered the appropriateness of the disclosures regarding the expected credit impairment loss of accounts receivable in Notes 4.(7), 5.(2) and

6.(15) of the parent company only financial statements.

3. Impairment assessment of investments accounted for using equity method

As of 31 December 2023, the reinvestment amount was material and goodwill was generated with the reinvestment. While the amount was material using the equity method, impairment assessment was based on the assessment of management, which also involved accounting assumptions, we therefore considered this a key Audit matter.

Our audit procedures included (but not limited to), understanding and evaluating the rationality of the management's basis and procedures for assessing the impairment of the asset, including analyzing the sales model and regions involved; evaluating the management's assessment approaches and assumptions of value in use; involving internal expert to assist us in evaluating the reasonableness of key assumptions used by management such as discount rates, involving internal expert to assist us in evaluating the reasonableness of key components of discount rates such as cost of equity, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their model such as gross margin, growth rates, and the expected future market and economic conditions; comparing the actual financials to date with previously forecast financials and analyzing the Company's historical data and performance to assess the reasonableness of the cash flow forecast. We also considered the appropriateness of disclosures of investments accounted for using equity method in Notes 4.(11), 5.(3) and 6.(5) to the parent company only financial statements.

**Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Chen,Cheng-Chu

Lee,Fang-Wen

Ernst & Young, Taiwan

8 March 2024

**Notice to Readers**

The accompanying parent company only financial statements are intended only to present the parent company only financial position, results of operations 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 review such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management , Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	31 December 2023		31 December 2022	
		Amount	%	Amount	%
<b>Current assets</b>					
Cash and cash equivalents	4,6(1),12	\$424,003	9	\$313,028	6
Accounts receivable, net	4,6(2),12	867,224	17	914,111	19
Accounts receivable-related parties, net	4,6(2),7	84,652	2	115,520	2
Other receivables	4,12	10,325	0	35,757	1
Other receivables-related parties	7,12	581,319	11	663,361	14
Inventories	4,6(3)	8,273	0	709	0
Prepayments	4,6(4),7	72,812	2	137,069	3
Other financial assets, current	8,12	42,100	1	131,801	3
Other current assets, current		-	-	297	0
Total current assets		2,090,708	42	2,311,653	48
<b>Non-current assets</b>					
Investments accounted for under the equity method	4,6(5)	2,758,072	56	2,528,864	51
Property, plant and equipment	4,6(6)	11,850	0	7,820	0
Right-of-use assets	4,6(16)	18,802	0	4,872	0
Deferred tax assets	4,6(20)	98,729	2	55,789	1
Refundable deposits	12	3,040	0	2,675	0
Other non - current assets		222	0	222	0
Total non - current assets		2,890,715	58	2,600,242	52
<b>Total Assets</b>					
		\$4,981,423	100	\$4,911,895	100

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

English Translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	31 December 2023		31 December 2022	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	6(8),8	\$1,299,632	26	\$1,332,313	27
Short-term notes payable	6(9)	14,963	0	44,991	1
Contract liabilities- current	4,6(14)	10,178	0	12,648	0
Accounts payable	12	2,174	0	7,169	0
Accounts payable-related parties	7,12	719,828	14	424,612	9
Other payables	4,6(11),7,12	241,720	5	253,255	5
Provisions	4,6(20)	84,815	2	123,120	3
Current portion of long-term loans	6(10)	80,000	2	60,000	1
Lease liabilities-Current	4,6(16)	8,267	0	4,745	0
Other current liabilities		16,162	0	14,389	0
Total current liabilities		2,477,739	49	2,277,242	46
Non-current liabilities					
Long-term loans	6(10)	130,390	3	230,390	5
Deferred tax liabilities	4,6(20)	2,994	0	6,730	0
Lease liabilities-Non current	4,6(16)	10,679	0	299	0
Total non-current liabilities		144,063	3	237,419	5
Total liabilities		2,621,802	52	2,514,661	51
Equity attributable to the parent company	6(13)				
Capital					
Common stock		803,004	16	803,004	16
Additional paid-in capital		682,138	14	682,138	14
Retained earnings					
Legal reserve		203,202	4	179,454	4
Special reserve		-	-	-	-
Undistributed earnings		684,338	14	723,175	15
Total retained earnings		887,540	18	902,629	19
Other equity		(13,061)	(0)	9,463	0
Total equity		2,359,621	48	2,397,234	49
Total liabilities and equity		\$4,981,423	100	\$4,911,895	100

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

English Translation of the parent company only Financial Statements originally issued in Chinese  
JIA WEILIFESTYLE INC.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended 31 December 2023 and 2022  
(Amounts in thousands of New Taiwan Dollars)

Item	Notes	2023		2022	
		Amount	%	Amount	%
Operating Revenue	4,6(14),7	\$4,562,431	100	\$5,457,600	100
Operating costs	4,6(3),7	(3,165,193)	(69)	(3,956,815)	(73)
Unrealized gross profit		16,317	0	15,830	0
Gross profit		1,413,555	31	1,516,615	27
Operating expenses	4,6(17)				
Sales and marketing expenses	7	(477,703)	(11)	(539,256)	(10)
General and administrative expenses		(151,089)	(3)	(179,911)	(3)
Research and development expenses		(55,199)	(1)	(33,258)	(0)
Expected credit impairment gains (losses)	4,6(15)	(6,863)	(0)	566	0
Subtotal		(690,854)	(15)	(751,859)	(13)
Operating income		722,701	16	764,756	14
Non-operating income and expense	4,6(18)				
Interest income		4,544	0	4,172	0
Other income	7	8,590	0	24,232	0
Other gains and losses		30,051	1	117,774	2
Finance costs		(53,004)	(1)	(42,847)	0
Share of profit or loss of associates	4,6(5)	(221,510)	(5)	(160,299)	(3)
Subtotal		(231,329)	(5)	(56,968)	(1)
Income from continuing operations before income tax		491,372	11	707,788	13
Income tax (expense)	4,6(20)	(104,959)	(2)	(143,031)	(3)
Profit from continuing operations		386,413	9	564,757	10
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	4,6(5),6(19)	(28,156)	(1)	46,912	1
Income tax related to items that may be reclassified subsequently		5,632	0	(9,382)	(0)
Subtotal		(22,524)	(1)	37,530	1
Total comprehensive income		\$363,889	8	\$602,287	11
Earnings per share (NTD)	6(21)				
Earnings per share-basic		\$4.81		\$7.03	
Earnings per share-diluted		\$4.79		\$6.98	

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

English translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Items	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Equity	Total	Total Equity
			Legal reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations		
Balance as of 1 January 2022	\$803,004	\$682,138	\$124,150	37,984	\$657,541	(\$28,067)	\$2,276,750	\$2,276,750
Legal reserve	-	-	55,304	-	(55,304)	-	-	-
Cash dividends	-	-	-	-	(481,803)	-	(481,803)	(481,803)
Reversal of special reserve	-	-	-	(37,984)	37,984	-	-	-
Net income for the year ended 31 December 2022	-	-	-	-	564,757	-	564,757	564,757
Other comprehensive income, net of tax for the year ended 31 December 2022	-	-	-	-	-	37,530	37,530	37,530
Total comprehensive income	-	-	-	-	564,757	37,530	602,287	602,287
Balance as of 31 December 2022	\$803,004	\$682,138	\$179,454	-	\$723,175	\$9,463	\$2,397,234	\$2,397,234
Balance as of 1 January 2023	\$803,004	\$682,138	\$179,454	-	\$723,175	\$9,463	\$2,397,234	\$2,397,234
Legal reserve	-	-	23,748	-	(23,748)	-	-	-
Cash dividends	-	-	-	-	(401,502)	-	(401,502)	(401,502)
Net income for the year ended 31 December 2023	-	-	-	-	386,413	-	386,413	386,413
Other comprehensive income, net of tax for the year ended 31 December 2023	-	-	-	-	-	(22,524)	(22,524)	(22,524)
Total comprehensive income	-	-	-	-	386,413	(22,524)	363,889	363,889
Balance as of 31 December 2023	\$803,004	\$682,138	\$203,202	-	\$684,338	(\$13,061)	\$2,359,621	\$2,359,621

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

English translation of the parent company only Financial Statements originally issued in Chinese

JIA WEI LIFESTYLE INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Items	2023	2022	Items	2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$491,372	\$707,788	Acquisition of investments accounted for equity method	(462,557)	(208,548)
Adjustments to reconcile net income before tax to net cash provided by operating activities:			Acquisition of property, plant and equipment	(12,259)	(3,854)
Income and expense adjustments:			(Increase) Decrease in refundable deposits	(365)	511
Depreciation	19,043	10,988	Decrease in other financial assets - others	89,701	238,489
Expected credit impairment losses (gains)	6,863	(566)	(Increase) in non-current assets	-	(222)
Interest expense	53,004	42,847	Net cash (used in) provided by investing activities	(385,480)	26,376
Interest income	(4,544)	(4,172)			
Share of loss of associates accounted for using equity	221,510	160,299	Cash flows from financing activities:		
Unrealized gross (profit)	(16,317)	(15,830)	(Decrease) in short-term loans	(32,681)	(37,241)
Inventory valuation and obsolescence loss	1,448	-	Increase in short-term notes payable	300,516	256,991
Changes in operating assets and liabilities:			Decrease in short-term notes payable	(330,544)	(212,000)
Accounts receivable	40,024	8,672	Repayments of long-term loans	(80,000)	(426,455)
Accounts receivable-related parties	30,868	200,180	Cash payments for the principal portion of the lease liability	(10,842)	(5,129)
Other receivables	25,401	(35,649)	Cash dividends	(401,502)	(481,803)
Other receivables-related parties	82,042	(106,771)	Interest paid	(49,944)	(62,013)
Inventories	(9,012)	(709)	Net cash (used in) financing activities	(604,997)	(967,650)
Prepayments	64,257	49,081			
Other current assets	297	(297)			
Contract liabilities	(2,470)	(5,084)			
Accounts payable	(4,995)	(5,757)			
Accounts payable-related parties	295,216	106,716			
Other payables	(14,595)	91			
Other current liabilities	1,773	9,407	Net increase in cash and cash equivalents	110,975	185,772
Cash generated from operations	1,281,185	1,121,234	Cash and cash equivalents at beginning of year	313,028	127,256
Interest received	4,575	4,091	Cash and cash equivalents at end of year	\$424,003	\$313,028
Income tax (paid) refund	(184,308)	1,721			
Net cash provided by operating activities	1,101,452	1,127,046			

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



**Jia Wei Lifestyle, Inc.**  
**Audit Committee's Review Report**

The Audit Committee has reviewed the consolidated financial report and individual financial report for 2023, together with the business report and earnings distribution statement prepared by the Board of Directors of Jia Wei and found no inconsistency in these materials in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act. Please verify.

Jia Wei Lifestyle, Inc.

Convener of the Audit Committee: Shou-Te Hsu

March 8, 2024

## Jia Wei Lifestyle, Inc.

### Communication between Audit Committee Members and Internal Audit Director

I. Communication between Audit Committee and internal audit director:

Date	Communication Parties	Communication Topic	Outcome
2023/01/05	Independent Director Audit director	Internal audit business report Oct. 1, 2022~ Nov. 30, 2022.	After consultation, there are no other suggestions or corrections.
2023/03/24	Independent Director Audit director	Internal audit business report Dec. 1, 2022 ~ Feb. 28, 2023.	After consultation, there are no other suggestions or corrections.
		Statement of Internal Control System of 2022	
2023/05/05	Independent Director Audit director	Internal audit business report Mar. 1, 2023 ~ Mar. 31, 2023.	After consultation, there are no other suggestions or corrections.
2023/08/11	Independent Director Audit director	Internal audit business report Apr. 1, 2023 ~ June 30, 2023.	After consultation, there are no other suggestions or corrections.
2023/11/10	Independent Director Audit director	Internal audit business report July 1, 2023 ~ Sep. 30, 2023.	After consultation, there are no other suggestions or corrections.
		Internal Control System Internal Audit Plan of 2024	

II. The internal audit director submits audit reports and tracking reports to the Audit Committee for review on a monthly basis.

**Jia Wei Lifestyle, Inc.**  
**Comparison Table on Revision of Rules of Procedure**  
**for the Board of Directors**

Revised Content	Current Content	Note
<p>Article 8 : When a board meeting is held, managerial officers of relevant departments shall furnish the attending directors with relevant materials for ready reference.</p> <p>As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.</p> <p>The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time <u>on the same day</u>, provided that no more than two such postponements may be made.</p> <p>If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3.</p> <p>The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.</p>	<p>Article 8 : When a board meeting is held, managerial officers of relevant departments shall furnish the attending directors with relevant materials for ready reference.</p> <p>As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.</p> <p>The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements, <u>for a combined total of no more than one hour</u> may be made.</p> <p>If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3.</p> <p>The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.</p>	<p>Amendments in line with laws</p>

<p>Article 11 : A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 and 4 shall apply mutatis mutandis.</p> <p><u><i>During the board meeting, if the chairman is unable to preside over the meeting due to unforeseen circumstances or fails to announce the adjournment of the meeting as stipulated in paragraph 2, the appointment of a proxy shall follow the provisions of Article 7, paragraph 3.</i></u></p>	<p>Article 11 : A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 and 4 shall apply mutatis mutandis.</p> <p><b><i>(New addition)</i></b></p>	<p>Amendments in line with laws</p>
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Jia Wei Lifestyle, Inc.  
 Information on Compensation to Employees and Directors

Item	Allocation amount by resolution of the Board of Directors (A)	Estimated Amount Recognized as Annual Expenses (B)	Difference (A-B)	Reasons for discrepancy and processing method
Employees' compensation (In cash)	21,363,999	21,363,999	0	Not applicable.
Remuneration of directors (In cash)	21,363,999	21,363,999	0	

## Remuneration paid to Directors

Unit: NT\$ thousand

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Received from An Invested Company
		Base Compensation (A)		Severance Pay and Pension (B)		Remuneration of Directors (C)(Note 1)		Allowances (D)				Salary, Bonus and Allowances (E)		Severance Pay and Pension (F)		Employee Compensations (G) (Note 1)						
		Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei		All companies in the consolidated financial statements		Jia Wei	All companies in the consolidated financial statements	
Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount			
Chairman	HSIN-FU INVESTMENT LIMITED Representative: Jacky Huang (Note 4)	-	-	-	-	10,682	10,682	-	-	10,682	10,682	-	-	-	-	-	-	-	-	10,682	10,682	None
										2,764%	2,764%									2,764%	2,764%	
Chairman	HSIN-FU INVESTMENT LIMITED Representative: Jacky Huang (Note 4)	2,430	2,430	-	-	-	-	45	45	2,475	2,475	-	-	-	-	-	-	-	-	2,475	2,475	None
										0.641%	0.641%									0.641%	0.641%	
Director	SMART INVESTMENTS LIMITED Representative: David Wu	-	-	-	-	10,682	10,682	-	-	10,682	10,682	-	-	-	-	-	-	-	-	10,682	10,682	None
										2,764%	2,764%									2,764%	2,764%	
Director	SMART INVESTMENTS LIMITED Representative: David Wu	-	-	-	-	-	-	45	45	45	45	10,172	10,172	108	108	5,341	-	5,341	-	15,666	15,666	None
										0.012%	0.012%									4.054%	4.054%	
Director	HSIN-FU INVESTMENT LIMITED Representative: Li-Hua Wu	-	-	-	-	(Note 2)	(Note 2)	-	-	(Note 2)	(Note 2)	-	-	-	-	-	-	-	-	(Note 2)	(Note 2)	None
										45	45	9,865	9,865	108	108	5,341	-	5,341	-	15,359	15,359	
										0.012%	0.012%									3.975%	3.975%	
Director	SMART INVESTMENTS LIMITED Representative: Ray Hou	-	-	-	-	(Note 3)	(Note 3)	-	-	(Note 3)	(Note 3)	-	-	-	-	-	-	-	-	(Note 3)	(Note 3)	None
										1,245	1,245									1,245	1,245	
										0.322%	0.322%									0.322%	0.322%	
Independent Director	Shou-Te Hsu	1,200	1,200	-	-	-	-	40	40	1,240	1,240	-	-	-	-	-	-	-	-	1,240	1,240	None
										0.321%	0.321%									0.321%	0.321%	
Independent Director	Chin-Chou Hsu	1,200	1,200	-	-	-	-	40	40	1,240	1,240	-	-	-	-	-	-	-	-	1,240	1,240	None
										0.321%	0.321%									0.321%	0.321%	

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Received from An Invested Company
		Base Compensation (A)		Severance Pay and Pension (B)		Remuneration of Directors (C)(Note 1)		Allowances (D)				Salary, Bonus and Allowances (E)		Severance Pay and Pension (F)		Employee Compensations (G) (Note 1)						
		Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei	All Companies in the consolidated financial statements	Jia Wei	All companies in the consolidated financial statements	Jia Wei		All companies in the consolidated financial statements		Jia Wei	All companies in the consolidated financial statements	
Chairman	HSIN-FU INVESTMENT LIMITED Representative: Vincent Chen (Note 5)	-	-	-	-	(Note 2)	(Note 2)	-	-	(Note 2)	(Note 2)	-	-	-	-	-	-	-	-	(Note 2)	(Note 2)	None
		1,806	1,806	-	-	-	-	20	20	1,826	1,826	-	-	-	-	-	-	-	-	1,826	1,826	
										0.473%	0.473%									0.473%	0.473%	
Chairman	HSIN-FU INVESTMENT LIMITED Representative: Hau-Min Chu (Note 6)	-	-	-	-	(Note 2)	(Note 2)	-	-	(Note 2)	(Note 2)	-	-	-	-	-	-	-	-	(Note 2)	(Note 2)	None
		478	478	-	-	-	-	5	5	483	483	-	-	-	-	-	-	-	-	483	483	
										0.125%	0.125%									0.125%	0.125%	

Note 1: The 15th meeting of the 8th Board of Directors convened on March 8, 2024 approved the appropriation of employees' compensations and Directors' remuneration for 2023. However, the employees' compensations (to be distributed in cash) of NT\$21,363,999 and Directors' remuneration (to be distributed in cash) of NT\$21,363,999 will be submitted to the Audit Committee and the Board of Directors' meeting for resolution, and are therefore listed as estimates.

Note 2: The representative was appointed by Corporate Director Hsin-Fu Investment Limited, therefore the Directors' remuneration is no longer disclosed to avoid duplication.

Note 3: The representative was appointed by Corporate Director Smart Investment Limited, therefore the Directors' remuneration is no longer disclosed to avoid duplication.

Note 4: Resigned as an Independent Director of the Company on July 24, 2023, and was elected as the Chairman of the Company by the Board of Directors on August 1st, 2023.

Note 5: Resigned on June 20, 2023.

Note 6: Elected as the Chairman of the Company by the Board of Directors on June 20, 2023, and resigned on Aug. 1<sup>st</sup>, 2023.

Note 7: Please state the policy, system, standards and structure of Directors' remuneration payment, and describe the relevance between the amount of remuneration and the factors including responsibilities, risks, the time spent by the individual, etc. (Please refer to the Report on Directors' Remuneration of 2023 on page 2 of the Handbook.)

Note 8: Unless disclosed in the table above, remuneration received in the most recent fiscal year by the Directors for providing services (e.g. serving as a non-employee consultant to the parent company/all companies in the consolidated financial statements/reinvestment companies, etc.): None.

Note 9: As an Audit Committee had been set up in accordance with applicable laws on June 17, 2011, the regulation pertaining to Supervisors is no longer applicable.

Jia Wei Lifestyle, Inc.  
Statement of Earnings Distribution  
2023

Unit: NT\$

Beginning undistributed earnings	297,924,400
Plus: Net income after tax	386,413,330
Less: Provision for statutory surplus reserves (10%) (Note 1)	(38,641,333)
Provision for special surplus reserves-Other equity deductions (Note 2)	(13,061,437)
Surplus available for distribution	632,634,960
Distribution Items	
Shareholder dividends: Cash	
Allocation for the year 2023 (Board meeting on Mar. 8, 2024)	(240,901,245)
Shareholder dividends: Stocks	0
Undistributed earnings at the end of the period	391,733,715

Note 1: (Net after-tax profit of the current period is NT\$ 386,413,330, plus items other than net after-tax profit of the current period are included in the undistributed surplus of the current year of NT\$ 0)\*10%=NT\$38,641,333

Note 2: The net decrease in other equity of the Company amounted to NT\$13,061,437. According to the regulations stipulated in the letter numbered 1010012865 issued by the Financial Supervisory Commission on April 6, 2012, it is required to allocate to the special surplus reserve. 0-13,061,437=(13,061,437)

Person in Charge: Jacky Huang

Manager: David Wu

Chief Accountant: Kelly Ko



## Jia Wei Lifestyle, Inc.

List of candidates for one Independent Director seat in the by-election  
of the 8<sup>th</sup> term

<b>Title</b>	<b>Independent Director</b>
<b>Name</b>	Wang Hui-Chin
<b>Current position</b>	Executive Assistant to the Chairman of TQ OPTOELECTRONICS CO., LTD.
<b>Educational background</b>	EMBA, National Cheng Kung University
<b>Professional Experience</b>	Director of Operations, ASTRAZENECA TAIWAN LIMITED Director of Operations, LOTUS PHARMACEUTICAL CO., LTD.
<b>Number of shares held (Shares)</b> <b>(Up to March 29, 2024 -Start date of transfer cessation period)</b>	27,765 shares

Jia Wei Lifestyle, Inc.  
Concurrent Posts of the Directors and Their Proxies

Title	Name	Currently Holding Concurrent Posts in Other Companies	Main Business of the company
Independent Director	Wang Hui-Chin	Executive Assistant to the Chairman of TQ OPTOELECTRONICS CO., LTD.	R&D and Production Management of Specialized/Automotive Solid-State Lighting

## **Appendices**

## Jia Wei Lifestyle, Inc.

### Rules of Procedure for Shareholders' Meeting

Article 1: In order to establish a good governance system of shareholder meetings, improve supervision functions and strengthen management functions of the Company, these rules are made in accordance with the provisions of Article 5 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2: The rules for procedure of the shareholders' meetings of the Company shall be subject to these Rules, unless otherwise specified by laws or regulations.

Article 3: The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise specified by laws.

The Company shall upload the electronic version of the meeting notice for the shareholders' meeting, paper for the power of attorney, the proposals, discussions, election or dismissal of Directors to the Market Observation Post System 30 days before the annual meeting of shareholders, or 15 days before the extraordinary shareholders' meeting. Meanwhile, the Company shall upload the electronic version of the handbook for shareholders' meeting 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 prepare the handbook for shareholders' meeting and supplementary information for shareholders' reference 15 days before the convention of a shareholders' meeting; keep one copy of the handbook in the Company and another in the professional stock agencies entrusted by the Company so that it is accessible to shareholders, and issue them at the shareholders' meeting.

The meeting notice and public announcements shall state the reasons for convening the meeting, and the information may be announced in electronic means.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under "Article 185, paragraph 1 of the Articles of Incorporation," "Article 26, paragraph 1 and Article 43, paragraph 6 of the Securities and Exchange Act," or "Article 56, paragraph 1 and Article 60, paragraph 2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers," shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where the notice of the reasons for convening the shareholders meeting already specifies the election of all Directors and the date elected Directors take office, once the election is completed in the shareholders' meeting, the date the elected

Directors take office may not be changed by motions or other methods in the same meeting.

Shareholders holding 1% or more of the total number of outstanding shares of the Company may submit a written proposal to the Company for discussion at a regular shareholders' meeting. However, only one matter shall be allowed in each single proposal. If a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, when the circumstances of any subparagraph of "Article 172-1, Paragraph 4 of the Company Act" apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may submit proposed proposals to urge the Company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item in accordance with the "Article 172-1 of the Company Act". Any proposal in excess shall be excluded from the agenda.

Prior to the book closure date before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the meeting and the method for submitting the proposals in writing or in electronic format; the period for accepting such proposals shall not be less than 10 days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the annual shareholders' meeting and shall take part in the discussion of such proposal.

The Company shall inform the shareholder who advances the proposal of the results before the date of convening the shareholders' meeting, and shall list the proposals which are in accordance with this Article in the meeting notice. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting.

Article 4: Shareholders may provide the power of attorney issued by the Company, specify the scope of authorization at each shareholder meeting, and entrust a proxy to attend the shareholders' meeting.

A shareholder shall issue a power of attorney and entrust one proxy only, and shall deliver the power of attorney to the Company five days before the shareholders' meeting; if more than one powers of attorney are delivered, the earliest one received by the Company shall prevail. However, a statement to revoke an earlier power of attorney is not subject to the aforementioned rule.

After the power of attorney is delivered to the Company, the shareholder who wants to attend the shareholder meeting in person or exercise the voting rights in writing or electronic means shall cancel the advice of proxy to the Company in writing two

days before the shareholders' meeting. If the shareholder revokes the advice exceeding the time limit, the power of attorney which designates a proxy to attend the meeting and exercise the voting rights shall prevail.

Article 5: The shareholder meeting shall be convened in the place where the Company is located or the place which is convenient for shareholders to be present or appropriate to convene the shareholder meeting. The meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m., and the place and time of the meeting shall be determined with full consideration of Independent Director's opinions.

Article 6: The shareholders' meeting notice shall include the sign-in time and location as well as other relevant matters.

The time period for accepting attendance registration of shareholders shall be at least 30 minutes prior to the commencement of the meeting. There shall be clear signs at the attendance register and appropriate personnel shall be designated for the registration procedure.

The Company shall prepare an attendance register for the attending shareholders or their proxies (hereinafter referred to as the shareholders) to sign in, or the attending shareholders may hand in the sign-in card instead of signing in.

The Company shall deliver the handbooks, annual reports, attendance cards, speaker's slip, votes and other meeting materials to the shareholders attending the shareholder meeting; if there are Directors to be elected, the ballots shall also be provided.

Shareholders shall attend the shareholders' meeting with the attendance card, sign-in card, or other attendance certificates; the Company shall not arbitrarily require any other certificates to attend the meeting; the solicitor of the powers of attorney shall bring the identity documents for verification.

When a government or legal entity is a shareholder, there may be more than one representative attending the shareholders' meeting. When a legal entity is entrusted to attend the shareholders' meeting, only one representative can be present.

Article 7: If the shareholders' meeting is convened by the Board of Directors, its chairperson shall be the Chairman of the Board. If the Chairman asks for leave or fails to exercise his/her powers for any reason, he/she shall designate a Director as a proxy. If the Chairman does not designate a proxy, the Directors shall elect one from among themselves.

Shareholders' meetings convened by the Board of Directors should be attended by more than half of the board (including at least one Independent Director) and at least one Audit Committee Member in person, and attended by at least one representative member of each functional committee. In addition, a record of attendance shall be made in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by other conveners other than the Board of Directors, the chairperson shall be the convener, and if there are more than two

conveners, they shall elect one chairperson from among themselves.

The Company may designate the entrusted lawyers, certified public accountants or related personnel to attend the shareholders' meeting.

Article 8: The Company shall record audio or video commencing from the shareholder attendance registrations to the shareholders' meeting, and the voting and ballot counting processes uninterruptedly and retain the recording for at least one year. However, if a shareholder files a lawsuit according to "Article 189 of the Company Act", it shall be kept until the conclusion of the litigation.

Article 9: The attendance of the shareholders' meeting shall be counted based on the number of shares. The number of shares in attendance is calculated based on the attendance register or the sign-in cards handed in plus the number of shares through which the voting rights are exercised in writing or electronic means.

The chairperson shall call the meeting to order at the time scheduled for the meeting, as well as announcing information such as the number of shares with no voting right and shares present. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting. However, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

Before the end of the meeting, if the number of shares representing the shareholders has reached more than half of the total number of issued shares, the chairperson shall re-submit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10: In the event that the shareholder meeting is convened by the Board of Directors, the agenda shall be formulated by the Board of Directors. All proposals (including extempore motions and amendments to original proposals) shall be voted on in sequence. The meeting shall be conducted according to the arranged agenda, and shall not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of

deliberation on the meeting agenda of the preceding two paragraphs (including questions and motions), except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson according to statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall provide opportunities for full explanation and discussion of the proposals and the amendments or questions and motions proposed by the shareholders. If the chairperson believes that the proposal can be decided by voting, he/she shall announce the discussion closed and call for a vote. The chairperson shall also arrange adequate time for voting.

Article 11: An attending shareholder shall issue and submit a floor note before speaking at the shareholder meeting. The floor note shall expressly describe the subject of his or her opinions and his or her shareholder account number (or the code of the participation certificate) so that the chairperson may fix the order of speaking. The present shareholders only hand in the speaker's slip but fail to make a speech are deemed to have not made a speech. If the content of the speech is inconsistent with that on the speaker's slip, the content of the speech shall prevail.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.

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

After an attending shareholder has spoken, the chairperson may respond in person or designate a directly relevant member of personnel to respond.

Article 12: Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to the resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented



by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: A shareholder shall have one vote in respect of each share; however, this limit is not applicable to those who are restricted, or who do not have the right to vote under Paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholder meeting, the shareholder shall exercise its voting rights via electronic means and the shareholder may also exercise such rights in writing. When exercising its voting rights in writing or electronic means, he/she shall list the method of exercise in the advice of convening shareholder meeting. Shareholders who exercise their voting rights in writing or electronic means are deemed to attend the shareholders' meeting in person. However, the questions and motions of the shareholders' meeting and the amendment to the original proposal are deemed to be a waiver.

A shareholder intending to exercise voting rights by correspondence or electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.

After the shareholders exercise their voting rights in writing or electronic means, if they want to attend the shareholders' meeting in person, they shall cancel the intent of exercising voting rights in the preceding paragraph in the same manner as exercising the voting rights two days before the shareholders' meeting; if it is canceled after the time limit, voting rights exercised in writing or via electronic means shall prevail. If the voting rights are exercised in writing or via electronic means and a proxy is entrusted to attend the shareholders' meeting by a power of attorney, the voting rights exercised by the attending entrusted proxy shall prevail. The voting of proposal shall be passed upon the majority of the voting rights of the present shareholders, unless otherwise specified by the Company Act and the Articles of Incorporation. At the time of voting, the total number of voting rights of the present shareholders shall be announced by the chairperson or the personnel who he designates case by case. The shareholders shall vote on each proposal and the results of shareholders' agreement, objection, and abstention shall be entered in the Market Observation Post System.

When there is an amendment or an alternative to the same proposal, the

chairperson shall decide its order of voting with the original proposal. If one of the proposals has been passed, the other proposals are deemed to be vetoed and no further voting is required.

The scrutineer and the counter for the voting of the proposal shall be designated by the chairperson, but the scrutineer shall be a shareholder.

Vote counting in relation to resolutions and elections in shareholder meetings shall be processed publicly in shareholder meetings and the results including statistical weights shall be reported on the spot and shall be recorded in the minutes of the meeting.

Article 14: The election of Directors at the shareholder meeting, if any, shall be handled according to the relevant regulations on election made by the Company, and the voting results shall be announced on the spot including the list of elected Directors and the numbers of votes, as well as the list of unelected Directors and the respective number of votes received.

The ballots for elections referred to in the preceding paragraph shall be sealed and signed by the scrutineer and kept safely for at least one year. However, if a shareholder files a lawsuit according to "Article 189 of the Company Act", it shall be kept until the conclusion of the litigation.

Article 15: The resolutions at the shareholder meeting shall be made into a minute book, signed or sealed by the chairperson, and issued to the shareholders within 20 days after the meeting. The minute book shall be made and issued in electronic means.

The minute book in the preceding paragraph shall be uploaded to the Market Observation Post System in form of announcement.

The minute book shall include the meeting date (mm/dd/yy), place, chairperson's name, resolution method, main points, and voting results (including the tallied number of votes). Where there is an election of Directors, the number of votes of each candidate shall be disclosed. The records shall be kept permanently during the existence of the Company.

Article 16: The Company shall clearly disclose the number of shares solicited by the solicitor and the number of shares of the entrusted agent at the shareholder meeting on the date of the meeting according to the statistical table prepared in the prescribed form.

If the resolutions of the shareholder meeting are of material information stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taiwan Exchange), the Company shall upload the contents to the Market Observation Post System within the specified time.

Article 17: The conference personnel for the shareholder meeting shall wear an identification card.

The chairperson shall command the proctors or security personnel to maintain the order of the meeting place. The proctors or security personnel shall wear armbands with "Proctor" or identification cards when maintaining the order of the meeting

place.

There is amplification equipment at the meeting place, if the shareholder makes a speech with amplification equipment not provided by the Company, the chairperson shall stop it.

If the shareholders violate the rules of procedure and do not obey the chairperson's rectification, or obstruct the meeting regardless of prevention, the chairperson shall command the proctors or security personnel to take them away from the meeting place.

Article 18: During the meeting, the chairperson shall take a rest according to the time. In case of a force majeure situation occurs, the chairperson shall suspend the meeting temporarily and announce the time to resume the meeting as appropriate.

If the meeting place is unavailable before the completion of proposals (including questions and motions) under the agenda scheduled by the shareholders' meeting, the shareholders' meeting shall resolve to find another site to continue the meeting. The shareholder meeting shall resolve to be postponed or resumed within five days according to Article 182 of the Company Act.

Article 19: These rules are implemented upon the approval of the shareholders' meeting, and the same to the amendments.

History of the "Rules of Procedure for Shareholders' Meeting of Jia Wei Lifestyle, Inc."

1. These rules are made on July 1, 2006.
2. The 1st revision was made on February 1, 2007.
3. The 2nd revision was made on June 17, 2011.
4. The 3rd revision was made on June 19, 2012.
5. The 4th revision was made on June 29, 2015.
6. The 5th revision was made on May 26, 2020.
7. The 6th revision was made on April 23, 2021.

# Jia Wei Lifestyle, Inc.

## Articles of Incorporation

### Chapter I General

Article 1: The Company was organized in accordance with the provisions of the Company Act and was named "Jia Wei Lifestyle, Inc."

Article 2: The Company's businesses are listed as left:

- (I) C601030 Paper Containers Manufacturing.
- (II) C601990 Other Paper Products Manufacturing.
- (III) C805030 Plastic Made Grocery Manufacturing.
- (IV) C805990 Other Plastic Products Manufacturing.
- (V) CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified.
- (VI) CH01030 Stationery Articles Manufacturing.
- (VII) CH01040 Toys Manufacturing.
- (VIII) F106010 Wholesale of Ironware.
- (IX) F106020 Wholesale of Articles for Daily Use.
- (X) F107200 Wholesale of Chemistry Raw Material.
- (XI) F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.
- (XII) F113010 Wholesale of Machinery.
- (XIII) F199990 Other Wholesale Trade.
- (XIV) F206010 Retail Sale of Ironware.
- (XV) F207200 Retail sale of Chemistry Raw Material.
- (XVI) F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
- (XVII) F213080 Retail Sale of Machinery and Equipment.
- (XVIII) F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified.
- (XIX) F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures.
- (XX) F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.
- (XXI) F206020 Retail Sale of Articles for Daily Use.
- (XXII) F401010 International Trade.
- (XXIII) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company, due to business needs, can guarantee and transfer the investment in other businesses with a total investment amount transferred more than 40% of the Company's paid-in capital stock.

Article 4: The Company is headquartered in Taipei City and may establish branch organizations in other appropriate locations as necessary, the establishment and dissolution of which are determined by the Board of Directors.

## Chapter II Shares

Article 5: The Company's capitalization is NT\$ 2.05 billion, divided into 205 million shares, and the amount of each share is NT\$ 10, which shall be issued by the Board of Directors in installments upon authorization. NT\$ 100 million shall be divided into 10 million shares with a value of NT\$ 10 each. They are retained as employee subscription warrants.

Article 6: The Company's stocks are registered and signed or sealed by the representative directors. Issuance will be carried out after legal verification. Share certificates issued by the Company are exempted from printing; however, they shall be registered in the central securities depository.

Article 6-1: The Company's treasury shares purchased in accordance with the Company Act shall be transferred to recipients that include employees of controlling or subordinate companies that meet the criteria.

The Company's employee share option certificates are issued to recipients that include employees of controlling or subordinate companies that meet the criteria.

When the Company issues new shares, the employees eligible for share subscription shall include employees of controlling or subordinate companies that meet the criteria.

The recipients of restricted employee shares issued by the Company include employees of controlling or subordinate companies that meet the criteria.

## Chapter III Shareholders' Meeting

Article 7: All changes made to the list of shareholders shall be halted sixty days prior to an upcoming Annual Shareholders' Meeting, thirty days prior to an Extraordinary Shareholders' Meeting, or five days prior to the baseline date before the Company issues dividends, bonuses, or other interests.

Article 8: The shareholders' meeting of the Company is categorized as annual meeting and extraordinary meeting, the former of which shall be convened within six months after the end of each fiscal year, and the latter convened according to law when necessary.

Article 9: Except that when there is no voting right on the shares as stated in Article 179, Paragraph 2 of the Company Act, or the pledge specified by the Director according to shares is more than half of the number of shares of the Company he owned at the time of election, the voting rights do not apply to the exceeding shares, as each share of the shareholders of the Company corresponds to one voting right.

Article 10: When the shareholders fail to attend the shareholders' meeting for any reason, they shall provide the power of attorney issued by the Company, specify the scope of authorization, and entrust a proxy to attend the shareholders' meeting.

Article 11: The Chairperson of the Shareholders' Meeting is the Chairman of the Board. If the Chairman is absent, he/she shall designate one Director as the proxy. If the Chairman does not designate a proxy, the Directors shall elect one from among themselves.

Article 12: The shareholders' meeting shall be attended by shareholders who have held more than half of the total number of issued shares, and the resolution shall be passed upon majority of the voting rights of the shareholders, unless otherwise stipulated by the Company Act.

Article 12-1: If the Company wants to revoke the public issuance, it shall submit it to the shareholders' meeting for a resolution, and this provision shall not be amended during the emerging stock period and the listing period.

#### Chapter IV Board of Directors

Article 13: The Company shall select five to nine Directors with disposing capacity from the shareholders' meeting to organize the Board of Directors with a term of three years. Directors may be re-elected. The Company shall purchase liability insurance for the compensation of the Directors within their scope of business during their term in accordance with the law. As stipulated in Article 183 of the Securities and Exchange Act, there shall be no less than two Independent Directors in the aforementioned quota of Directors, and the number of Independent Directors shall not be less than one-fifth of the total Directors. The specialty qualifications, shareholdings, restrictions on concurrent posts, nomination and election methods and other compliance of the Independent Directors shall be subject to the relevant provisions of the competent authority of securities.

The Directors of the Company shall be elected from the nomination list prepared by the Company. The Directors referred to in the Articles of Incorporation include Independent Directors.

Article 13-1: All Independent Directors of the Company constitute the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The exercise of the functional authorities and related matters of the Audit Committee and its members shall be handled in accordance with the relevant provision of the Securities and Exchange Act.

Article 14: The Board of Directors shall be organized by the Directors. More than two-thirds of the Directors shall attend the meeting and one Chairman is recommended from them upon consent of the majority of the present Directors, and the chairman shall act on behalf of the Company.

Article 15: The Board meeting shall be convened by the Chairman as the Chairperson, unless otherwise stipulated by the Company Act. If the Chairman asks for leave or fails to exercise his/her functional authorities for any reason, he/she shall designate a Director as a proxy. If the Chairman does not designate a proxy, the Directors shall elect one from among themselves.

The convening of the Board meeting shall be advised in the manner of a written notice, or via e-mail or fax, etc.

Article 16: More than half of the Directors shall attend the Board meeting, and the resolution shall be passed upon consent of the majority of the Directors present, unless otherwise stipulated by the Company Act.

Article 17: If a Director cannot attend the board meeting for any reason, he/she shall entrust other Directors to attend the meeting. However, a Director can only be entrusted by one person to attend the Board meeting.

If a Board meeting is convened in the form of videoconferencing, the Directors attending the meeting via videoconferencing are deemed to be present in person.

Article 18: The Company shall pay remuneration to the Directors provided they have performed their duties, regardless of the Company's profit and loss, and their remuneration shall be determined depending on their participation in the Company's operation and their distribution values, and shall not be higher than the highest salary standard of the same industry.

#### Chapter V Manager

Article 19: The Company shall set up managers whose appointment, dismissal and remuneration are determined upon consent of the majority of the present Directors at the Board meeting that more than half of the Directors attend.

#### Chapter VI Accounting

Article 20: The fiscal year of the Company is from January 1 to December 31.

Article 21: After the annual accounts of the Company, the Board of Directors shall submit the following forms and reports to the shareholders' meeting for approval:

I. Business report.

II. Financial statements.

III. Proposal of profits distribution or deficit compensation.

Article 22: The Company's profits distribution or appropriation for making up for losses may be performed after the end of each quarter. The profits shall be distributed in cash and shall be processed based on a resolution of the Board of Directors in accordance with Article 228-1 and Article 240, Paragraph 5 of the Company Act. The proposal shall also be reported to the shareholder's meeting but the submission shall not be required. If there is any profit in the year (i.e. profit before tax before deduction of remuneration allocated to employees and directors), Jia Wei shall allocate no less than 3% of the profit as employee's remuneration, which shall be distributed by shares or cash by the resolution of the Board of directors, including employees of subsidiaries meeting the requirements of laws and regulations. In addition, Jia Wei shall allocate no more than 5% of the profit as director's remuneration. However, if there are still accumulated losses, Jia Wei shall reserve the amount to be covered in advance, and then allocate employees' and Directors' compensation in proportion as stipulated in the preceding paragraph. The allocation of employees' and Directors' compensation shall be reported to the

shareholders' meeting.

If there are earnings distribution half fiscal year, the payable tax shall be estimated and retained and deficits shall be made up in accordance with laws. Then, 10% of the earnings shall be allocated as the statutory capital reserve. However, when the statutory capital reserve has reached the Company's paid-in capital, the aforementioned ratio does not apply. The special capital reserve shall be withdrawn or revolved when necessary, and any earnings plus the accumulated undistributed earnings in the previous quarter shall be added as shareholders' bonus. The Board of Directors shall prepare the distribution proposal after reserving earnings as operation needs, and submit to the shareholders' meeting for resolution of distribution of shareholder dividends.

If there is any surplus in the annual general report, Jia Wei shall first pay taxes and make up for the accumulated losses, and then withdraw 10% of the surplus for the statutory surplus reserve, except when the statutory surplus reserve has reached the paid-in capital of Jia Wei. If necessary, the special surplus reserve shall be withdrawn or reversed in accordance with the law. The surplus if any plus the accumulated undistributed surplus of the previous quarter shall be deemed as surplus available for distribution. The Board of Directors shall prepare a surplus distribution plan. When the surplus is to be distributed in cash, the proposal shall be approved by the Board of Directors. When surplus is to be distributed by issuing new shares, the proposal shall be submitted to the shareholders' meeting for resolution before distribution.

The Company may, with due consideration to financial, business, or operation factors, appropriate all or a part of the reserve to issue new shares or distribute cash to shareholders in accordance with the laws or the regulations of the competent authority. Where profits are distributed in cash, it may be processed based on a resolution of the Board of Directors in accordance with Article 241 of the Company Act. The proposal shall also be reported to the shareholder's meeting but the ratification of the shareholder's meeting shall not be required.

Dividend policies

Jia Wei is in an industry with constantly changing environment. When allocating surplus, Jia Wei shall examine Jia Wei's financial structure and the needs of its expected future expenditures, and distribute surplus according to laws and the Articles of Association. The amount of surplus distribution shall account for more than 20% of the surplus available for distribution, of which the cash dividends distributed shall not be less than 10% of the total dividend distribution.

Chapter VII Supplementary Terms

Article 23: The Company's organization procedures and rules of procedure are prescribed separately.

Article 24: The matters not specified in the Articles of Incorporation shall be subject to the



Company Act.

Article 25: The Articles of Incorporation were established on April 15, 2005.

The 1st amendment was made on May 10, 2005.

The 2nd amendment was made on December 8, 2005.

The 3rd amendment was made on June 30, 2006.

The 4th amendment was made on February 1, 2007.

The 5th amendment was made on August 24, 2007.

The 6th amendment was made on March 14, 2008.

The 7th amendment was made on June 16, 2009.

The 8th amendment was made on June 17, 2010.

The 9th amendment was made on June 17, 2011.

The 10th amendment was made on June 19, 2012.

The 11th amendment was made on June 23, 2016.

The 12th amendment was made on October 19, 2016.

The 13th amendment was made on May 29, 2018.

The 14th amendment was made on May 28, 2019.

The 15th amendment was made on October 15, 2019

The 16th amendment was made on May 26, 2020.

The 17th amendment was made on April 23, 2021.

The 18th amendment was made on May 29, 2023.

## Jia Wei Lifestyle, Inc. Procedures for Election of Directors

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4 The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent

Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

Article 12 The ballots for the election shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

The Procedures for Election of Directors were established on July 1, 2006.

The 1st amendment was made on February 1, 2007.

The 2nd amendment was made on March 14, 2008.

The 3rd amendment was made on June 17, 2011.

The 4th amendment was made on June 19, 2012.

The 5th amendment was made on June 29, 2015.

The 6th amendment was made on May 26, 2020.

The 7th amendment was made on April 23, 2021.

## Jia Wei Lifestyle, Inc. Shareholding of Directors

- I. As of March 29, 2023, the book closure date upon this annual shareholders' meeting, the Company's paid-in capital was NT\$ 803,004,150, totaling 80,300,415 shares.
- II. According to Article 26 of the Securities and Exchange Act, all Directors shall own at least 6,424,034 shares, and all Supervisors shall own at least 642,404 shares. However, as the Company has set up an Audit Committee according to law, the number of shares that the Supervisors is legally required to hold does not apply.
- III. Details of Shareholding of Directors:

Unit: Shares; March 29, 2023

Title	Name	Appointment Date	Tenure	Shareholdings at Election		Shareholdings Stated in Roster of Shareholders as of the Book Closure Date	
				Number of shares	Proportion of shareholdings (%)	Number of shares	Proportion of shareholdings (%)
Chairman	HSIN-FU INVESTMENTS LIMITED Representative: Jacky Huang (Note)	05/31/2022	3 years	1,100,000	1.37%	1,934,000	2.41%
Director	SMART INVESTMENTS LIMITED Representative: David Wu	05/31/2022	3 years	5,326,740	6.63%	10,345,034	12.88%
Director	HSIN-FU INVESTMENTS LIMITED Representative: Li-Hua Wu	05/31/2022	3 years	1,100,000	1.37%	1,934,000	2.41%
Director	SMART INVESTMENTS LIMITED Representative: Ray Hou	05/31/2022	3 years	5,326,740	6.63%	10,345,034	12.88%
Independent Directors	Shou-Te Hsu	05/31/2022	3 years	-	-	-	-
Independent Directors	Chin-Chou Hsu	05/31/2022	3 years	-	-	-	-
Total of all Directors				6,426,740	8.00%	12,279,034	15.29%

Note: Jacky Huang has been appointed as the representative of HSIN-FU INVESTMENTS LIMITED since August 1st, 2023.