

Ticker Number: 5904

**POYA International Co., Ltd.**

**2022 Annual General Shareholders' Meeting**

Meeting Agenda  
(Translation)

June 21, 2022

Place: 6F, Meeting Room, No. 74, Sec. 3, Minzu Rd.  
West Central Dist. Tainan City

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**POYA International Co., Ltd.**

**Procedure for the 2022 Annual Meeting of Shareholders**

- 1、Call the Meeting to Order
- 2、Chairman Remarks
- 3、Report Items
- 4、Acknowledgements
- 5、Discussion Items
- 6、Extraordinary Motions
- 7、Adjournment

**POYA International Co., Ltd.**

**Agenda of 2021 Annual Meeting of Shareholders**

Time: 9 a.m., June 21, 2022 (Tuesday)

Place: No.74, Sec.3, Minzu Rd., West Central Dist., Tainan City (6-Floor Meeting Room)

Way of Convene: physical shareholders' meeting

1、Call the Meeting to Order

2、Chairman Remarks

3、Report Items:

(1) 2021 Business Report

(2) 2021 Audit Committee's Review Report

(3) The Distribution of 2021 Employees' and Directors' Remuneration.

(4) The receipt of Directors' remuneration of 2021

(5) Annual Earnings Cash Dividend Distribution in 2021

(6) Amendments to certain provisions of "Corporate Social Responsibility Best Practice Principles, and renamed as the Sustainable Development Best Practice Principles.

4、Acknowledgements

(1) Adoption of the 2021 Business Report and Financial Statements

(2) Adoption of the proposal for distribution of 2021 profits

5、Matters for Discussion:

(1) Proposal for a new share issue through capitalization of earnings.

(2) Amendments to certain provisions of articles of incorporation.

(3) Amendments to certain provisions of the Procedures for Acquisition and Disposal of Assets

(4) Amendments to certain provisions of Rules of Procedure for Shareholders' Meeting

(5) Abrogation of "Procedures for Lending Funds to Other Parties" and

"Procedures for Endorsement and Guarantee", and set up "Procedures for Lending Funds, Endorsement and Guarantee"

6、Extraordinary Motions

7、Adjournment

## **Report Items**

### **Report 1: 2021 Business Report**

Explanation : Please refer to Appendix I, pp. [11-15] for the 2021 Business Report.

### **Report 2: 2021 Audit Committee's Review Report**

Explanation : Please refer to Appendix II, pp. 16 for the 2021 Audit Committee's Review Report.

### **Report 3: The Distribution of 2021 Employees' and Directors' Remuneration**

1. In compliance with Act No. 10402413890 from Ministry of Economics 2015.6.11, Act No. 10402427800 from Ministry of Economics 2015.10.15 and Act No. 1050001900 from Financial Supervisory Commission 2016.1.30.
2. In accordance with the Article 21-1 of Articles of Incorporation, the employees' compensation totaled NT\$122,300,000, taking up 5% of the profit of the year. The directors' compensation totaled NT\$5,280,000, taking up 0.2% of the profit of the year.
3. Except directors' remuneration is paid in cash, the employees' compensation is distributed in new issued shares of NT\$122,300,000. The number of new issued shares are 313,992 shares, which are calculated based on the closing price NT\$ 389.5 per share of 2022/4/22, prior to the board resolution date. The employees' compensation of NT\$ 116, which is less than one share, shall be distributed in cash.
4. The employees' and directors' remuneration mentioned above shall be treated as expenses in 2021. There is no difference between the amount of recognized expenses and the amount of employees' and directors' remuneration passed by the Board of Directors.
5. The new issued shares from employees' compensation, which are issued in non-physical form, have the same rights and obligations as the original shares.
6. The distribution of employees' remuneration has been passed by the 8<sup>th</sup>-term Board of Directors in the 22<sup>th</sup> Board meeting and the distribution of directors' remuneration has been passed by the 4<sup>th</sup>-term Remuneration Committee in the 10<sup>th</sup> Remuneration Committee meeting.

### **Report 4: The receipt of Directors' remuneration of 2021**

1. In accordance with Articles of Incorporation, the percentage of remuneration distributed to directors shall not exceed 6% of the Company's earning (annual net

profits before tax before deducting compensation for employees and directors) for the year. The remuneration of the chairman, vice chairman, directors and independent directors of the Company shall be submitted to the remuneration committee for approval and report to the Board of Directors based on the level of their participation in the Company's operations and their contribution, taking into account the industry standards.

2. The remuneration of directors is based on the assessment results of the Performance Evaluation Measures of the Board of Directors. As such, the related performance evaluation and compensation are approved by the remuneration Committee and the Board of Directors.
3. Please refer to Appendix III, pp. 17 for the receipt of Directors' remuneration of 2021.

#### Report 5: 2021 Cash Dividends Distribution from retained earnings

1. In accordance with the Article 21 of Articles of Incorporation, if the distribution of shareholders' dividends and bonuses is fully or partially made by cash, the Board of Directors is authorized to make a resolution and report to Shareholders' Meeting.
2. The 8th term Board of Directors resolved that the 2021 cash distribution from retained earnings is NT\$1,109,454,082 in the 22<sup>th</sup> Board meeting. According to the shares held by each shareholder in the shareholders' register on cash dividend record date, the cash dividends to common shareholders is NT\$ 11,000 per 1,000 shares. The cash distribution to each shareholder is rounded down to one dollar (under one dollar is rounded down). The Board of Directors is authorized to determine the cash dividend record date and payment date.
3. Due to the changes of outstanding shares caused by the company's subsequent events, the cash distribution rate might be affected. The chairman is authorized by the Board of Directors to adjust the distribution.

#### Report 6: Amendments to certain provisions of "Corporate Social Responsibility Best

Practice Principles, and renamed as the Sustainable Development Best Practice Principles.

Explanation : In compliance with the amendments to the law, the Company amended articles of Corporate Social Responsibility Best Practice Principles and renamed as the Sustainable Development Best Practice Principles, which have been passed by the Board of Directors meeting on February 21<sup>th</sup>, 2022. Please see Appendix IV on pp. [18-32] for a table of comparisons before and after amendments.



## **Acknowledgements**

### **Proposal 1: Adoption of the 2021 Business Report and Financial Statements**

(Proposed by the Board)

#### **Explanation:**

1. The Company's 2021 Financial Statements were audited by PricewaterhouseCoopers Taiwan. 2021 Business Report and Financial Statements have been approved by the Board and examined by the Audit Committee, with the review report included in the meeting minute.
2. The Business report is attached as pp. [11-15], Appendix I. The auditing report of the certified accountants and the financial statements mentioned above are attached as pp. [33-46], Appendix V.
3. Please acknowledge the 2021 Business Report and Financial Statements.

#### **Resolution:**

### **Proposal 2: Adoption of the proposal for distribution of 2021 profits (proposed by the Board)**

#### **Explanation:**

1. The 2021 Profit Allocation Proposal (Attached as pp. [47-48], Appendix VI) has been submitted to the Company's Audit Committee for approval and been passed by the 8<sup>th</sup>-term Board of Directors in the 22<sup>th</sup> Board meeting.
2. Please acknowledge the proposal for distribution of 2021 profits.

#### **Resolution:**

## **Discussion Items**

Proposal 1: Please discuss the proposal to distribute new shares through transferring capital surplus. (Proposed by the Board of Directors)

Explanation:

1. To support future business development plan, the Company proposes to allocate NT\$10,085,940 from the Company's 2021 surplus available for appropriation, and to issue 1,008,594 as capital increase. Each share will have a par value of NT\$10, and will be ordinary shares.
2. 10 shares will be distributed for every 1,000 shares in proportion to the number of shares owned by shareholders recorded on the list of stockholders on the ex-dividend date. Petty stock of less than 1 share will be distributed in cash and rounded to the nearest NTD pursuant to Article 240 of the Company Act. Shareholders can also piece together shares owned to the nearest one whole share to the share transfer agency within 5 days from the ex-dividend date. The Chairman will be authorized to negotiate with specific persons to purchase the petty cash at par value.
3. New shares to be issued by non-physical form in the current capital increase have the same rights and obligations as the ordinary shares already issued.
4. Subsequently, if changes occur to the Company's share capital, affecting the number of shares outstanding, leading to adjustments to the rate of shareholders' dividend distribution, the Company proposes to ask Shareholders' Meeting to delegate the Board of Directors with all competent authority to handle related matters.
5. Upon approval from the General Shareholders' Meeting and applying to the competent authority for approval pursuant to the law, the Company proposes to ask the Board of Directors to establish the ex-dividend date and related matters. In case changes are needed based on competent authority's request for amendment or based on actual needs, the Company proposes to ask the Shareholders' Meeting

to delegate the Board of Directors with all rights to handle related matters.

6. Please proceed to discuss.

Resolution:

Proposal 2: Please discuss the proposal to amend certain provisions of articles of incorporation (Proposed by the Board of Directors)

Explanation:

1. Pursuant to the Company's operations and to conform the amendment of applicable law, the Company hereby proposes to amend certain provisions of its Articles of Incorporation. The proposed amendments to the Company's Articles of Incorporation and comparison table is attached as Appendix VII on pp. [49-62].
2. Please proceed to discuss.

Resolution:

Proposal 3: Please discuss the proposal to amend certain provisions of the Procedures for Acquisition and Disposal of Assets. (Proposed by the Board of Directors)

Explanation:

1. To conform the amendments of applicable law, the Company hereby proposes to amend certain provisions of the Procedures for Acquisition and Disposal of Assets. The proposed amendments to the Procedures for Acquisition and Disposal of Assets and the comparison table is attached as Appendix VIII on pp. [63-90].
2. Please proceed to discuss.

Resolution:

Proposal 4: Please discuss the proposed amendments to the Company's Rules of Procedure for Shareholders' Meeting. (Proposed by the Board of Directors)

Explanation:

1. To conform the amendments of applicable law, the Company hereby proposes to amend certain provisions of its Rules of Procedure for Shareholders' Meeting. The

proposed amendments to the Rules of Procedure for Shareholders' Meeting and the Comparison table is attached as Appendix IX. on pp. [91-121].

2. Please proceed to discuss.

Resolution:

Proposal 5: Please discuss the proposed abrogation of "Procedures for Lending Funds to Other Parties" and "Procedures for Endorsement and Guarantee", and set up "Procedures for Lending Funds, Endorsement and Guarantee". (Proposed by the Board of Directors)

Explanation:

1. The proposal is based on the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated by the Financial Supervisory Commission.
2. Pursuant to the Company's operations, the Company hereby proposes to abrogate of "Procedures for Lending Funds to Other Parties" and "Procedures for Endorsement and Guarantee", and set up "Procedures for Lending Funds, Endorsement and Guarantee". Please find Appendix X. on pp. [122-134] for reference.
3. Please proceed to discuss.

Resolution:

### **Extraordinary Motions**

### **Adjournment**

## Appendix I

### Poya International Co., Ltd. 2021 Business Report

#### 1. 2021 Business Results

##### (1) The implementation of the business plan

Unit : NTD 1,000

Item/amount	FY2021	FY2020	Change in amount	Change in proportion (%)
Operating revenue	17,469,208	17,538,838	(69,630)	-0.40%
Operating Cost	(9,805,716)	(9,966,051)	(160,335)	-1.61%
Net operating margin	7,663,492	7,572,787	90,705	1.20%
Operating expenses	(5,340,180)	(4,922,568)	417,612	8.48%
Operating profit	2,323,312	2,650,219	(326,907)	-12.34%
Non-operating income and expenses	(23,449)	(43,986)	(20,537)	-46.69%
Profit before income tax	2,299,863	2,606,233	(306,370)	-11.76%
Profit for the year	1,839,743	2,110,123	(270,380)	-12.81%
Basic earnings per share (in dollars)	18.25	20.97	(2.72)	-12.97%

The growth of operating revenue and national store number remained stable.

The growth rate of store number in 2021 is 15.30%.

Unit : Stores/NTD 10,000

Title/year	FY2018	FY2019	FY2020	FY2021
Operating revenue	1,408,403	1,578,769	1,753,884	1,746,921
Total store number (Note)	201	235	281	324

Note : We use the store numbers of 281 in 2020 as the basis for the calculation of the new store growth rate.

##### (2) Financial structure and profitability analysis

Title		FY2021	FY2020
Financial	Ratio of liabilities to	80.07	79.17

Structure	assets (%)		
	Ratio of long-term capital to property, plant, and equipment (%)	204.02	178.85
Profitability	Return on assets (ROA) (%)	8.14	10.35
	Return on equity (ROE) (%)	37.50	45.78
	Net Profit ratio (%)	10.53	12.03
	Basic EPS (NTD) (Note)	18.25	20.97

Note : EPS is calculated on the basis of the weighted average quantity of outstanding shares for the year.

## 2. 2022 Business plan

Thanks to the increasing vaccination coverage in 2021, governments around the world have gradually relaxed border restrictions with tightening monetary policy on the backdrop of economy recovery. Owing to the outbreak of pandemic in second half of May, 2021, in Taiwan, consumer spending declined, which boded ill for operational performance of enterprises. As the covid situation is under control with the help by government's policy combating covid since the fourth quarter, the economy and financial markets have remained stable. Thanks to the launch of stimulus voucher by Taiwanese government in the fourth quarter of 2021 with easing pandemic situation entering into year-end festive season, consumer confidence has rebounded with the domestic economy regaining strength. The Directorate General of Budget, Accounting and Statistics, Executive Yuan estimated that the economic growth rate for 2021 was 6.45%, mainly driven by continued growth of domestic exports and fixed investment. The Directorate General of Budget, Accounting and Statistics, Executive Yuan estimated that the economy will grow at a rate of 4.42% in 2022.

In the face of uncertainty by the external environment, Poya aims to improve the operational performance by the continuing differentiation of market positioning, the enhancement of services and product assortment plan. In response to the pandemic, Poya has developed our omni channel strategy. By the end of 2021, we operated 324 stores, including 290 POYA and 34 POYA HOME. The operating revenue and profit after tax in 2021 were NT\$17.5 billions and NT\$1.8 billions respectively.

In terms of the business operations, Poya has enhanced the customer experience at physical stores through store display optimization. This strengthens the value of Poya brand by the shopping space with “Beauty, Trendy, and Enrichment” spirits; Poya also continues to enhance customer satisfaction by our wider selections of product assortment strategy with high cost/performance ratio (C/P value). In 2021, Poya has also engaged into digital transformation. In addition to promotional activities in physical channels from time to time, Poya launched digital payment, Poya Pay, and e-commerce platform, POYA BUY, aiming to providing a seamless shopping experience to customers. Poya will continue to keep digital transformation and service upgrades to enhance customer loyalty and lifetime.

### 3、Business policy

#### (1) Aggressive store expansion roadmap

Poya currently ranked No. 1 in cosmetic and grocery channel and will continue to expand store network and increase our market share. In 2019, we created a new hardware channel named “Poya Home”, to allow our customers to enjoy the fun of life by simple remodeling of their living space. The current traditional hardware stores in Taiwan offer limited product choices, where we see market potential to fulfill the customers’ demand. As such, POYA devoted to offer a variety of product selections in our professional, spacious shopping environment. We

uphold “fair price, simple and convenience” as our core value with service-oriented culture to continuously enhance our market share in Taiwan’s hardware market.

(2) Strengthen brand value with optimization of stores format

With core spirits of "Beauty, Trendy, and Enrichment", Poya continues to strengthen our brand image through optimizing store formats and speeding up the digitalization. Poya adopts digital transformation to enhance our customer loyalty. We also continue to innovate upon business philosophy by creating a more convenient and comfortable shopping space with various product selections in order to provide customers a pleasant shopping experience. This should lead Poya into a new century of digitization.

(3) Enhanced competitiveness with diverse activities

By understanding customer demands and market positioning, Poya strengthens its competitive edge and creates brand value through expanding customer base by cross-industry alliances and multi-marketing campaigns, including mobile payment and online platform rollouts. Through our unique physical and online shopping experience, we are able to drive revenue and profit growth.

(4) Merchandise management and space efficiency

Poya devotes itself to enhance the product competitiveness by deepening product categories with higher completeness of product mix, manage well the inventory for each shop with smooth process of shelves management, in order to optimize operating procedure and satisfy customers’ needs at different levels. This should help us to increase selling opportunity of products in different areas, and to remain our leading position in the industry.



Poya has strived to become “A more preferred Poya by the customers”, and hopes to be the best destination for our customers within the products and services which Poya offers. Poya also continues to implement the sustainable spirit on environment, society and corporate governance for perpetual growth and corporate sustainability.

On behalf of the management, we are grateful for all the supports of shareholders, customers and suppliers, and the dedication of all the staff. We will spare no effort in raising corporate value for our shareholders. Wish everyone health and luck!

Poya International Co., Ltd.

Chen Jian-Zao, Chairman

Chen Zong-Cheng, General Manager

## Appendix II

### **POYA International Co., Ltd.**

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

The Board of Directors have passed the business report and financial statements for the year 2021, among which the financial statements have been audited and reviewed by Lin Yung-Chih and Lin Tzu-Yu, who are both certified accountants from the accounting firm of PwC Taiwan, and they have issued an audit report. The above mentioned business report and financial statements were reviewed by the Audit Committee and considered that there was no discrepancy. The above mentioned reports are presented as required by Securities and Exchange Act 14-4 and Article 219 of the Company Act, for further inspection.

2022 Regular Shareholders' Meeting

POYA International Co., Ltd.

Convener of Audit Committee: Li-Ming Hsien

February 21<sup>nd</sup>, 2022

### **POYA International Co., Ltd.**

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

The Board of Directors have passed the profit distribution proposal for the year 2021, which was reviewed by the Audit Committee and considered that there was no discrepancy. The above mentioned report is presented as required by Securities and Exchange Act 14-4 and Article 219 of the Company Act, for further inspection.

2022 Regular Shareholders' Meeting

POYA International Co., Ltd.

Convener of Audit Committee: Li-Ming Hsien

April 25<sup>nd</sup>, 2022

# Appendix III

## The Receipt of Directors' Remuneration of 2021

Title	Name	Remunerations to directors								A+B+C+D in proportion to corporate earnings (Note 11)		Compensation to Directors Also Serving as Company Employees								A+B+C+D+E+F+G in proportion to corporate earnings		Compensation from parent company and affiliates other than subsidiaries
		Remuneration (A)		Pension (B)		Directors Remuneration (C)		Business expense (D)				Salaries, bonus, and special allowance (E)		Pension (F)		Employee Remuneration (G)						
		Poya International	All consolidated companies	Poya International	All consolidated companies	Poya International	All consolidated companies	Poya International	All consolidated companies	Poya International	All consolidated companies	Poya International	All consolidated companies	Poya International	All consolidated companies	The Company		All consolidate companies		Poya International	All consolidate companies	
																Cash	Stock	Cash	Stock			
Chairman	Duo Chin Investment Co., Ltd. Representative: Chen Jian-Zao	3,938	3,938	0	0	960	960	0	0	4,8980.27%	4,8980.27%	0	0	0	0	0	0	0	0	4,8980.27%	4,8980.27%	0
Vice Chairman	Poya Investment Co., Ltd Representative: Chen Fan Mei-Jin	3,153	3,153	0	0	960	960	0	0	4,1130.22%	4,110.22%	0	0	0	0	0	0	0	0	4,110.22%	4,1130.22%	0
Director	Chen Zong-Cheng	0	0	0	0	960	960	0	0	9600.05%	9600.05%	5,438	5,438	0	0	4,510	0	4,510	0	10,9080.59%	10,9080.59%	0
Director	Chen Ming-Shian	0	0	0	0	600	600	41	41	6410.03%	6410.03%	0	0	0	0	0	0	0	0	6410.03%	6410.03%	0
Independent Director	Liu Zhi-Hong	0	0	0	0	600	600	39	39	6390.03%	6390.03%	0	0	0	0	0	0	0	0	6390.03%	6390.03%	0
Independent Director	Li Ming - Hsien	0	0	0	0	600	600	41	41	6410.03%	6410.03%	0	0	0	0	0	0	0	0	6410.03%	6410.03%	0
Independent Director	Wu Lin- I	0	0	0	0	600	600	41	41	6410.03%	6410.03%	0	0	0	0	0	0	0	0	6410.03%	6410.03%	0
1. Please describe the remuneration policy, system, standard and structure of independent directors, and describe the relationship with the amount of remuneration according to the responsibilities, risks, time and other factors. : In accordance with Articles of Incorporation, the percentage of remuneration distributed to directors shall not exceed 6% of the Company's earning (annual net profits before tax before deducting compensation for employees and directors) for the year. The remuneration of the chairman, vice chairman, directors and independent directors of the Company shall be submitted to the remuneration committee for approval and report to the Board of Directors based on the level of their participation in the Company's operations and their contribution, taking into account the industry standards. The Company regularly evaluates the remuneration of independent directors every year. 2. Except as provided in the disclosure of information section above, the directors' remunerations from providing services for the companies which disclosed in the financial statements (such as being consultants etc.): No.																						

## Appendix IV

### Sustainable Development Best Practice Principles

#### Table of Comparisons Before and After Amendments

After Amendment	Before Amendment	Explanation
Sustainable Development Best Practice Principles	Corporate Social Responsibility Best Practice Principles	Complied with Corporate Social Responsibility Best Practice Principles for TWSE/ GTSM-Listed Companies, renamed as Sustainable Development Best Practice Principles for TWSE/ GTSM-Listed Companies on 27 <sup>th</sup> Dec. 2021.

After Amendment	Before Amendment	Explanation
Chapter 5 Sustainable Development Best Practice Principles	Chapter 5 Corporate Social Responsibility Best Practice Principles	Complied with the regulation revision.

Articles	After Amendment	Before Amendment	Explanation
Article 1	In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company hereby jointly adopts the Principles to be followed by the Company according to “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies”	In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company hereby jointly adopts the Principles to be followed by the Company according to “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies”	Complied with Corporate Social Responsibility Best Practice Principles for TWSE/ GTSM-Listed Companies, renamed as Sustainable Development Best Practice Principles for TWSE/ GTSM-Listed Companies on 27 <sup>th</sup> Dec. 2021.
Article 2	The Principle applies to both the entire operations of	The Principle applies to both the entire operations of POYA	Complied with the

Articles	After Amendment	Before Amendment	Explanation
	POYA and its business group. The Company shall actively fulfill the <u>sustainable development</u> in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on <u>sustainable development</u> .	and its business group. The Company shall actively fulfill the corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.	regulation revision.
Article 3	In fulfilling <u>sustainable development</u> initiatives, POYA shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The following are omitted.	In fulfilling corporate social responsibility initiatives, POYA shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The following are omitted.	Complied with the regulation revision.
Article 4	To implement <u>sustainable development</u> initiatives, the Company follows the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of <u>sustainable development</u> information.	To implement corporate social responsibility initiatives, the Company follows the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate social responsibility information.	Complied with the regulation revision.
Article 5	The Company shall take into consideration the correlation between the development of domestic	The Company shall take into consideration the correlation between the development of domestic and international	Complied with the regulation revision.

Articles	After Amendment	Before Amendment	Explanation
	and international <u>sustainable development</u> principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder <u>proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.</u>	sustainable development principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.	
Article 7	The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>sustainable development</u> policies. The board of directors of the Company shall exercise its sustainable development by including the following	The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. The board of directors of the Company shall exercise its sustainable development by including the following matters: 1. Identifying the company's corporate social responsibility mission or vision, and	Complied with the regulation revision.

Articles	After Amendment	Before Amendment	Explanation
	<p>matters:</p> <p>1. Identifying the company's <u>sustainable development</u> mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;</p> <p>2. Making <u>sustainable development</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u> initiatives;</p> <p>3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information. The following are omitted.</p>	<p>declaring its sustainable development policy, systems or relevant management guidelines;</p> <p>2. Making corporate social responsibility the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives;</p> <p>3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information. The following are omitted.</p>	
Article 9	<p>For the purpose of managing <u>sustainable development</u> initiatives, the Company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plan and <u>to report on the same to the board of directors on a periodic basis.</u></p>	<p>For the purpose of managing corporate social responsibility initiatives, the Company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to disclose the execution of corporate social responsibility in the annual reports.</p>	Complied with the regulation revision.
Article 10	<p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to</p>	<p>The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important</p>	Complied with the regulation revision.

Articles	After Amendment	Before Amendment	Explanation
	the important <u>sustainable development</u> issues which they are concerned about.	corporate social responsibility issues which they are concerned about.	
Article 12	The Company shall endeavor to utilize <u>energy</u> resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	Complied with the regulation revision.
Article 17	POYA is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures. POYA is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1.Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2.Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. <u>3.Other indirect emissions: emissions from company activities that are not indirect emissions from energy sources, but originate from emission sources owned or controlled by other companies.</u> The following are omitted.	POYA is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures. POYA is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1.Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2.Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. The following are omitted.	Complied with the regulation revision.



Articles	After Amendment	Before Amendment	Explanation
Article 28	<p>The Company shall disclose information according to relevant laws, regulations and the “Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies” and shall fully disclose relevant and reliable information relating to their <u>sustainable development</u> initiatives to improve information transparency.</p> <p>Relevant information relating to <u>sustainable development</u> which the Company shall disclose includes:</p> <ol style="list-style-type: none"> <li>1. The policy, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the Board of Directors.</li> <li>2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.</li> <li>3. Goals and measures for realizing the <u>sustainable development</u> initiatives established by the Company, and performance in implementation.</li> <li>4. Major stakeholders and their concerns.</li> <li>5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</li> </ol>	<p>The Company shall disclose information according to relevant laws, regulations and the “Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies” and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.</p> <p>Relevant information relating to corporate social responsibility which the Company shall disclose includes:</p> <ol style="list-style-type: none"> <li>1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the Board of Directors.</li> <li>2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.</li> <li>3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company, and performance in implementation.</li> <li>4. Major stakeholders and their concerns.</li> <li>5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</li> <li>6. Other information relating to corporate social responsibility</li> </ol>	Complied with the regulation revision.

Articles	After Amendment	Before Amendment	Explanation
	6. Other information relating to <u>sustainable development</u> initiatives.	initiatives.	
Article 29	The Company shall adopt internationally widely recognized standards or guidelines when producing <u>Sustainability report</u> , to disclose the status of their implementation of the sustainable development policy. <u>It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.</u> The reports are advised to include: 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>sustainable development</u> initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals.	The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the sustainable development policy. The reports are advised to include: 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4. Future improvements and goals.	Complied with the regulation revision.
Article 30	The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the implementation of the	The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility	Complied with the regulation revision.

Articles	After Amendment	Before Amendment	Explanation
	<u>sustainable development</u> policy.	policy.	
Article 32	This Principle was enacted on October 27, 2014. The first amendment was made on February 24, 2015, the second amendment was made on October, 26th, 2020, and <u>the 3rd amendment was made on February 21, 2022.</u>	This Principle was enacted on October 27, 2014. The first amendment was made on February 24, 2015.	Add the latest amendment date.

### **Sustainable Development Best Practice Principles**

#### **Chapter 1 General Principles**

- Article 1 In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company hereby jointly adopts the Principles to be followed by the Company according to “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies”
- Article 2 The Principle applies to both the entire operations of the Company and its business group. The Company shall actively fulfill the sustainable development in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.
- Article 3 In fulfilling sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. In addition, the Company shall in accordance with the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies.
- Article 4 To implement sustainable development initiatives, the Company follows

the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of sustainable development information.

Article 5 The Company shall take into consideration the correlation between the development of domestic and international sustainable development principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

## **Chapter 2 Exercising Corporate Governance**

Article 6 The Company shall follow the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies” and the “Code of Ethical Conduct for TWSE/GTSM Listed Companies” to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies. The board of directors of the Company shall exercise its sustainable development by including the following matters:

1. Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives;
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company shall, on a regular basis, organize education and training on the implementation of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing sustainable development initiatives, the Company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

### **Chapter 3 Fostering a Sustainable Environment**

Article 11 The Company shall follow the relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company shall endeavor to utilize energy resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The Company shall establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans,

and examining the results of their operation on a regular basis.

Article 14 The Company shall assign General Administrative Division as dedicated unit for environmental management, in charge of drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and shall hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15 The Company shall take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of the products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures. The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
3. Other indirect emissions: emissions from company activities that are not indirect emissions from energy sources, but originate from emission sources owned or controlled by other companies.

The Company shall monitor the impact of climate change on their operations and shall establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory to minimize the impact of their business operations on climate change.

#### **Chapter 4 Preserving Public Welfare**

- Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination. The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes. The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities. The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.
- Article 19 The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company have business operations.
- Article 20 The Company shall provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company shall organize training on safety and health for the employees on a regular basis.
- Article 21 The Company shall create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

- Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions. The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives. The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.
- Article 23 The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.
- Article 24 The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The Company shall follow relevant laws, regulations and international guidelines when marketing or labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.
- Article 25 The Company shall evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company shall provide a clear and effective procedure for accepting consumers' complaints in order to fairly and timely handle consumers' complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.
- Article 26 The Company shall assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. The Company is advised to establish



supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company shall, through commercial activities, non-cash property endowments, volunteering service or other charitable professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

## **Chapter 5 Enhancing Disclosure of Sustainable Development Information**

Article 28 The Company shall disclose information according to relevant laws, regulations and the “Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies” and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the Board of Directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the sustainable development initiatives established by the Company, and performance in implementation.

4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing Sustainability report, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

## **Chapter 6 Supplementary Provisions**

Article 30 The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the implementation of the sustainable development policy.

Article 31 The principle and any amendments to it shall enter into force after it has been adopted by the Board of Directors, and submitted to a Shareholders' Meeting.

Article 32 The Principle was enacted on October 27, 2014. The 1th amendment was made on February 24, 2015, the 2nd amendment was made on October 26, 2020, and the 3rd amendment was made on February 21, 2022.

## Appendix V

Independent Auditors' Report and Financial Statements  
REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE  
(2022) Tsai Shen Pao Tsu No. 21003253

To the Board of Directors and Stockholders of POYA International Co., Ltd.

### **Opinion**

We have audited the accompanying balance sheets of POYA International Co., Ltd. as at December 31, 2021 and 2020, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters

were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for POYA International Co., Ltd. financial statements of the current period are stated as follows:

### **Completeness and accuracy of franchising retail sales revenue**

#### **Description**

Please refer to Note 4(19) “Revenue recognition” for accounting policies on retail franchising.

In retail franchising, merchandise information such as name, cost, retail price, price changes and annual sales discount is first established. The point of sales system (henceforth POS) is used to run the merchandise information automatically. Each store gathers sales transactions by the end of the day. The system will aggregate all the information of transactions and then upload to ERP system to generate sales revenue journal entries. In addition, each store has to file cash report daily including cash, gift vouchers, credit cards, and electronic payment devices and reconcile with system data. Cash collections are deposited with the banks periodically.

Due to numerous transactions with small amount, retail franchising highly relies on POS and ERP system to generate reliable and accurate data. Thus, we identified the completeness and accuracy of retail franchising sales revenue as a key audit matter.

#### **How our audit addressed the matter**

Our procedures in relation to the above key audit matter included:

1. Checking randomly whether the merchandise information has been properly approved and attached with relevant evidence whenever merchandise information is created or changed;
2. Checking randomly whether the merchandise information has been transferred to POS system;
3. Checking randomly whether all the sales that were recorded in the POS are periodically transferred to ERP system and recorded in operating revenue journal entry automatically;
4. Reviewing the reasons and the relevant evidences for manual adjusting journal entries that are related to retail franchising sales revenue; and
5. Reviewing whether stores’ cash deposits amounts recorded on the daily cash report are in accordance with bank remittance amounts.

### **Calculation of cost to retail ratio of retail inventory method**

## Description

Please refer to Note 4(7) for accounting policies on inventory and Note 6(3) “Inventory” for related information on inventory and cost of sales.

Due to various kinds of merchandise, retail inventory method is used to estimate cost of inventory and cost of goods sold which are both calculated using the rate of cost of goods purchased to retail value of goods purchased (known as cost to retail ratio). The calculation of cost to retail ratio is generated automatically by the ERP system and highly relies on the goods purchased both at cost and retail price.

Thus, we identified the accuracy and reliability of calculation of cost to retail ratio of retail inventory method as a key audit matter.

## How our audit addressed the matter

Our procedures in relation to the above key audit matter included:

1. Conducting interviews with management to obtain an understanding of the calculation of cost to retail ratio in the calculation system of retail inventory method and determining whether it has been consistently applied in the comparative periods of financial statements;
2. Checking randomly whether the merchandise information has been properly approved and attached with relevant evidence whenever merchandise information is created or changed;
3. Confirming whether the records of cost of inventory purchased in POS are transferred to ERP periodically and completely and the records could not be changed manually; and
4. Checking the computation for the correctness of cost to retail ratio.

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

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

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

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

## **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters

in our audit report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that the matters should not be disclosed in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such disclosures.

PricewaterhouseCoopers, Taiwan

Independent Accountants

Lin Tzu-Yu

Lin Yung-Chih

February 21, 2022

POYA INTERNATIONAL CO., LTD.  
BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31,2021		December 31,2020			
			Amount	%	Amount	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	2,861,041	12	\$	1,724,114	7
1150	Notes receivable, net	6(2)		22,021	-		10,670	
1170	Accounts receivable, net	6(2)		1,019,231	4		964,592	4
1200	Other receivables			4,649	-		4,430	-
130X	Inventories	6(3)		4,410,665	18		4,076,533	18
1410	Prepayments	6(4)		72,915	-		38,566	-
1476	Other current financial	8						
	assets			8,287	-		8,287	-
11XX	Total current assets			8,398,809	34		6,827,192	29
Non-current assets								
1600	Property, plant and	6(5)						
	equipment, net			3,516,508	14		3,378,801	15
1755	Right-of-use assets	6(6) and 7		12,624,534	50		12,529,061	54
1840	Deferred income tax assets	6(20)		26,637	-		22,830	-
1920	Refundable deposits	6(6)		418,817	2		395,834	2
1980	Other non-current financial	8						
	assets			11,000	-		8,000	-
1990	Other non-current assets			13,926	-		15,374	-
15XX	Total non-current assets			16,611,422	66		16,349,900	71
1XXX	Total assets		\$	25,010,231	100	\$	23,177,092	100



POYA INTERNATIONAL CO., LTD.  
BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December31, 2020	
			Amount	%	Amount	%
Current liabilities						
2130	Current contract liabilities	6(13)	\$ 69,643	-	\$ 33,079	-
2150	Notes payable		44,051	-	54,218	-
2170	Accounts payable		2,591,389	10	2,372,431	10
2200	Other payables	6(7)	673,506	3	690,696	3
2230	Current income tax liabilities	6(20)	203,131	1	298,696	2
2280	Current lease liabilities	6(6) and 7	1,566,148	6	1,413,632	6
2310	Receipts in advance		102	-	6	-
2320	Long-term liabilities, current portion	6(8)	1,612,740	7	1,171,728	5
21XX	Total current liabilities		6,760,710	27	6,034,486	26
Non-current liabilities						
2540	Long-term borrowings	6(8)	2,190,572	9	1,214,908	5
2570	Deferred income tax liabilities	6(20)	5,408	-	5,051	-
2580	Non-current lease liabilities	6(6) and 7	11,056,707	44	11,074,245	48
2640	Net defined benefit liabilities-non-current	6(9)	1,351	-	7,218	-
2645	Guarantee deposits received		11,731	-	13,232	-
25XX	Total non-current liabilities		13,265,769	53	12,314,654	53
2XXX	Total liabilities		20,026,479	80	18,349,140	79
Equity						
Share capital						
3110	Common stock	6(10)	1,008,595	4	976,850	4
3200	Capital surplus	6(11)	777,480	3	640,419	3
	Retained earnings	6(12)				
3310	Legal reserve		1,280,125	5	1,069,392	5

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

POYA INTERNATIONAL CO., LTD.  
BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

3350	Unappropriated retained earnings		<u>1,917,552</u>	<u>8</u>	<u>2,141,291</u>	<u>9</u>
3XXX	<b>Total equity</b>		<u>4,983,752</u>	<u>20</u>	<u>4,827,952</u>	<u>21</u>
	<b>Significant Contingent</b>	9				
	<b>Liabilities and Unrecognized</b>					
	<b>Contract Commitments</b>					
3X2X	<b>Total liabilities and equity</b>		<u>\$ 25,010,231</u>	<u>100</u>	<u>\$ 23,177,092</u>	<u>100</u>

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

POYA INTERNATIONAL CO., LTD.  
STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
4000	<b>Operating revenue</b>	6(13)	\$ 17,469,208	100	\$ 17,538,838	100
5000	<b>Operating costs</b>	6(3)(6)(9)(18)(19)	( 9,805,716)	( 56)	( 9,966,051)	( 57)
5900	<b>Net operating margin</b>		7,663,492	44	7,572,787	43
	<b>Operating expenses</b>	6(6)(9)(18)(19) and 7				
6100	Selling expenses		( 4,730,787)	( 27)	( 4,372,012)	( 25)
6200	General and administrative expenses		( 609,393)	( 4)	( 550,556)	( 3)
6000	<b>Total operating expenses</b>		( 5,340,180)	( 31)	( 4,922,568)	( 28)
6900	<b>Operating profit</b>		2,323,312	13	2,650,219	15
	<b>Non-operating income and expense</b>					
7100	Interest income	6(14)	2,333	-	2,817	-
7010	Other income	6(15)	84,465	1	63,791	1
7020	Other gains and losses	6(6) (16)	42,935	-	21,327	-
7050	Finance costs	6(5)(6)(16) and 7	( 153,182)	( 1)	( 131,921)	( 1)
7000	<b>Total non-operating income and expenses</b>		( 23,449)	-	( 43,986)	-
7900	<b>Profit before income tax</b>		2,299,863	13	2,606,233	15
7950	Income tax expense	6(20)	( 460,120)	( 2)	( 496,110)	( 3)
8200	<b>Net income for the year</b>		\$ 1,839,743	11	\$ 2,110,123	12
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Remeasurement of defined benefit obligation	6(9)	(\$ 4,084)	-	(\$ 3,489)	-
8349	Income tax relating to the components of other comprehensive income that	6(20)	817	-	698	-

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

POYA INTERNATIONAL CO., LTD.  
STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	will not be reclassified to profit or loss				
8300	<b>Total other comprehensive (loss) income for the year</b>	<u>(\$ 3,267)</u>	<u>-</u>	<u>(\$ 2,791)</u>	<u>-</u>
8500	<b>Total comprehensive income for the year</b>	<u>\$ 1,843,010</u>	<u>1</u>	<u>\$ 2,107,332</u>	<u>12</u>
	<b>Earnings per share (in dollars)</b>		6(21)		
9750	<b>Basic</b>	<u>\$ 18.25</u>		<u>\$ 20.97</u>	
9850	<b>Diluted</b>	<u>\$ 18.18</u>		<u>\$ 20.91</u>	

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

POYA INTERNATIONAL CO., LTD.  
STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

		Capital Surplus	Retained Earnings			
	Notes	Common stock	Additional paid-in capital	Legal reserve	Unappropriated retained earnings	Total equity
<u>Year ended December 31, 2020</u>						
Balance at January 1, 2020		\$ 976,850	\$ 640,419	\$ 883,463	\$ 1,890,302	\$ 4,391,034
Net income for the year ended December 31, 2020		-	-	-	2,110,123	2,110,123
Other comprehensive income for the year ended December 31, 2020		-	-	-	( 2,791 )	( 2,791 )
Total comprehensive income for the year ended December 31, 2020		-	-	-	2,107,332	2,107,332
Distribution of 2019 net income:						
Legal reserve		-	-	185,929	( 185,929 )	-
Cash dividends	6(12)	-	-	-	( 1,670,414 )	( 1,670,414 )
Balance at December 31, 2020		<u>\$ 976,850</u>	<u>\$ 640,419</u>	<u>\$ 1,069,392</u>	<u>\$ 2,141,291</u>	<u>\$ 4,827,952</u>
<u>Year ended December 31, 2021</u>						
Balance at January 1, 2021		<u>\$ 976,850</u>	<u>\$ 640,419</u>	<u>\$ 1,069,392</u>	<u>\$ 2,141,291</u>	<u>\$ 4,827,952</u>
Net income for the year ended December 31, 2021		-	-	-	1,839,743	1,839,743
Other comprehensive loss for the year ended December 31, 2021		-	-	-	3,267	3,267
Total comprehensive income for the year ended December 31, 2020		-	-	-	1,843,010	1,843,010
Distribution of 2020 net income:						

The accompanying notes are an integral part of these financial statements

POYA INTERNATIONAL CO., LTD.  
STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

	Notes	Common stock	Capital Surplus	Retained Earnings		Total equity
			Additional paid-in capital	Legal reserve	Unappropriated retained earnings	
Legal reserve		-	-	210,733	( 210,733 )	-
Cash dividends	6(12)	-	-	-	( 1,826,710 )	( 1,826,710 )
Stock Dividends	6(10)(12)	29,306	-	-	( 29,306 )	-
Capitalization of Employees' Remuneration	6(12)	2,439	137,061	-	-	139,500
Balance at December 31, 2021		<u>\$ 1,008,595</u>	<u>\$ 777,480</u>	<u>\$ 1,280,125</u>	<u>\$ 1,917,552</u>	<u>\$ 4,983,752</u>

The accompanying notes are an integral part of these financial statements

POYA INTERNATIONAL CO., LTD.  
STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	December 31, 2021	December 31, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 2,299,863	\$ 2,606,233
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)(19)	2,275,895	2,001,145
Loss (gain) on disposal of property, plant and equipment	6(16)	312	3,933
Gain from lease modification	6(6)(16)	( 43,247 )	( 28,660 )
Interest income	6(14)	( 2,333 )	( 2,817 )
Interest expense	6(17)	153,182	131,921
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 11,351 )	( 6,171 )
Accounts receivable		( 54,639 )	( 120,209 )
Other receivables		( 219 )	( 2,477 )
Inventories		( 334,132 )	( 603,052 )
Prepayments		( 34,349 )	( 12,626 )
Changes in operating liabilities			
Current contract liabilities		36,564	1,848
Notes payable		10,167 )	259 )
Accounts payable		218,958	346,102
Other payables		175,013	42,306
Receipts in advance		( 96 )	( 185 )
Net defined benefit liabilities-non-current		( 1,783 )	( 1,772 )
Cash inflow generated from operations		4,667,663	4,355,778
Interest received		2,333	2,817
Interest paid		( 153,182 )	( 131,921 )
Income tax paid		( 559,952 )	( 455,957 )
Net cash flows from operating activities		3,956,862	3,770,717
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease in other current financial assets		( - )	( 2,000 )
Acquisition of property, plant and equipment	6(22)	( 842,004 )	( 994,827 )
Interest paid for acquisition of property, plant and equipment	6(5)(17)(22)	( 385 )	( 761 )
Proceeds from disposal of property, plant and equipment		1,934	3,242
Acquisition of right-of-use assets	6(6)	( 67,793 )	( 70,672 )
Increase in refundable deposits		( 22,983 )	( 38,644 )
Increase in other non-current financial assets		3,000 )	- )
Increase in other non-current assets		( 1,448 )	( 1,266 )
Net cash flows used in investing activities		( 932,783 )	( 1,104,928 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term borrowings	6(23)	3,240,000	1,940,000
Repayment of long-term borrowings	6(23)	( 1,823,324 )	( 1,212,283 )

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

POYA INTERNATIONAL CO., LTD.  
STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Repayment of lease principal	6(23)	( 1,475,617 )	( 1,283,128 )
Increase in guarantee deposits received	6(23)	1,501	3,964
Cash dividends paid	6(12)	( 1,826,710 )	( 1,670,414 )
Net cash flows used in financing activities		( 1,887,152 )	( 2,221,861 )
Net increase in cash and cash equivalents		1,136,927	443,928
Cash and cash equivalents at beginning of year	6(1)	1,724,114	1,280,186
Cash and cash equivalents at end of year	6(1)	<u>\$ 2,861,041</u>	<u>\$ 1,724,114</u>

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



## Appendix VI

## POYA International Co., Ltd.

2021 Profits Distribution Table

Unit: New Taiwan Dollars

Items	Amount		Note
Beginning unappropriated retained earnings		\$74,542,077	The industry that the company is in continues to evolve with many changes; the corporate lifecycle is currently in a phase of steady growth. After the confirmation of the financial statements each year, the Company shall pay the income tax and also offset losses for previous years. If after this, retained earning remains, the Company shall set aside 10% as legal reserve and may set aside or reverse more amount as special reserve based on the law. The remaining profits are distributable earnings for the current period, being added to the accumulated retained earnings from the previous year to be equal to accumulated distributable earnings.
Add: 2021 adjustment to retained earnings		<u>3,266,559</u>	
Adjusted unappropriated retained earnings		77,808,636	
Add: Net earnings after tax for the current year		<u>1,839,743,47</u>	
Distributable earnings for the current period		1,917,552,109	
Less: Legal reserve		<u>(184,301,003)</u>	The Company's dividend policy shall be determined based on the industry the Company stay and after the Board of Directors takes account of the future business development, the reinvestment environment, and the shareholders' interests. The distribution of shareholders' dividends and bonuses shall be made after the distribution of the Company's earnings raised by the Board of Directors has been submitted to the Shareholders Meeting for approval Every year, 50%-100% of the accumulated distributable earnings shall be allocated as shareholders' dividends and bonuses. The shareholders' dividends and bonuses shall be distributed in cash or stock,
Accumulated distributable earnings		1,733,251,106	
Distribution items :			
Shareholders dividend—Stock \$ 0.10/share	(10,085,940)		
Shareholders dividend—Cash \$ 11.0/ share	<u>(1,109,454,082)</u>	<u>(1,119,540,022)</u>	
Unappropriated retained earnings		<u>\$613,711,084</u>	

			<p>cash dividends of which shall not be less than 1% of total dividends. If cash dividend is lower than NT\$ 0.5 per share, stock dividend shall be substituted for cash dividend</p> <p>New shares or cash shall be issued from the legal reserve with the limitation that the monetary amount of new shares or cash shall not exceed 25% of the part which legal reserve is in excess of the paid-in capital.</p>
<p>Note1: Cash dividends were calculated based on allocated percentage and in a dollar amount (round down to a dollar amount). The total amount of fractional cash dividends less than a dollar shall be sorted by the number after decimal point from big to small and be adjusted by the order of account number with the purpose of compliance with the total distributed amount of cash dividends.</p> <p>Complied with the implementation of Imputation System, the Company shall pay Additional 10% Surtax on Undistributed Retained Earnings according to Article 66-9 of Income Tax Act. In accordance with Ministry of Finance, 30 April 1998, Tai Tsai Shui No. 871941343, the Company shall first allocate earnings from the current period by using the specific identification method.</p> <p>Note2: The rate of the extra profit-seeking enterprise income tax on unappropriated retained earnings would be reduced from 10% to 5% according to income tax optimization measures disclosed by The ministry of finance, R.O.C. since 2018.</p>			

Chairman : Chen Jian-Zao    General Manager : Chen Zong-Cheng    Finance and Accounting Manager : Shen Hong-Yu

**POYA International Co., Ltd.****Articles of Incorporation****Table of Comparisons Before and After Amendments**

Articles	Article after amendment	Article before amendment	Explanation
Article 1	The Company shall be incorporated as a company limited by shares according to the Company Act of the Republic of China and shall have the name of “POYA International Co., Ltd.”, and <u>English name of “POYA International Co., Ltd.”</u> .	The Company shall be incorporated as a company limited by shares according to the Company Act of the Republic of China and shall have the name of “POYA International Co., Ltd.”	Complied with the Company’s operation need.
Article 2	Business of the Company shall be listed as follows: ...(omitted) 62 F101100 Wholesale of Flowers 63 F201070 Retail sale of Flowers <u>64</u> F201010 Retail sale of agricultural products <u>65</u> F101081 Wholesale of plant seeds <u>66</u> F201061 Retail sale of plant seeds <u>67</u> F101070 Wholesale of Fishing Gears or Tackles <u>68</u> F201050 Retail sale of Fishing Gears or Tackles <u>69</u> F106030 Wholesale of die <u>70</u> F206030 Retail sale of die <u>71</u> F106040 Wholesale of Plumbing Materials <u>72</u> F206040 Retail sale of Plumbing Materials	Business of the Company shall be listed as follows: ...(omitted) 62 F101100 Wholesale of Flowers 63 F201070 Retail sale of Flowers 64 F101061 Wholesale market of agricultural products 65 F201010 Retail sale of agricultural products 66 F101081 Wholesale of plant seeds 67 F201061 Retail sale of plant seeds 68 F101070 Wholesale of Fishing Gears or Tackles 69 F201050 Retail sale of Fishing Gears or Tackles 70 F106030 Wholesale of die 71 F206030 Retail sale of die 72 F106040 Wholesale of Plumbing Materials	Complied with the Company’s operation need to revise the items of the business.

Articles	Article after amendment	Article before amendment	Explanation
	<u>73</u> F106060 Wholesale of Pet Food and Supplies	73 F206040 Retail sale of Plumbing Materials	
	<u>74</u> F206050 Retail sale of Pet Food and Supplies	74 F106060 Wholesale of Pet Food and Supplies	
	<u>75</u> F106070 Wholesale of Sacrificial Supplies	75 F206050 Retail sale of Pet Food and Supplies	
	<u>76</u> F206060 Retail sale of Sacrificial Supplies	76 F106070 Wholesale of Sacrificial Supplies	
	<u>77</u> F107010 Wholesale of Paints, Coating and Varnishes	77 F206060 Retail sale of Sacrificial Supplies	
	<u>78</u> F207010 Retail sale of Paints, Coating and Varnishes	78 F107010 Wholesale of Paints, Coating and Varnishes	
	<u>79</u> F107020 Wholesale of Dyes and Pigments	79 F207010 Retail sale of Paints, Coating and Varnishes	
	<u>80</u> F207020 Retail sale of Dyes and Pigments	80 F107020 Wholesale of Dyes and Pigments	
	<u>81</u> F107040 Wholesale of Agro-pesticides	81 F207020 Retail sale of Dyes and Pigments	
	<u>82</u> F207040 Retail sale of Agro-pesticides	82 F107040 Wholesale of Agro-pesticides	
	<u>83</u> F207180 Retail Sale of Firecrackers and Fireworks	83 F207040 Retail sale of Agro-pesticides	
	<u>84</u> F103010 Wholesale of Animal Feeds	84 F207180 Retail Sale of Firecrackers and Fireworks	
	<u>85</u> F202010 Retail sale of Animal Feeds	85 F103010 Wholesale of Animal Feeds	
	<u>86</u> F107170 Wholesale of Industrial Catalyst	86 F202010 Retail sale of Animal Feeds	
	<u>87</u> F207170 Retail sale of Industrial Catalyst	87 F107170 Wholesale of Industrial Catalyst	
	<u>88</u> F102180 Wholesale of Alcohol	88 F207170 Retail sale of Industrial Catalyst	
	<u>89</u> F203030 Retail sale of Alcohol	89 F102180 Wholesale of Alcohol	
	<u>90</u> F102050 Wholesale of Tea Leaves	90 F203030 Retail sale of Alcohol	
	<u>91</u> ZZ99999 All business items that are not prohibited or restricted by law, except those	91 F102050 Wholesale of Tea Leaves	
		92. ZZ99999 All business	

Articles	Article after amendment	Article before amendment	Explanation
	that are subject to special approval	items that are not prohibited or restricted by law, except those that are subject to special approval	
Article 11	<p>...(omitted)</p> <p>When the Company holds a shareholders' meeting, the shareholders are allowed to exercise voting rights by correspondence or electronic means, both of which shall be handled according to the Company Act and the regulations of the competent authorities.</p> <p><u>When the Company holds a shareholders' meeting, the meeting may be held by means of visual communication network, or other methods announced by the central competent authorities</u></p>	<p>...(omitted)</p> <p>When the Company holds a shareholders' meeting, the shareholders are allowed to exercise voting rights by correspondence or electronic means, both of which shall be handled according to the Company Act and the regulations of the competent authorities.</p>	Complied with Article 172-2 and 356-8 of the Company Act.
Article 13	<p>Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, which shall bear the signature or seal of the chairman of the shareholders' meeting. A copy of the meeting minutes shall be <u>distributed, by mail or electronic media, to each shareholder of the Company within 20 days after the shareholders' meeting.</u> A copy of the minutes shall be distributed</p> <p>The distribution of the minutes mentioned in the preceding paragraph may also be made by the public announcement.</p>	<p>Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, which shall bear the signature or seal of the chairman of the shareholders' meeting. A copy of the meeting minutes shall be distributed to each shareholder of the Company within 20 days after the shareholders' meeting. The distribution of the minutes mentioned in the preceding paragraph may also be made by the public announcement.</p>	Complied with the Company's operation need.
Article 13-1	<u>Deleted.</u>	If the Company would like to stop	Article 156-2 of the

Articles	Article after amendment	Article before amendment	Explanation
		the Public Offering, it shall be resolved not only by the Board of Directors but also by the shareholders' meeting. The resolution shall be adopted by the half or more of the votes of the present shareholders, who hold two-third or more of the total shares to participate in the shareholders' meeting which is mentioned in the preceding paragraph. The resolution shall be adopted by two-third or more of the votes of the present shareholders, if their holdings are below the standard prescribed above but still account for half or more of the total shares.	Company Act has been stipulated, so it is repeated.
Article 14	There shall be seven <u>to nine</u> directors of the Company, who are elected from the candidates with legal capacity by the shareholders' meeting. Complied with the provision of the Company Act, the way for electing directors shall adopt Candidates Nomination System and the directors of the Company shall be elected from the candidates by the shareholders' meeting. The term of office shall be three years, and the directors may be re-elected to further terms. Among the directors mentioned in the preceding paragraph, there shall not be less than three independent directors and the percentage of the independent	There shall be seven directors of the Company, who are elected from the candidates with legal capacity by the shareholders' meeting. Complied with the provision of the Company Act, the way for electing directors shall adopt Candidates Nomination System and the directors of the Company shall be elected from the candidates by the shareholders' meeting. The term of office shall be three years, and the directors may be re-elected to further terms. Among the directors mentioned in the preceding paragraph, there shall not be less than three independent directors and the percentage of the independent directors to the total directors	Complied with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Corporate Governance 3.0 - Sustainable Development Blueprint.

Articles	Article after amendment	Article before amendment	Explanation
	<p>directors to the total directors shall not be less than <u>one-third</u>.</p> <p>The matters of independent directors relating to professional qualification, shareholding, moonlighting restriction, the ways of nomination and election, and other compliance requirements shall follow the regulations of the competent securities authority.</p> <p>The election for independent directors and the directors shall be held together; however, the quota of the election shall be counted separately.</p>	<p>shall not be less than one-fifth.</p> <p>The matters of independent directors relating to professional qualification, shareholding, moonlighting restriction, the ways of nomination and election, and other compliance requirements shall follow the regulations of the competent securities authority.</p> <p>The election for independent directors and the directors shall be held together; however, the quota of the election shall be counted separately.</p>	
Article 23	<p>Add in Article 23: <u>The 26th amendment was made on June 21, 2022.</u></p>	...(omitted)	Add the latest amended record and the date.

# **POYA International Co., Ltd.**

## **Articles of Incorporation**

### **Chapter 1 General Provisions**

Article 1 The Company shall be incorporated as a company limited by shares according to the Company Act of the Republic of China and shall have the name of “POYA International Co., Ltd.”

Article 2 Business of the Company shall be listed as follows:

1. F106020 Wholesale of Articles for Daily Use
2. F206020 Retail Sale of Articles for Daily Use
3. F210010 Retail Sale of Watches and Clocks
4. F115010 Wholesale of Jewelry and Precious Metals
5. F215010 Retail Sale of Jewelry and Precious Metals
6. F401010 International Trade
7. F210020 Retail Sale of Spectacles
8. JZ99080 Beauty Shops
9. F208050 Retail Sale of the Second Type Patent Medicine
10. F102170 Wholesale of Food and Grocery
11. F203010 Retail Sale of Food and Grocery
12. F102040 Wholesale of Nonalcoholic Beverages
13. F107030 Wholesale of Cleaning Preparations
14. F207030 Retail Sale of Cleaning Preparations
15. F106050 Wholesale of Pottery, Porcelain and Glassware
16. F113020 Wholesale of Household Appliance
17. F213010 Retail Sale of Household Appliance
18. F107080 Wholesale of Environment Medicine
19. F207080 Retail Sale of Environment Medicine
20. F108031 Wholesale of Drugs, Medical Goods
21. F208031 Retail Sale of Medical Equipments
22. F102030 Wholesale of Tobacco Products and Alcoholic Beverages
23. F203020 Retail Sale of Tobacco and Alcoholic Drinks
24. F106010 Wholesale of Ironware
25. F206010 Retail Sale of Ironware
26. F118010 Wholesale of Computer Software
27. F218010 Retail Sale of Computer Software
28. F208021 Retail Sale of Drugs and Medicines



29. F113070	Wholesale of Telecom Instruments
30. F213060	Retail Sale of Telecom Instruments
31. F301020	Supermarkets
32. JZ99110	Body Shaping Services
33. F102020	Wholesale of Edible Oil
34. F104110	Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
35. F204110	Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
36. F205040	Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
37. F105050	Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures
38. F109070	Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
39. F209060	Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
40. F113050	Wholesale of Computing and Business Machinery Equipment
41. F213030	Retail sale of Computing and Business Machinery Equipment
42. F108040	Wholesale of Cosmetics
43. F208040	Retail sale of Cosmetics
44. F399040	Retail Business without Shop
45. F399990	Retail sale of Others
46. G202010	Parking Garage Business
47. G801010	Warehousing and Storage
48. IZ06010	Cargoes Packaging
49. F107050	Wholesale of Manure
50. F207050	Retail sale of Manure
51. F116010	Wholesale of Photographic Equipment
52. F216010	Retail Sale of Photographic Equipment
53. F301010	Department Stores
54. F399010	Convenience Stores
55. A102060	Grain Commerce
56. C501010	Lumbering
57. C501030	Plywood Manufacturing
58. C501040	Reconstituted Wood Manufacturing
59. C501990	Other Wooden Products Manufacturing
60. C501060	Wooden Container Manufacturing
61. I401010	General Advertising Services

62	F101100	Wholesale of Flowers
63	F201070	Retail sale of Flowers
64	F101061	Wholesale market of agricultural products
65	F201010	Retail sale of agricultural products
66	F101081	Wholesale of plant seeds
67	F201061	Retail sale of plant seeds
68	F101070	Wholesale of Fishing Gears or Tackles
69	F201050	Retail sale of Fishing Gears or Tackles
70	F106030	Wholesale of die
71	F206030	Retail sale of die
72	F106040	Wholesale of Plumbing Materials
73	F206040	Retail sale of Plumbing Materials
74	F106060	Wholesale of Pet Food and Supplies
75	F206050	Retail sale of Pet Food and Supplies
76	F106070	Wholesale of Sacrificial Supplies
77	F206060	Retail sale of Sacrificial Supplies
78	F107010	Wholesale of Paints, Coating and Varnishes
79	F207010	Retail sale of Paints, Coating and Varnishes
80	F107020	Wholesale of Dyes and Pigments
81	F207020	Retail sale of Dyes and Pigments
82	F107040	Wholesale of Agro-pesticides
83	F207040	Retail sale of Agro-pesticides
84	F207180	Retail Sale of Firecrackers and Fireworks
85	F103010	Wholesale of Animal Feeds
86	F202010	Retail sale of Animal Feeds
87	F107170	Wholesale of Industrial Catalyst
88	F207170	Retail sale of Industrial Catalyst
89	F102180	Wholesale of Alcohol
90	F203030	Retail sale of Alcohol
91	F102050	Wholesale of Tea Leaves
92.	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval those that are subject to special approval

Article 3      The Company may provide endorsement and guarantee, acting as a guarantor for the corporation with the same business.

Article 4      The head office of the Company is in Tainan City. Subject to the approval of the

Board of Directors, the Company may, if necessary, set up branch offices in and out of the country.

- Article 5 The methods for public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

## **Chapter 2 Shares**

- Article 6 The total capital stock of the Company shall be in the amount of 1,200,000,000 New Taiwan Dollars, divided into 120,000,000 shares, at a par value of Ten New Taiwan Dollars (NT\$10) per share, and may be paid-up in installments. The un-issued shares may be issued by a resolution of the Board of Directors if the Board deems necessary. The Company may issue employee stock options at a price below the market price. The 2,000,000 shares among the total capital stock mentioned above shall be reserved for issuing employee stock options.
- Article 7 The total amount of the Company's reinvestment shall not be restricted by Article 13 of the Company Act, which limits the reinvestment amount to less than 40% of the company's paid-up capital.
- Article 8 The Company's stocks shall be registered, being issued after signed or sealed by directors on behalf of the Company and issued after certificated by banks which are approved to certificate stock issue in accordance with regulations. The certificates of the Company's shares do not be required printing out; however, the shares shall be registered to Central Security Depository Institution.
- Article 9 Registration for transferring the shares shall be suspended in sixty days before the date of regular shareholders' meeting, in thirty days before the date of any special shareholders' meeting, or within five days before the basic date which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

## **Chapter 3 Annual Shareholders' Meeting**

- Article 10 There are two types of the shareholders' meetings: one is the general shareholders' meetings, which shall be convened once annually and at the time within six months after the end of each accounting fiscal year; the other is extraordinary shareholders' meetings, which shall be convened based on the relative laws whenever necessary.
- Article 11 If a shareholder is unable to attend the shareholders' meeting for any reason, the proxies shall be handled by "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" except those regulated by Article 177 of the Company Act.
- When the Company holds a shareholders' meeting, the shareholders are allowed to exercise voting rights by correspondence or electronic means, both of which shall be handled according to the Company Act and the regulations of the competent authorities.

- Article 12 Except those shareholders who is restricted or do not have voting right pursuant to the second section of Article 179 of the Company Act, a shareholder of the Company shall be entitled to one voting right for each share.
- Article 13 Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, which shall bear the signature or seal of the chairman of the shareholders' meeting. A copy of the meeting minutes shall be distributed to each shareholder of the Company within 20 days after the shareholders' meeting. The distribution of the minutes mentioned in the preceding paragraph may also be made by the public announcement.
- Article 13-1 If the Company would like to stop the Public Offering, it shall be resolved not only by the Board of Directors but also by the shareholders' meeting. The resolution shall be adopted by the half or more of the votes of the present shareholders, who hold two-third or more of the total shares to participate in the shareholders' meeting which is mentioned in the preceding paragraph. The resolution shall be adopted by two-third or more of the votes of the present shareholders, if their holdings are below the standard prescribed above but still account for half or more of the total shares.

#### **Chapter 4 Directors and Audit Committee**

- Article 14 There shall be seven directors of the Company, who are elected from the candidates with legal capacity by the shareholders' meeting. Complied with the provision of the Company Act, the way for electing directors shall adopt Candidates Nomination System and the directors of the Company shall be elected from the candidates by the shareholders' meeting. The term of office shall be three years, and the directors may be re-elected to further terms.
- Among the directors mentioned in the preceding paragraph, there shall not be less than three independent directors and the percentage of the independent directors to the total directors shall not be less than one-fifth. The matters of independent directors relating to professional qualification, shareholding, moonlighting restriction, the ways of nomination and election, and other compliance requirements shall follow the regulations of the competent securities authority. The election for independent directors and the directors shall be held together; however, the quota of the election shall be counted separately.
- Article 14-1 The Company shall be responsible for indemnification and purchase liability insurance for the directors and vital officers based on their business scope during their tenure. The matters concerning insurance policies and the determination of vital officers shall be defined by the Board of Directors.
- Article 14-2 The Company may establish the Audit Committee according to Article 14-4 of Securities and Exchange Act. The functions assumed by supervisors under the Company Act, Securities and Exchange Act and other relevant provisions shall be executed by the Audit Committee.

The Audit Committee shall entirely be composed of the independent directors, one of whom shall be the convener and at least one of whom shall have accounting or financial expertise.

The matters of the Audit Committee concerning qualification, number of the members, term of office, powers of the positions, rules of meeting procedure and other regulations shall be prescribed by the relevant laws and regulations. Board of Directors of the Company may establish other functional committees, with the organizational charter defined by the Board of Directors.

Article 15 The Board of Directors shall be composed of the directors. The Chairman and Vice Chairman of the Board of Directors shall be elected from the director members by the half or more of the present directors, who account for two-third or more of all the directors. The Board of Directors shall execute every matter of the Company according to the laws, charters and the resolution of shareholders' meeting and Board of Directors. When the Chairman of the Board is on leave or unable to exercise the powers for any reason, the proxy shall be appointed according to Article 208 of the Company Act. When calling a meeting of the Board, a notice setting forth the subjects to be discussed at the meeting shall be given to each director at least 7 days in advance. Under emergencies, however, the meeting may be called on shorter notice. The notice in the preceding paragraph shall be given in written forms, by Email or facsimile.

Article 16 If a director is unable to personally attend a meeting for any reason, the director shall appoint another director as proxy to attend the meeting, with a written proxy statement declaring the scope of authorization with respect to the meeting agenda. The attorney shall accept a proxy from one person only. Attendance of the directors via telecommunications is regarded as attendance in person if it is a telecommunication meeting of the Board.

Spouse and second-degree relatives of directors or companies with controllable subordinate relationship by directors having interests relating to the matters being discussed at the meeting, the matters shall be regarded as personal interests of directors.

Article 16-1 Except those regulated by the Company Act, the resolutions of the Board of Directors shall be adopted by half or more of the present directors, who account for half or more of all the directors.

A board director having personal interests relating to the matters being discussed at the meeting shall give detailed explanation about the vital content of the relations at the Board meeting. If such relations cause harmful impact on the interests of the Company, the director shall refuse involvement in the matters. Also, the director shall not discuss and vote for the matters, nor shall he/she vote on the behalf of other directors.

Spouse and second-degree relatives of directors or companies with controllable subordinate relationship by directors having interests relating to the matters being discussed at the meeting, the matters shall be regarded as personal interests of directors.

## **Chapter 5     Managers**

Article 18     The Company may have the managers. The appointment, removal and remuneration of the managers shall be made subject to Article 29 of the Company Act.

## **Chapter 6     Accounting**

Article 19     At the end of each fiscal year, the Board of Directors of the Company shall prepare the following reports, which shall be submitted to the regular shareholders' meeting for acknowledgement pursuant to the legal procedures.

1.    Business Report;
2.    Financial Statements;
3.    Proposal Concerning Appropriation of Net Profits or Covering of Loss.

Article 20     Deleted.

Article 21     The Company is in a changeable industry, with a stage of steady growth of the Company's lifecycle. The retained earnings of the Company, after the confirmation of the financial statements each year, shall give priority to be paid to the income tax, offsetting losses for previous years, first setting aside 10% as legal reserve and then setting aside more amount as special reserve based on the laws. The remainder shall be the distributable earnings in this term, which subsuming the accumulated retained earnings of the previous year shall be the accumulated distributable earnings.

The Company's dividend policy shall be determined based on the industry the Company stay and after the Board of Directors takes account of the future business development, the reinvestment environment, and the shareholders' interests. The distribution of shareholders' dividends and bonuses shall be made after the distribution of the Company's earnings raised by the Board of Directors has been submitted to the Shareholders Meeting for approval every year, 50%-100% of the accumulated distributable earnings shall be allocated as shareholders' dividends and bonuses. The shareholders' dividends and bonuses shall be distributed in cash or stock, cash dividends of which shall not be less than 1% of total dividends. If cash dividend is lower than NT\$ 0.5 per share, stock dividend shall be substituted for cash dividend.

New shares or cash shall be issued from the legal reserve with the limitation that the monetary amount of new shares or cash shall not exceed 25% of the part which legal reserve is in excess of the paid-in capital.

If the distribution of shareholders' dividends and bonuses is fully or partially made by cash, it shall be approved by at least half of directors in Board of Directors with at

least two-thirds attendance of directors and reported to shareholders' meeting. It is not applicable to the related regulation in the second item that the distribution shall be approved by shareholders' meeting.

- Article 21-1 The employees' remuneration shall not less than 5% and the directors' remuneration shall not exceed 6% of the profits in the current year after offsetting the accumulated losses. (The profits in the current year are the profits before income tax excluding the calculation of the employees' and directors' remuneration.)
- The employees' remuneration shall be distributed in stock or cash, and shall also be distributed to those employees of affiliated companies who meet specific conditions. If the distribution of shareholders' dividends and bonuses is fully or partially made by cash, it shall be approved by at least half of directors in Board of Directors with at least two-thirds attendance of directors and reported to shareholders' meeting. It is not applicable to the related regulation in the second item that the distribution shall be approved by shareholders' meeting.

## **Chapter 7    Supplementary Provisions**

- Article 22 If any matters not provided herein shall be subject to the Company Act and the relevant laws.

- Article 23 These Articles of Incorporation were made on March 5, 1997.

The 1<sup>st</sup> amendment was made on March 31, 1997.

The 2<sup>nd</sup> amendment was made on October 23 1998.

The 3<sup>rd</sup> amendment was made on May 10, 1999.

The 4<sup>th</sup> amendment was made on June 28, 1999.

The 5<sup>th</sup> amendment was made on October 25, 1999.

The 6<sup>th</sup> amendment was made on February 10, 2000.

The 7<sup>th</sup> amendment was made on June 26, 2000.

The 8<sup>th</sup> amendment was made on June 21, 2001.

The 9<sup>th</sup> amendment was made on April 22, 2002

The 10<sup>th</sup> amendment was made on April 21, 2003.

The 11<sup>th</sup> amendment was made on May 18, 2004.

The 12<sup>th</sup> amendment was made on May 17, 2005.

The 13<sup>th</sup> amendment was made on May 24, 2006.

The 14<sup>th</sup> amendment was made on May 22, 2007.

The 15<sup>th</sup> amendment was made on May 20, 2008.

The 16<sup>th</sup> amendment was made on June 3, 2009.

The 17<sup>th</sup> amendment was made on June 15, 2010.

The 18<sup>th</sup> amendment was made on June 6, 2012.

The 19<sup>th</sup> amendment was made on June 11, 2013.

The 20<sup>th</sup> amendment was made on June 10, 2014.

The 21<sup>st</sup> amendment was made on June 10, 2015  
The 22<sup>nd</sup> amendment was made on May 31, 2016  
The 23<sup>rd</sup> amendment was made on June 5, 2018  
The 24<sup>th</sup> amendment was made on May 28, 2019  
The 25<sup>th</sup> amendment was made on June 23, 2020

**POYA International Co., Ltd.**

**Chairman : Chen Jian-Zao**



## POYA International Co., Ltd.

**Comparison table of clauses affected by the amendment to “Procedures for Acquisition or Disposal of Assets”**

Articles	Article after amendment	Article before amendment	Explanation
Article 9	<p>Acquisition or disposal of assets</p> <p>1. Except transactions with government institutions, contracting third parties to construct on land owned or rented by the Company, or acquisition or disposal of equipment for operation purpose, for acquisition or disposal of real estate or equipment by the Company whose amount reaches 20% of the Company’s paid-in capital or NT\$300 million, an appraisal report issued by professional appraiser shall be obtained prior to the Date of the Event and the following provisions shall be complied with:</p> <p>(1) If for any special reason, restricted price, specific price, or special price must be used as a reference for the transaction price, the transaction shall be approved by the Board in advance. The above procedures shall also be followed in case the transaction terms are changed subsequently.</p> <p>(2) If the transaction price is over NT\$ 1 billion, the Company</p>	<p>Acquisition or disposal of assets</p> <p>1. Except transactions with government institutions, contracting third parties to construct on land owned or rented by the Company, or acquisition or disposal of equipment for operation purpose, for acquisition or disposal of real estate or equipment by the Company whose amount reaches 20% of the Company’s paid-in capital or NT\$300 million, an appraisal report issued by professional appraiser shall be obtained prior to the Date of the Event and the following provisions shall be complied with:</p> <p>(1) If for any special reason, restricted price, specific price, or special price must be used as a reference for the transaction price, the transaction shall be approved by the Board in advance. The above procedures shall also be followed in case the transaction terms are changed subsequently.</p> <p>(2) If the transaction price is over NT\$ 1 billion, the Company</p>	<p>Complied with the revision of Art. 9, 10 and 11 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Articles	Article after amendment	Article before amendment	Explanation
	<p>shall retain at least two professional appraisers to perform the appraisal.</p> <p>(3) Professional appraiser's valuation results of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction price, or all the appraisal results for the assets to be disposed of are lower than the transaction price, the Company shall request a certified public accountant comment on the reason for the discrepancy and the fairness of the transaction price:</p> <p>A. If the discrepancy between the results of the appraisal report of professional appraiser and the transaction price exceeds 20% of the transaction price.</p> <p>B. In case the discrepancy between the two appraisal reports is over 10% of the transaction price.</p> <p>(4) The appraisal report should be issued within 3 months before the contract date.</p> <p>Provided that if the object's publicly announced value is still the same and the appraisal report was issued no longer than 6 months, the original professional appraiser may</p>	<p>shall retain at least two professional appraisers to perform the appraisal.</p> <p>(3) Professional appraiser's valuation results of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction price, or all the appraisal results for the assets to be disposed of are lower than the transaction price, the Company shall request a certified public accountant to handle the matter in accordance with the provision of Auditing Standard No.20 by Accounting Research And Development Foundation (hereafter referred to as the Accounting Research And Development Foundation) and comment on the reason for the discrepancy and the fairness of the transaction price:</p> <p>A. If the discrepancy between the results of the appraisal report of professional appraiser and the transaction price exceeds 20% of the transaction price.</p> <p>B. In case the discrepancy between the two appraisal reports is over 10% of the transaction price.</p> <p>(4) The appraisal report should be issued within 3 months</p>	

Articles	Article after amendment	Article before amendment	Explanation
	<p>present supplemental opinions.</p> <p>2. Before the date of the event of the acquisition or disposal of securities, the latest financial statements of the object company audited or reviewed by certified public accountant should be acquired for the assessment and reference of transaction price. Should the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price have to be sought from certified public accountant before the date of the event of the subject acquisition or disposal of securities. These requirements are not applicable if such securities have a public price from an active market or if the Financial Supervisory Commission, R.O.C supervise otherwise.</p> <p>3. If the Company's acquisition or disposal of intangible assets, membership or right-to-use assets reaches 20% of the Company's paid-in capital or NT\$300 million, besides trading with the government organization, opinions in respect of a rational transaction price shall be sought from certified public accountant prior to the date of the event of the</p>	<p>before the contract date.</p> <p>Provided that if the object's publicly announced value is still the same and the appraisal report was issued no longer than 6 months, the original professional appraiser may present supplemental opinions.</p> <p>2. Before the date of the event of the acquisition or disposal of securities, the latest financial statements of the object company audited or reviewed by certified public accountant should be acquired for the assessment and reference of transaction price. Should the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price have to be sought from certified public accountant before the date of the event of the subject acquisition or disposal of securities. If the certified public accountant engaged needs to use the report of an expert as evidence, such certified public accountant shall do so in accordance with the provisions of Auditing Standard No. 20 by Accounting Research And Development Foundation; provided however, these requirements are not applicable if such securities have a public</p>	

Articles	Article after amendment	Article before amendment	Explanation
	<p>subject acquisition or disposal of assets.</p> <p>4. The calculation of the transaction price referred to in the preceding 3 subparagraphs shall be done in accordance with Article 14, paragraph 2 herein, and “within one year” refers to one year preceding the date of event of the current transaction. Items for which an appraisal report from a professional appraiser or an opinion by the certified public accountant has been obtained need not be counted toward the transaction price.</p>	<p>price from an active market or if the Financial Supervisory Commission, R.O.C supervise otherwise.</p> <p>3. If the Company’s acquisition or disposal of intangible assets, membership or right-to-use assets reaches 20% of the Company’s paid-in capital or NT\$300 million, besides trading with the government organization, opinions in respect of a rational transaction price shall be sought from certified public accountant prior to the date of the event of the subject acquisition or disposal of assets. Certified public accountant shall handle the matter in accordance with the provision of Auditing Standard No.20 by Accounting Research And Development Foundation.</p> <p>4. The calculation of the transaction price referred to in the preceding 3 subparagraphs shall be done in accordance with Article 14, paragraph 2 herein, and “within one year” refers to one year preceding the date of event of the current transaction. Items for which an appraisal report from a professional appraiser or an opinion by the certified public accountant has been obtained need not be counted toward the transaction price.</p>	

Articles	Article after amendment	Article before amendment	Explanation
Article 11	<p>...(omitted)</p> <p>1. The calculation of the transaction amounts referred to in this Article, subparagraph 4 shall be made in accordance with Article 14, subparagraph 2 herein, and “within one year” refers to one year preceding the date of event of the current transaction. Items that have been <u>submitted to shareholder’s meeting, or</u> previously approved by the audit committee and submitted to the Board need not be counted toward the transaction amount.</p> <p>...(omitted)</p> <p><u>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company’s total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p>The related party referred to in the</p>	<p>...(omitted)</p> <p>1. The calculation of the transaction amounts referred to in this Article, subparagraph 4 shall be made in accordance with Article 14, subparagraph 2 herein, and “within one year” refers to one year preceding the date of event of the current transaction. Items that have been previously approved by the audit committee and submitted to the Board need not be counted toward the transaction amount.</p> <p>...(omitted)</p> <p>The related party referred to in the preceding paragraph shall assert in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.</p>	<p>Complied with the revision of Art. 15 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.</p>

Articles	Article after amendment	Article before amendment	Explanation
	preceding paragraph shall assert in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.		
Article 12	<p>Derivatives Trading</p> <p>1. When the Company engages in the transaction of derivatives, it shall comply with the Derivatives Trading of “the Operational Procedures for Acquisition or Disposal of Assets” of the Company, and pays attention to the risk management and auditing matters. The details of the type, amount, date of passage by <u>the audit committee and</u> the Board and the matters required to be carefully evaluated shall be recorded in the memorandum book for derivatives trading.</p> <p>...(omitted)</p>	<p>Derivatives Trading</p> <p>2. When the Company engages in the transaction of derivatives, it shall comply with the Derivatives Trading of “the Operational Procedures for Acquisition or Disposal of Assets” of the Company, and pays attention to the risk management and auditing matters. The details of the type, amount, date of passage by the Board and the matters required to be carefully evaluated shall be recorded in the memorandum book for derivatives trading.</p> <p>...(omitted)</p>	Complied with Audit Committee Charter, the Company hereby revises part of word statements.
Article 14	<p>...(omitted)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six items, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds <u>or foreign</u></p>	<p>...(omitted)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six items, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds.</p> <p>B. Securities trading by</p>	Complied with the revision of Art. 31 of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

Articles	Article after amendment	Article before amendment	Explanation
	<p><u>government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>B. Securities trading by investment professionals on securities exchanges or Over-the-Counter markets, or subscription of securities, either corporate bonds or general bank debentures that do not involve shareholding right (not including secondary bond) in the primary market or purchase or buyback of securities investment trust or future trust fund or securities recommended by security firms due to underwriting business and served as the recommending securities firms for emerging stocks in accordance with the regulations by Taipei Exchange.</p> <p>C. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises. ...(omitted)</p>	<p>investment professionals on securities exchanges or Over-the-Counter markets, or subscription of securities, either corporate bonds or general bank debentures that do not involve shareholding right (not including secondary bond) in the primary market or purchase or buyback of securities investment trust or future trust fund or securities recommended by security firms due to underwriting business and served as the recommending securities firms for emerging stocks in accordance with the regulations by Taipei Exchange.</p> <p>C. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises. ...(omitted)</p>	
Article 19	<p>The amendment record of the procedure:</p> <p>These Procedures were originally adopted on June 28, 1999.</p> <p>The 1st amendment was made on June 26, 2000.</p> <p>The 2nd amendment was made on April 21, 2003.</p> <p>The 3rd amendment was made on</p>	<p>The amendment record of the procedure:</p> <p>These Procedures were originally adopted on June 28, 1999.</p> <p>The 1st amendment was made on June 26, 2000.</p> <p>The 2nd amendment was made on April 21, 2003.</p> <p>The 3rd amendment was made on</p>	Add the number and date of the amendment

Articles	Article after amendment	Article before amendment	Explanation
	May 22, 2007. The 4th amendment was made on June 3, 2009. The 5th amendment was made on June 6, 2012. The 6th amendment was made on June 10, 2014. The 7th amendment was made on June 13, 2017. The 8th amendment was made on May 28, 2019. <u>The 9th amendment was made on June 21, 2022.</u>	May 22, 2007. The 4th amendment was made on June 3, 2009. The 5th amendment was made on June 6, 2012. The 6th amendment was made on June 10, 2014. The 7th amendment was made on June 13, 2017 The 8th amendment was made on May 28, 2019.	

### **POYA International Co., Ltd.**

#### **Operational Procedures for Acquisition or Disposal of Assets**

##### **Article 1 Basis of the laws**

The procedure is formulated in accordance with Articles 36-1 of the ROC Securities and Exchange Law and “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

##### **Article 2 Purpose**

In order to ensure making the investment and implementing information to disclose, assets that are acquired or disposed of the Company should handle in accordance with the procedures.

##### **Article 3 Applicable scope**

The scope of applicability of the term "assets" as used in these procedures shall be as follows:

- (1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficiary securities, asset-backed securities, and etc.;
- (2) Real estate (including land, house, building, investment real estate, inventories of construction enterprises) and the apparatus;
- (3) Memberships;
- (4) Intangible assets including patents, copyrights, trademarks, concession rights, and etc.;



- (5) Right-to-use assets
- (6) Claims of the financial institution (including receivables, bills purchased and discounted, loans, and overdue receivables);
- (7) Derivatives;
- (8) Assets acquired or disposed through mergers, splits, acquisitions or shares transference in accordance with law;
- (9) Other major assets.

The definition of terms for procedures as follows:

- (1)The term “the date of the occurrence of events” as used in the preceding paragraph, in principle means the date of contract signing, the date of payment, the date of consignment trading, the date of transfer, the date of resolution of board of directors or other date which can confirm the trading counterparty and trading amount (whichever is earlier); if the Company is engaged in foreign investments, it shall mean the above dates or the date of receiving the approval letter from the competent authority, whichever is earlier.
- (2)Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- (3)The most recent financial statements: the financial statements are audited by accountants, and the company declared the financial statements in prior to acquire or dispose the assets in accordance with related regulations.
- (4)Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

#### Article 4 Evaluation procedures for trade

The evaluation procedures for the acquisition and disposal of assets of the Company are as follows:

- (1) Acquisition or disposition of the stocks or convertible bonds traded on the Stock Exchange Market or over-the-counter shall be determined in accordance with the prevailing price of stock or bond.
- (2) Acquisition or disposition of the stocks not traded on the Stock Exchange Market or over-the-counter shall consider its book value per share, profitability, and development potential in the future, also refer to the prevailing trading price or the opinions issued by securities analysts on the reasonableness of the transaction amount and so on.
- (3) Acquisition or disposition of the bonds not traded on the Stock Exchange Market or over-the-counter shall refer to the prevailing market rate, the bond coupon rate and

debtor credit and so on.

- (4) Acquisition or disposition of real estate or right-to-use assets shall refer to the current assessed land value, evaluation of value, actual transaction price of local real estate, if necessary shall obtain an appraisal report prior from a professional appraiser.
- (5) Acquisition or disposition of other fixed assets or right-to-use assets shall based on the price comparison, bargaining or tender alternative to.
- (6) Acquisition or disposition of assets of the Company shall award by the authority within the scope of authorization.

For the counterparties who have no relationship with company, the scope of authorization as follows:

- (1) The acquisitions or dispositions of property plant, equipment or right-to-use assets under NT\$500 million(inclusive) are authorized by chairman, and then reported to the most recent audit committee meeting and board meeting; others above NT\$500 million shall be passed by audit committees and proposed to board meeting. It shall be conducted after the board of directors approved. (2)If assets acquired or disposed are for operation purpose, the counterparties do not have relationship with company, and the transaction price is raised to NT\$700 million, the transactions shall be approved by chairman and set up the contract, then proposed to the most recent audit committee meeting and board meeting as subsequent ratifications.
- (3)Assets acquired or disposed shall be proposed, admitted and reported to board meeting in accordance with Company Act or other regulations.

#### Article 5 Operating procedures

Acquisition or disposal of assets shall comply in accordance with the internal control system of the Company.

#### Article 6 The execution unit

Long term and short term investment of securities shall be engaged in accordance with the rule of investment cycle which enacted by the Company.

Property and other fixed assets shall be made in accordance with the rule of property, plant and equipment cycle which enacted by the Company.

Other assets which don't belong to securities investment, real estate and other fixed assets shall be executed after evaluation by execution unit.

#### Article 7 The investment scope and amount

In addition to the assets of the Company obtained for business use, also the real estate and securities may be purchased or invested for non business use, its limits were as follows:

- 1. The total amount of real estate investment for non business use may not exceed 20 percent of the Company's total assets.

2. The total amount of long and short-term securities investment may not exceed 30 percent of the Company's total assets; the amount of individual security investment may not exceed 40 percent of the total amount of the long and short-term securities investment.

Article 8 The penalty of related personnel for not handling in accordance with the procedures Acquisition or disposal of assets shall follow the relevant regulations of the internal control system of the Company. If any violations are discovered, the penalty of related personnel shall be done in accordance with Article 2, Chapter 6 of Company's Personnel Management Regulations, and the dismissal may be made without notice.

Article 9 Acquisition or disposal of assets

1. Except transactions with government institutions, contracting third parties to construct on land owned or rented by the Company, or acquisition or disposal of equipment for operation purpose, for acquisition or disposal of real estate or equipment by the Company whose amount reaches 20% of the Company's paid-in capital or NT\$300 million, an appraisal report issued by professional appraiser shall be obtained prior to the Date of the Event and the following provisions shall be complied with:
  - (1) If for any special reason, restricted price, specific price, or special price must be used as a reference for the transaction price, the transaction shall be approved by the Board in advance. The above procedures shall also be followed in case the transaction terms are changed subsequently.
  - (2) If the transaction price is over NT\$ 1 billion, the Company shall retain at least two professional appraisers to perform the appraisal.
  - (3) Professional appraiser's valuation results of the following circumstances, unless all the appraisal results for the assets to be acquired are higher than the transaction price, or all the appraisal results for the assets to be disposed of are lower than the transaction price, the Company shall request a certified public accountant to handle the matter in accordance with the provision of Auditing Standard No.20 by Accounting Research And Development Foundation (hereafter referred to as the Accounting Research And Development Foundation) and comment on the reason for the discrepancy and the fairness of the transaction price:
    - A. If the discrepancy between the results of the appraisal report of professional appraiser and the transaction price exceeds 20% of the transaction price.
    - B. In case the discrepancy between the two appraisal reports is over 10% of the transaction price.
  - (4) The appraisal report should be issued within 3 months before the contract date. Provided that if the object's publicly announced value is still the same and the appraisal report was issued no longer than 6 months, the original professional appraiser may present supplemental opinions.

2. Before the date of the event of the acquisition or disposal of securities, the latest financial statements of the object company audited or reviewed by certified public accountant should be acquired for the assessment and reference of transaction price. Should the transaction price reaches 20% of the Company's paid-in capital or NT\$300 million, opinions in respect of a rational transaction price have to be sought from certified public accountant before the date of the event of the subject acquisition or disposal of securities. If the certified public accountant engaged needs to use the report of an expert as evidence, such certified public accountant shall do so in accordance with the provisions of Auditing Standard No. 20 by Accounting Research And Development Foundation; provided however, these requirements are not applicable if such securities have a public price from an active market or if the Financial Supervisory Commission, R.O.C supervise otherwise.
3. If the Company's acquisition or disposal of intangible assets, membership or right-to-use assets reaches 20% of the Company's paid-in capital or NT\$300 million, besides trading with the government organization, opinions in respect of a rational transaction price shall be sought from certified public accountant prior to the date of the event of the subject acquisition or disposal of assets. Certified public accountant shall handle the matter in accordance with the provision of Auditing Standard No.20 by Accounting Research And Development Foundation.
4. The calculation of the transaction price referred to in the preceding 3 subparagraphs shall be done in accordance with Article 14, paragraph 2 herein, and "within one year" refers to one year preceding the date of event of the current transaction. Items for which an appraisal report from a professional appraiser or an opinion by the certified public accountant has been obtained need not be counted toward the transaction price.

**Article 10** The provisions for acquisition or disposal of assets by the Company's Subsidiary

- (1) Acquisition or disposal of assets by the Company's Subsidiary should follow the provisions issued from "Guidelines for Handling Acquisition or Disposal of Assets by Public Companies" with Financial Supervisory Commission, R.O.C and the "procedures for acquisition or disposal of assets" issued from the procedures. And in accordance with the relevant provisions sent to the Board and supervisors, then submitted to the shareholders' meeting agreed to implement, while revised also the same as. If there is Audit Committee shall need to get it agreed.
- (2) If the acquisition or disposal of assets by the Company's Subsidiary reaches the reporting standard specified in Article 14 of the procedures and such Subsidiary is not the Company, it shall be noticed to the Company while occurred. Then the Company should publish and report for such Subsidiary.
- (3) The subsidiary should report the conditions of engaging in derivatives transactions and the acquisition or disposal of assets to the Company by each end of last month on schedule.

- (4) The announcement of the Company's Subsidiary declaration applicable the provision that about 20% of the Company's paid-in capital or 10% of the total assets of Article 14 of the procedures, based on the Company's paid-in capital or total assets.

The Subsidiary referred to in the preceding paragraph shall assert in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

#### Article 11 Related party transactions

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring the compliance with the provision and the evaluation of trading conditions rationality, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or an opinion by the certified public accountant in accordance with the provision.
2. The calculation of the transaction price referred to in the preceding paragraph shall be done in accordance with Article 9, subparagraph 4 herein.
3. To judge whether the transaction object is related party, in addition to paying attention to the legal form, shall also consider the essential relation.
4. When the company intends to acquire or dispose of real property or right-to-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-to-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by audit committee and submitted by the board of directors for a resolution:
  - (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
  - (2) The reason for choosing the related party as a trading counterparty.
  - (3) With respect to the acquisition of real estate or right-to-use assets from a related party, information regarding the evaluation of the reasonableness of the preliminary transaction terms in accordance with this Article, subparagraph 8 to subparagraph 11.
  - (4) The date and price at which the related party originally acquired the real estate, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.

- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and the evaluation of the necessity of the transaction, and reasonable utilization of the funds.
  - (6) An appraisal report from a professional appraiser or opinions by the certified public accountant obtained in compliance with this Article, subparagraph 1.
  - (7) Restrictive covenants and other important stipulations associated with the transaction.
5. The calculation of the transaction amounts referred to in this Article, subparagraph 4 shall be made in accordance with Article 14, subparagraph 2 herein, and “within one year” refers to one year preceding the date of event of the current transaction. Items that have been previously approved by the audit committee and submitted to the Board need not be counted toward the transaction amount.
  6. With respect to the acquisition or disposal of operation-purpose equipment between the Company, its Parent Company and its Subsidiaries or Subsidiaries directly or indirectly hold one hundred percent of issued shares or total capital amount by the Company, the Board may delegate the Chairman to decide such matters when the transaction is within the amount of NT\$700 million in accordance with Article 5 to Article 7 herein and have the decisions subsequently submitted to and ratified at the next Board of Directors’ meeting:
    - (1) Acquisition or disposal of equipment or right-to-use assets for business use.
    - (2) Acquisition or disposal of right-to-use assets of real estate for business use.
  7. When a matter is submitted for discussion by the Board pursuant to this Article, paragraph 4, each Independent Director’s opinions shall be taken into full consideration. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors’ meeting.
  8. The Company that acquired real estate or right-to-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means:
    - (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
    - (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this

shall not apply where the financial institution is a related party of one of the trading counterparties.

- (3) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in this Article, item 1 to item 2.
  - (4) The Company that acquired real estate or right-to-use from a related party and appraised the cost of the real estate or right-to-use assets in accordance with this subparagraph, item 1 to item 3 shall also engage a certified public accountant to double check the appraisal and render a specific opinion.
9. Where the Company acquired real estate or right-to-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with this Article, subparagraph 4 to subparagraph 7, and subparagraph 8 do not apply:
  - (1) The related party acquired the real estate or right-to-use assets through inheritance or as a gift.
  - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real estate or right-to-use assets to the signing date for the current transaction.
  - (3) The real estate is acquired through signing a joint development contract with the related party, or contracting related party to construct on land owned or rented by the company.
  - (4) Acquisition of operation-purpose right-to-use assets of real estate between the Company, its Parent Company and its Subsidiaries or Subsidiaries directly or indirectly hold one hundred percent of issued shares or total capital amount by the Company.
10. When the results of the appraisal conducted in accordance with this Article, subparagraph 8, item 1 to item 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with this Article, subparagraph 12 to subparagraph 14. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and certified public accountant, this restriction shall not apply:
  - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
    - A. Where undeveloped land is appraised in accordance with the subparagraph 8 to subparagraph 9, and structures according to the related party's

construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division of the recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

B. Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard estate market practices.

C. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard estate leasing market practices.

(2) Where the Company acquired real estate or leased right-to-use assets of real estate from a related party provides evidence that the terms of the transaction are similar to the terms of transactions for the acquisition of neighboring or closely valued parcels of land of a similar by unrelated parties within the preceding year.

11. "Transactions for neighboring or closely valued parcels of land" in the preceding paragraph in principle refers to parcels on the same, or an adjacent block, and within a distance of no more than 500 meters, or parcels close in publicly announced current value; "transaction for similarly sized parcels" in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; "within the preceding year" refers to the year preceding the date of occurrence of the acquisition of the real estate or right-to-use assets.

12. Where the Company acquired real estate and the results of appraisals conducted in accordance with this Article, subparagraph 8 to subparagraph 11 are uniformly lower than the transaction price, the following steps shall be taken:

(1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real estate or right-to-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in the company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the company.



- (2) The audit committee shall comply with the Article 218 of the ROC Company Act.
  - (3) Actions taken pursuant to item 1 and item 2 of this subparagraph shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
13. The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of , or their leases have been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.
14. When the Company obtains real property or right-to-use assets from a related party, it shall also comply with the preceding two subparagraphs if there is other evidence indicating that the acquisition was not an arms' length transaction.

The related party referred to in the preceding paragraph shall assert in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

## Article 12 Derivatives Trading

1. When the Company engages in the transaction of derivatives, it shall comply with the Derivatives Trading of "the Operational Procedures for Acquisition or Disposal of Assets" of the Company, and pays attention to the risk management and auditing matters. The details of the type, amount, date of passage by the Board and the matters required to be carefully evaluated shall be recorded in the memorandum book for derivatives trading.
2. Trading principles and strategies
  - (1) Transaction type
    - A. Be engaged in financial derivatives including Forward, Option, Swap, the combination of above goods into a composite contract, and etc.
    - B. Be engaged in the Futures of the bulk materials commodity.
  - (2) Operations and risk aversion
 

The main profit of company shall come from the operations of the normal business, so evading the risk shall be the main purpose of engaging in the derivatives trading. The selection of the trading goods shall be able to avoid risks arising from the business operations. Therefore, the transaction shall be defined as hedge trading or investment before it was made, to be the judgment on accounting records and the basis of financial statement disclosure.
  - (3) Total amount of the contracts and the maximum loss limits

A. Total amount of the contracts

a. The hedging-purpose derivatives

The total amount of the contracts does not exceed 20 percent of the Company's total assets.

b. The trading-purpose derivatives

5 percent of the paid-in capital is limited.

B. The maximum loss limits

a. The hedging-purpose derivatives: The loss assessment for two consecutive months of individual contract shall be no more than 20 percent of the contract amount; or the loss assessment of total contracts shall be not more than 10 percent of total contract amount.

b. The trading-purpose derivatives: The tolerable loss of individual contract shall not exceed 3 percent of the contract amount; or the tolerable loss of total contracts shall not exceed 2 percent of the paid-in capital.

c. If the loss exceeds the maximum limit, the general manager and chairman shall be reported, and shall report to the Board to discuss the responses.

3. Division of responsibilities:

(1) Finance Department:

A. Being responsible for drafting the company's strategy of the foreign exchange operations.

B. Due to the changes of the foreign exchange market, keeping abreast with market information regularly; determining the trends and assessing risk; and getting familiar with financial instruments, rules and regulations. And according to the company's foreign exchange position, drafting the operation strategy as the basis for the company avoiding the risk, after approving by the general manager.

C. According to the company's turnover and the quantity of imports and exports, stipulating each limit (monthly or quarterly) that must be hedged after confirming the foreign position, for reducing the degree of exposure of foreign exchange position to risk.

(2) Accounting Department:

Being responsible for dealing with the accounts of the transactions and providing the relevant information for the financial statements disclosure.

(3) Audit Department:

A. Periodically checking the appropriateness of the risk management measures currently used and handled in accordance with the transaction of derivative

products that the Company provided.

- B. Supervising trading and profit and loss situation. Taking the necessary measures while material violation is discovered, and report to the Board of Directors immediately, and ask the independent directors to attend and express the opinions.

#### 4. Assessment of performance

##### (1) Hedging-purpose transaction

- A. The finance Department shall make performance report regularly on the 5th and the 20th every month in accordance with the type of the derivatives, and the content should include:
  - a. The analysis of the commodity trend.
  - b. The appropriateness of the position control.
  - c. The amount of hedging gains and losses that already held or deferred explicitly.
- B. The hedging transactions should be set target prices or exchange rate that trade personnel to target as the basis for performance evaluation.

##### (2) Trading-purpose transaction

- A. The finance Department shall make performance report regularly on Tuesdays in accordance with the type of the derivatives, and the content should include:
    - a. The analysis of the commodity trend.
    - b. The appropriateness of the position control.
    - c. The net profit or loss the trading activity has generated.
  - B. Set up the maximum loss limits on each transaction before the trade. The trade personnel assesses the transaction profit and deficit on each single transaction in accordance with the daily market value. When approaching the loss limits shall report to the finance director and general manager immediately to determine whether to stop the decreasing or not immediately.
- (3) The evaluation reports shall be given to the general manager.

#### 5. Operational procedures

##### (1) Authorized limit

The amount of hedging and investment transactions of financial derivatives and commodities futures trading of bulk goods shall be approved by the general manager, that the transactions can conduct.

##### (2) Execution units:

Because financial derivatives changed rapidly, and the potential risk, profit and loss calculation with complex characteristics, and it related to the company's

account payment data, it shall be served as and carried out by financial personnel. However, the personnel who engaged in derivative transactions authorized by the Board of Directors does not subject to the limits.

(3) Explanation of the transaction procedures

- A. The trade personnel filled in” the application for the transaction of derivative products” and approved by authority supervisor and general manager.
- B. The trade personnel shall trade in accordance with the application approved.
- C. The trade personnel trade by phone or fax letter with the bank or the futures company.
- D. The trade personnel filled in” the application for the transaction of derivative products” in accordance with the transaction content after the bank or the futures company noticed the deal and obtaining the relevant foreign evidences. And it shall be confirmed by the authority supervisor to sign.
- E. The contract notes and the relevant foreign evidences shall be sent to the general manager to sign and seal.
- F. The contract notes delivered to the personnel of accounting department to be accounted, and the foreign evidences shall be returned to the bank or the futures company.
- G. If the trade needs to pay security deposit, the trade personnel shall fill in the” payment request form” and send the form together with the contract notes and the relevant foreign evidences to the authority supervisor to approve, and then refer to the general manager for approval.
- H. “The application for the transaction of derivative products” is done in duplicate. The original shall be retained by the finance department, and the second receipt shall be retained by the accounting department.

6. Deleted

7. Internal control

(1) Risk management measures

A. Credit risk management

The trading object is defined as the bank and the futures company which the Company has dealings with. They can provide adequate information and have the highly flexible trade ability on the foreign exchange market and futures market.

B. Market risk and liquidity management

The foreign exchange transaction shall be carried out mainly on the open foreign exchange market of bank and the customers. The trade financial products chose need to have high liquidity (which means that it is easy to make

a day trade on the market).

C. Operating risk management

The transaction procedure and the authorization amount shall be handled according to regulations, and incorporated into the internal audit periodically audit project in order to avoid operating risk.

D. Legal risk management

The contract engaged in derivative transactions should be double checked by the law firm before signing with bankers, if necessary.

(2) Regular evaluation

A. Personnel engaged in derivative transactions shall not serve in other operations concurrently such as confirmation and settlement. The assessment, oversight, and control of the risk shall be reported to the general manager and the Board of Directors by the personnel of audit department.

B. Finance department shall assess the derivative position held by the company once per week; but if the business need for hedging transaction is at least twice per month. The assessment reports shall be submitted to the general manager. If any abnormalities are discovered (such as the loss has reached the maximum limit), report to the Board immediately and adopt necessary response measures.

C. The Board shall monitor and manage indeed in accordance with the following principles:

- a. The audit department shall constantly monitor and control the risk of derivative transactions.
- b. Regularly evaluate whether the performance of derivative transactions complies with predetermined management strategy and whether the risk undertook is within the scope of tolerance permitted by the company.

8. Internal auditing system

Internal auditors of the Company shall periodically check the fairness of internal control, and regularly review the compliance of the transaction departments with the processing procedures for the transactions of derivatives products per month and make the audit reports. Any serious violations shall be reported to the audit committee by notification.

Article 13 Procedures for Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage an accountant, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of

cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. The mergers between the company and the subsidiaries which, directly or indirectly, holds 100 percent of issued shares or total capital and between the subsidiaries which holds 100 percent of issued shares or total capital directly or indirectly by the company shall not be included.

2. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.
3. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
4. The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
  - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
  - (2) An action, such as a disposal of major assets that affects the company's financial operations.
  - (3) An event, such as a major disaster or major change in technology that affects shareholder equity or share price.
  - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
  - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
  - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

5. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
  - (1) Handling of breach of contract.
  - (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  - (4) The manner of handling changes in the number of participating entities or companies.
  - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
  - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 13-1 A company participating in a merger, demerger, or acquisition convenes a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant

1. The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the Financial Supervisory Commission, R.O.C is notified in advance of extraordinary circumstances and grants consent.
2. The Company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the Financial Supervisory Commission, R.O.C is notified in advance of extraordinary circumstances and grants consent.
3. When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company that is listed on an exchange or has its shares traded on an Over-the-Counter market shall prepare a full written record of the following information and retain it for 5 years for reference:
  - (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

- (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
- (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.
- 4. When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company that is listed on an exchange or has its shares traded on an Over-the-Counter market shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission, R.O.C for recordation.
- 5. where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an Over-the-Counter market, the Company that is listed on an exchange or has its shares traded on an Over-the-Counter market shall sign an agreement with such company whereby the latter is required to abide by the provisions of subparagraph 3 and 4.

Article 13-2 After public disclosure of the information, with any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, and acquisition of Provisions

- 1. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- 2. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not the Company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of subparagraph 3, Article 13-1 and subparagraph 1.

Article 14 Publicly Announcement and Reporting standards

- 1. Under any of the following circumstances, the Company acquiring or disposing



of assets shall publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission, R.O.C in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

- (1) Acquisition or disposal of real property or right-to-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-to-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises.
- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (4) Where the type of asset acquired or disposed is equipment or right-to use assets for business use, the trading counterparty is not a related party, and the transaction amount refers to any of the following:
  - A. Public companies which paid-in capital is less than NT\$10 billion, and the transaction is NT\$ 500 million or more.
  - B. Public companies which paid-in capital reaches NT\$ 10 billion or more, and the transaction is NT\$ 1 billion or more.
- (5) Acquisition or disposal by the Company in the construction business of real property or right-to-use assets for construction use, where the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million. The transaction amount of disposal of self-constructed real estate with capital amount actually received reaches NT\$ 10 billion or above and the trading counterparty is not related party is more than NT\$ 1 billion.
- (6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale; the trading counterparty is not related party; and the amount the company expects to invest in the transaction is less than NT\$500 million.
- (7) Where an asset transaction other than any of those referred to in the preceding six items, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of

paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

- A. Trading of domestic government bonds.
  - B. Securities trading by investment professionals on securities exchanges or Over-the-Counter markets, or subscription of securities, either corporate bonds or general bank debentures that do not involve shareholding right (not including secondary bond) in the primary market or purchase or buyback of securities investment trust or future trust fund or securities recommended by security firms due to underwriting business and served as the recommending securities firms for emerging stocks in accordance with the regulations by Taipei Exchange.
  - C. Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by securities investment trust enterprises.
2. The amount of transactions in the preceding subparagraph shall be calculated as follows:
- (1) The amount of any individual transaction.
  - (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
  - (3) The cumulative transaction amount of real property or right-to-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
  - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
3. "Within the preceding year" as used in the preceding subparagraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.

Article 14-1      The total assets and paid-in capital of the foreign company for the calculation of transactions amounts For the calculation of 10% of total assets under these Procedures, the total assets stated in the most recent the Company individual financial report shall be used.

In the case of a foreign corporation whose shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under these Procedures, 10 percent of equity attributable to owners of the parent shall be substituted.

Article 15 Deadline for Publicly Announcement and Reporting :

1. Where any of the following circumstances occurs with respect to a transaction has already publicly announced and reported, a public report of relevant information shall be made on the information reporting website designated by the Financial Supervisory Commission, R.O.C within 2 days commencing immediately from the date of occurrence of the event:
  - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
  - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
  - (3) Change to the originally publicly announced and reported information.
2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Financial Supervisory Commission, R.O.C by the 10th day of each month.
3. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.
4. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and accountant, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 16 Disclosure of Financial Statements

When information required to be publicly announced and reported in accordance with the provisions of these Procedures on acquisition and disposals of assets, and if the trading counterparty is a related party of substance relationship, then the Company shall be disclosed in the notes to financial statements, and then to a shareholders' meeting for approval.

Article 17 Supplement the Act

Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 18 Exercise the power of Audit Committee

After approval by Audit Committee and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. When these Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the

Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes. If any director took an objection, and a record or written statement to the effect has to be made, then the Company shall submit the data about the objection of the director to Audit Committee and shareholders' meeting for discussion. The same shall apply in case of any amendments thereof.

When established an Audit Committee of the Company, When established an Audit Committee of the Company, draw up or amended these Operating Procedures shall be agreed by all members of more than half, and submitted to the Board of Directors resolution. If the proposal has not been approval by one-half or more of all Audit Committee members, it shall follow restricted by the Company of "Audit Committee Charter" Article 6, paragraph 3.

The preceding paragraph "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

Article 19 The amendment record of the procedure:

These Procedures were originally adopted on June 28, 1999.

The 1st amendment was made on June 26, 2000.

The 2nd amendment was made on April 21, 2003.

The 3rd amendment was made on May 22, 2007.

The 4th amendment was made on June 3, 2009.

The 5th amendment was made on June 6, 2012.

The 6th amendment was made on June 10, 2014.

The 7th amendment was made on June 13, 2017.

The 8th amendment was made on May 28, 2019.

**POYA International Co., Ltd.****Rules of Procedure for Shareholders Meeting****Table of Comparisons Before and After Amendments**

Articles	Article after amendment	Article before amendment	Explanation
Article 3	<p>Except those regulated by the relevant laws or ordinances, the Shareholders' Meeting shall be convened by the Board of Directors.</p> <p><u>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>The Company shall prepare electronic versions of the Shareholders' Meeting notice, proxy forms and explanatory materials relating to all the proposals including those for ratification, discussion, election or dismissal of the directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual Shareholders' Meeting or 15 days before the date of a special Shareholders' Meeting.</p> <p>The Company shall also prepare electronic versions of the Shareholders' Meeting minutes and supplemental meeting materials, uploading them to the MOPS 21 days before the date of the annual Shareholders' Meeting</p>	<p>Except those regulated by the relevant laws or ordinances, the Shareholders' Meeting shall be convened by the Board of Directors.</p> <p>The Company shall prepare electronic versions of the Shareholders' Meeting notice, proxy forms and explanatory materials relating to all the proposals including those for ratification, discussion, election or dismissal of the directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual Shareholders' Meeting or 15 days before the date of a special Shareholders' Meeting.</p> <p>The Company shall also prepare electronic versions of the Shareholders' Meeting minutes and supplemental meeting materials, uploading them to the MOPS 21 days before the date of the annual Shareholders' Meeting or 15 days before the date of the special Shareholders' Meeting. Additionally 15 days before the date of the Shareholders' Meeting, the Shareholders' Meeting minutes and</p>	<p>Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles.</p>

Articles	Article after amendment	Article before amendment	Explanation
	<p>or 15 days before the date of the special Shareholders' Meeting. <u>If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</u></p> <p>Additionally 15 days before the date of the Shareholders' Meeting, the Shareholders' Meeting minutes and supplemental meeting materials shall be prepared by the Company for any reference by the shareholders, being displayed at the Company and its shareholders services agent.</p> <p><u>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>For hybrid shareholders meetings, to be distributed on-site at the</u></p>	<p>supplemental meeting materials shall be prepared by the Company for any reference by the shareholders, being displayed at the Company and its shareholders services agent as well as being distributed on-site at the Shareholders' Meeting.</p>	

Articles	Article after amendment	Article before amendment	Explanation
	<u>meeting and shared on the virtual meeting platform.</u> <u>For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u> ... (omitted)		
Article 4	A shareholder may appoint an attorney to attend a Shareholders' Meeting on his or her behalf by offering a proxy statement printed by the Company, declaring the scope of authorization with respect to the meeting agenda. A shareholder may only execute one power of attorney, appointing one proxy as limited, and shall serve such written proxy to the Company no later than 5 days prior to the date of the Shareholders' Meeting. In the case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail unless a declaration is made to cancel the previous proxy appointment. <u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the</u>	A shareholder may appoint an attorney to attend a Shareholders' Meeting on his or her behalf by offering a proxy statement printed by the Company, declaring the scope of authorization with respect to the meeting agenda. A shareholder may only execute one power of attorney, appointing one proxy as limited, and shall serve such written proxy to the Company no later than 5 days prior to the date of the Shareholders' Meeting. In the case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail unless a declaration is made to cancel the previous proxy appointment.	Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles.

Articles	Article after amendment	Article before amendment	Explanation
	<u>proxy shall prevail.</u> <u>If, after a proxy form is delivered</u> <u>to the Company, a shareholder</u> <u>wishes to attend the shareholders</u> <u>meeting online, a written notice</u> <u>of proxy cancellation shall be</u> <u>submitted to the Company two</u> <u>business days before the meeting</u> <u>date. If the cancellation notice is</u> <u>submitted after that time, votes</u> <u>cast at the meeting by the proxy</u> <u>shall prevail.</u>		
Article 5	A Shareholders' Meeting shall be convened at the premises of the Company or a place which is convenient for all the shareholders to attend and is suitable for holding the Shareholders' Meeting. The meeting time shall not be earlier than 9am, or later than 3pm. The opinion of the independent directors shall be taken into consideration when selecting the location and time of the Shareholders' Meeting. <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u>	A Shareholders' Meeting shall be convened at the premises of the Company or a place which is convenient for all the shareholders to attend and is suitable for holding the Shareholders' Meeting. The meeting time shall not be earlier than 9am, or later than 3pm. The opinion of the independent directors shall be taken into consideration when selecting the location and time of the Shareholders' Meeting.	Complied with the amendments to "Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.", the Company hereby revises part of word statements of origin Articles.
Article 5-1	Deleted.	The matters such as time and place for accepting attendance registrations of the shareholders, and other items for attention shall be specified in the meeting notice of the Shareholders' Meeting. The attendance registration of the shareholders, mentioned in the preceding paragraph, shall be	Complied with the amendments to "Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.", the Company hereby revises part of word statements



Articles	Article after amendment	Article before amendment	Explanation
		accepted at least 30 minutes before the beginning of the Shareholders' Meeting. The place for accepting attendance registration shall be clearly marked and handled by the sufficient number of suitable personnel.	of origin Articles.
Article 6	<p><u>The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.</u></p> <p><u>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>The shareholders shall attend the</p>	<p>The Company shall furnish the attending shareholders or their proxies (collectively, "shareholders") with an attendance book for signing-in. The attending shareholders may also hand in a sign-in card in place of signing-in on the attendance book. The Company shall provide the attending shareholders with a meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips and other meeting materials. Where there is an election of the directors, pre-printed ballots shall also be offered.</p> <p>The shareholders shall attend the shareholders' meetings based on the attendance cards, sign-in cards or other certificates of attendance. The Company may not arbitrarily ask to offer additional identification documents as the identification documents of the attending shareholder has been already provided. The solicitors who solicit proxy forms shall also bring identification documents for</p>	Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles.

Articles	Article after amendment	Article before amendment	Explanation
	<p>shareholders' meetings based on the attendance cards, sign-in cards or other certificates of attendance. The Company may not arbitrarily ask to offer additional identification documents as the identification documents of the attending shareholder has been already provided. The solicitors who solicit proxy forms shall also bring identification documents for verification.</p> <p><u>The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</u></p> <p><u>The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</u></p> <p>When the government or a legal entity is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. However when a legal entity is appointed as proxy to attend the Shareholders' Meeting, it may designate only one person to represent it in the meeting.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the</u></p>	<p>verification.</p> <p>When the government or a legal entity is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. However when a legal entity is appointed as proxy to attend the Shareholders' Meeting, it may designate only one person to represent it in the meeting.</p>	

Articles	Article after amendment	Article before amendment	Explanation
	<p><u>meeting online shall register with the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>		
Article 6-1	<p><u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u></p> <ol style="list-style-type: none"> <li>1. <u>How shareholders attend the virtual meeting and exercise their rights.</u></li> <li>2. <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <ol style="list-style-type: none"> <li>(1) <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></li> <li>(2) <u>Shareholders not having registered to attend the</u></li> </ol> </li> </ol>		Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles.

Articles	Article after amendment	Article before amendment	Explanation
	<p><u>affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p>(3) <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p>(4) <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p>3. <u>To convene a virtual-only shareholders meeting, appropriate alternative</u></p>		

Articles	Article after amendment	Article before amendment	Explanation
	<u>measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u>		
Article 8	<p>The Company, beginning from the time accepting attendance registrations of the shareholders, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.</p> <p>The recorded materials in the preceding paragraph shall be retained for at least 1 year.</p> <p>However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.</p> <p><u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video</u></p>	<p>The Company, beginning from the time accepting attendance registrations of the shareholders, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.</p> <p>The recorded materials in the preceding paragraph shall be retained for at least 1 year.</p> <p>However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.</p>	<p>Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles.</p>

Articles	Article after amendment	Article before amendment	Explanation
	<u>recording shall be provided to and</u> <u>kept by the party appointed to</u> <u>handle matters of the virtual</u> <u>meeting.</u> <u>In case of a virtual shareholders</u> <u>meeting, the Company is advised</u> <u>to audio and video record the</u> <u>back-end operation interface of</u> <u>the virtual meeting platform.</u>		
Article 9	Attendance at the Shareholders' Meetings shall be calculated based on the share number. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards, <u>and the shares checked in on the virtual meeting platform</u> plus the number of shares whose voting rights are exercised by correspondence or electronic means. The Chair shall call the meeting to order at the time scheduled for the meeting. However if the number of shares held by the attending shareholders is below than half of the total number of issued shares, the Chair may announce postponement of the meeting. The postponement shall be announced twice only as limited and for a combined total of no more than 1 hour. If the shares held by the attending shareholders are still below one-third of the total number of issued shares, with two postponements being announced, the Chair may announce that the	Attendance at the Shareholders' Meetings shall be calculated based on the share number. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards, plus the number of shares whose voting rights are exercised by correspondence or electronic means. The Chair shall call the meeting to order at the time scheduled for the meeting. However if the number of shares held by the attending shareholders is below than half of the total number of issued shares, the Chair may announce postponement of the meeting. The postponement shall be announced twice only as limited and for a combined total of no more than 1 hour. If the shares held by the attending shareholders are still below one-third of the total number of issued shares, with two postponements being announced, the Chair may announce that the meeting shall be canceled. If the quorum is not met after two	Complied with the amendments to "Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.", the Company hereby revises part of word statements of origin Articles.

Articles	Article after amendment	Article before amendment	Explanation
	<p>meeting shall be canceled. <u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as mentioned 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 1 month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the Shareholders' Meeting pursuant to Article 174 of the Company Act.</p>	<p>postponements as mentioned 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 1 month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the Shareholders' Meeting pursuant to Article 174 of the Company Act.</p>	
Article 11	<p>...(omitted)</p> <p>If there are two or more representatives appointed by a legal entity shareholder to participate in a Shareholders' Meeting, only one representative</p>	<p>...(omitted)</p> <p>If there are two or more representatives appointed by a legal entity shareholder to participate in a Shareholders' Meeting, only one representative</p>	Complied with the amendments to "Rules of Procedure for Shareholders Meetings for Poya International Co.,

Articles	Article after amendment	Article before amendment	Explanation
	<p>may speak on the same issue.</p> <p>After the speech of an attending shareholder, the Chair may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders meeting is convened,</u></p> <p><u>shareholders attending the virtual meeting online may raise</u></p> <p><u>questions in writing at the virtual meeting platform from the chair</u></p> <p><u>declaring the meeting open until</u></p> <p><u>the chair declaring the meeting adjourned. No more than two</u></p> <p><u>questions for the same proposal</u></p> <p><u>may be raised. Each question</u></p> <p><u>shall contain no more than 200</u></p> <p><u>words. The regulations in</u></p> <p><u>paragraphs 1 to 5 do not apply.</u></p> <p><u>As long as questions so raised in</u></p> <p><u>accordance with the preceding</u></p> <p><u>paragraph are not in violation of</u></p> <p><u>the regulations or beyond the</u></p> <p><u>scope of a proposal, it is advisable</u></p> <p><u>the questions be disclosed to the</u></p> <p><u>public at the virtual meeting</u></p> <p><u>platform.</u></p>	<p>may speak on the same issue.</p> <p>After the speech of an attending shareholder, the Chair may respond in person or direct relevant personnel to respond.</p>	<p>Ltd.”, the Company hereby revises part of word statements of origin Articles.</p>
Article 13	<p>...(omitted)</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received</p>	<p>...(omitted)</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received</p>	<p>Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles.</p>



Articles	Article after amendment	Article before amendment	Explanation
	<p>earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except those specified in the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by half or more of the votes represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the</p>	<p>earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except those specified in the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by half or more of the votes represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total</p>	

Articles	Article after amendment	Article before amendment	Explanation
	<p>chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they shall be put to a vote. However, if any one of the proposals is adopted, the other proposals shall be deemed rejected and no requirement for further voting on them.</p> <p>The personnel for supervising the casting of votes and counting shares for resolutions shall be designated by the Chairman; however, that the person supervising the casting of votes shall be a shareholder. Vote counting for the proposals or election resolved at the Shareholders Meeting shall be conducted in public at the place of the Shareholders Meeting. The results, including the statistical tallies of the numbers of votes, shall be announced on-site immediately after the vote</p>	<p>number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they shall be put to a vote. However, if any one of the proposals is adopted, the other proposals shall be deemed rejected and no requirement for further voting on them.</p> <p>The personnel for supervising the casting of votes and counting shares for resolutions shall be designated by the Chairman; however, that the person supervising the casting of votes shall be a shareholder. Vote counting for the proposals or election resolved at the Shareholders Meeting shall be conducted in public at the place of the Shareholders Meeting. The results, including the statistical tallies of the numbers of votes, shall be announced on-site immediately after the vote counting is completed, and shall</p>	

Articles	Article after amendment	Article before amendment	Explanation
	<p>counting is completed, and shall be recorded in the minutes.</p> <p><u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the</u></p>	<p>be recorded in the minutes.</p>	

Articles	Article after amendment	Article before amendment	Explanation
	<u>shareholders meeting online,</u> <u>except for extraordinary motions,</u> <u>they will not exercise voting</u> <u>rights on the original proposals or</u> <u>make any amendments to the</u> <u>original proposals or exercise</u> <u>voting rights on amendments to</u> <u>the original proposal.</u>		
Article 15	<p>The resolution made at the Shareholders' Meeting shall be included in the meeting minutes, which shall bear the signature or seal of the Chair and be distributed to each shareholder within 20 days after the meeting.</p> <p><u>The meeting minutes may be produced and distributed in electronic form.</u></p> <p><u>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</u></p> <p>The distribution of the meeting minutes in the preceding paragraph may be made by the form of an announcement.</p> <p>The minutes shall be faithfully record the items, such as meeting's year, month, day, place, Chairman's name, the methods of resolution, summary of the proceedings, and results of resolutions. The minutes of Shareholders' Meeting shall be preserved during the existence of the Company.</p> <p><u>Where a virtual shareholders meeting is convened, in addition</u></p>	<p>The resolution made at the Shareholders' Meeting shall be included in the meeting minutes, which shall bear the signature or seal of the Chair and be distributed to each shareholder within 20 days after the meeting.</p> <p>The distribution of the meeting minutes in the preceding paragraph may be made by the form of an announcement.</p> <p>The minutes shall be faithfully record the items, such as meeting's year, month, day, place, Chairman's name, the methods of resolution, summary of the proceedings, and results of resolutions. The minutes of Shareholders' Meeting shall be preserved during the existence of the Company.</p> <p>"There is no objection from any shareholders after solicited by the Chairman and the resolution is passed" shall be recorded in the meeting minutes if the proposal is passed after the Chair inquires the shareholders' opinion and no objection is raised. If there is any objection and the proposal is to put to a vote, however, the</p>	<p>Complied with the amendments to "Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.", the Company hereby revises part of word statements of origin Articles.</p>

Articles	Article after amendment	Article before amendment	Explanation
	<p><u>to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>	<p>method for resolution, the number of approval votes cast and the percentage of the approval votes as to total votes shall be recorded in the minutes.</p>	
Article 16	<p><u>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In</u></p>	<p>The Company shall upload the resolution content of Shareholders' Meeting to the MOPS within the prescribed time period if the resolution concerning the significant matters regulated by the applicable laws or regulations, or the regulations of Taiwan Stock Exchange Corporation (or GreTai Securities Market).</p>	<p>Complied with the amendments to "Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.", the Company hereby revises part of word statements of origin Articles.</p>

Articles	Article after amendment	Article before amendment	Explanation
	<p><u>the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>The Company shall upload the resolution content of Shareholders' Meeting to the MOPS within the prescribed time period if the resolution concerning the significant matters regulated by the applicable laws or regulations, or the regulations of Taiwan Stock Exchange Corporation (or GreTai Securities Market).</p>		
Article 19	<p><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes</u></p>		Complied with the amendments to "Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.", the Company hereby add part of word statements of

Articles	Article after amendment	Article before amendment	Explanation
	<u>after the chair has announced the meeting adjourned.</u>		origin Articles and revise the item.
Article 20	<u>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>		Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles and revise the item.
Article 21	<u>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the</u>		Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles and revise the item.

Articles	Article after amendment	Article before amendment	Explanation
	<p><u>meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been</u></p>		



Articles	Article after amendment	Article before amendment	Explanation
	<p><u>announced, or list of elected directors and supervisors.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20,</u></p>		

Articles	Article after amendment	Article before amendment	Explanation
	<u>paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u> <u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Companies shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u>		
Article 22	<u>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>		Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles and revise the item.
Article 23	<u>These Rules and Procedures and any amendment hereto shall come into force after being resolved by the Board of Directors and then approved by the Shareholders’ Meeting.</u>	These Rules and Procedures and any amendment hereto shall come into force after being resolved by the Board of Directors and then approved by the Shareholders’ Meeting.	Revise the item.
Article 24	The amendment record of these	The amendment record of these	Add the latest

Articles	Article after amendment	Article before amendment	Explanation
	<p>Rules:</p> <p>The Rules and Procedures were enacted on March, 2002.</p> <p>The first amendment was made on May 24, 2006.</p> <p>The second amendment was made on May 20, 2008.</p> <p>The third amendment was made on June 22, 2011.</p> <p>The fourth amendment was made on June 6, 2012.</p> <p>The fifth amendment was made on June 10, 2014.</p> <p>The sixth amendment was made on June 10, 2015.</p> <p>The seventh amendment was made on June 23, 2020.</p> <p><u>The eighth amendment was made on June 22, 2021.</u></p>	<p>Rules:</p> <p>The Rules and Procedures were enacted on March, 2002.</p> <p>The first amendment was made on May 24, 2006.</p> <p>The second amendment was made on May 20, 2008.</p> <p>The third amendment was made on June 22, 2011.</p> <p>The fourth amendment was made on June 6, 2012.</p> <p>The fifth amendment was made on June 10, 2014.</p> <p>The sixth amendment was made on June 10, 2015.</p> <p>The seventh amendment was made on June 23, 2020.</p>	<p>amended record and revise word and item statement slightly.</p>

## **POYA International Co., Ltd.**

### **Rules of Procedure for Shareholders' Meeting**

Article 1 To establish a strong governance system, and improve supervisory function and managerial mechanism of the Company's shareholders' meetings, these Rules are enacted according to Article 5 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."

Article 2 Except those prescribed by the relevant laws and ordinances or the Company's Articles of Incorporation, the procedures of the Shareholders' Meeting of the Company shall comply with these Rules.

Article 3 Except those regulated by the relevant laws or ordinances, the Shareholders' Meeting shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the Shareholders' Meeting notice, proxy forms and explanatory materials relating to all the proposals including those for ratification, discussion, election or dismissal of the directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual Shareholders' Meeting or 15 days before the date of a special Shareholders' Meeting.

The Company shall also prepare electronic versions of the Shareholders' Meeting minutes and supplemental meeting materials, uploading them to the MOPS 21 days before the date of the annual Shareholders' Meeting or 15 days before the date of the special Shareholders' Meeting.

Additionally 15 days before the date of the Shareholders' Meeting, the Shareholders' Meeting minutes and supplemental meeting materials shall be prepared by the Company for any reference by the shareholders, being displayed at the Company and its shareholders services agent as well as being distributed on-site at the Shareholders' Meeting.

The reasons for convening the shareholders meeting shall be specified in the meeting notice and public announcement, which shall be delivered by emails after the agreement of the counterparts.

Election or dismissal of directors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the Company, any matter under Article 185, paragraph 1 of the Company Act, or any matter under Articles 26-1 and 43-6 of the Securities and Exchange Act, or any matter under Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Issuers shall be set out in the reasons for convening the Shareholders Meeting. None of them mentioned above may be raised by an extraordinary motion.

Article 4 A shareholder may appoint an attorney to attend a Shareholders' Meeting on his or her

behalf by offering a proxy statement printed by the Company, declaring the scope of authorization with respect to the meeting agenda. A shareholder may only execute one power of attorney, appointing one proxy as limited, and shall serve such written proxy to the Company no later than 5 days prior to the date of the Shareholders' Meeting. In the case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail unless a declaration is made to cancel the previous proxy appointment.

Article 5 A Shareholders' Meeting shall be convened at the premises of the Company or a place which is convenient for all the shareholders to attend and is suitable for holding the Shareholders' Meeting. The meeting time shall not be earlier than 9am, or later than 3pm. The opinion of the independent directors shall be taken into consideration when selecting the location and time of the Shareholders' Meeting.

Article 5-1 The matters such as time and place for accepting attendance registrations of the shareholders, and other items for attention shall be specified in the meeting notice of the Shareholders' Meeting. The attendance registration of the shareholders, mentioned in the preceding paragraph, shall be accepted at least 30 minutes before the beginning of the Shareholders' Meeting. The place for accepting attendance registration shall be clearly marked and handled by the sufficient number of suitable personnel.

Article 6 The Company shall furnish the attending shareholders or their proxies (collectively, "shareholders") with an attendance book for signing-in. The attending shareholders may also hand in a sign-in card in place of signing-in on the attendance book. The Company shall provide the attending shareholders with a meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips and other meeting materials. Where there is an election of the directors, pre-printed ballots shall also be offered.

The shareholders shall attend the shareholders' meetings based on the attendance cards, sign-in cards or other certificates of attendance. The Company may not arbitrarily ask to offer additional identification documents as the identification documents of the attending shareholder has been already provided. The solicitors who solicit proxy forms shall also bring identification documents for verification.

When the government or a legal entity is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. However when a legal entity is appointed as proxy to attend the Shareholders' Meeting, it may designate only one person to represent it in the meeting.

Article 7 If the Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board; the Vice Chairman shall act in place of the Chairman if he/she is on leave or for any reason unable to exercise the powers; one of the

managing directors shall be appointed to act as meeting Chair by the Chairman of the Board if there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers; one of the directors shall be appointed to act as meeting Chair appointed by the Chairman of the Board if there are no managing directors; one of the managing directors or the directors shall be selected from among themselves to serve as meeting Chair if the Chairman does not make such a designation.

The Shareholders' Meeting convened by the Board of Directors shall be chaired by the Chairman personally, shall be participated personally by the half or more of all the director members, shall be participated by at least one committee member on behalf of each functional Committee, and the attendance shall be included in the meeting minutes of the Shareholders' Meeting. If the Shareholders' Meeting is convened by the convener other than the Board of Directors, the convener shall chair the meeting. If two or more persons are so entitled to convene the meeting, they shall select one from among themselves to serve as meeting Chair.

The Company may appoint its attorneys, certified public accountants, or relevant personnel to participate in a Shareholders' Meeting as a non-voting observer.

Article 8      The Company, beginning from the time accepting attendance registrations of the shareholders, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Shareholders' Meeting, and the voting and vote counting procedures.

The recorded materials in the preceding paragraph shall be retained for at least 1 year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Article 9      Attendance at the Shareholders' Meetings shall be calculated based on the share number. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards, plus the number of shares whose voting rights are exercised by correspondence or electronic means. The Chair shall call the meeting to order at the time scheduled for the meeting, and announce the number of no voting rights and attending shareholders. However if the number of shares held by the attending shareholders is below than half of the total number of issued shares, the Chair may announce postponement of the meeting. The postponement shall be announced twice only as limited and for a combined total of no more than 1 hour. If the shares held by the attending shareholders are still below one-third of the total number of issued shares, with two postponements being announced, the Chair may announce that the meeting shall be canceled.

If the quorum is not met after two postponements as mentioned 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 1 month.

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

Article 10 The meeting agenda of the Shareholders' Meeting convened by the Board of Directors shall be determined by the Board. The meeting shall follow the meeting agenda which shall not be changed without the 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 Chair may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. If the Chair declares the meeting adjourned in violation of the Rules, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders. Then, the Shareholders' Meeting shall be continued.

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

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be set by the Chair.

An attending shareholder who submits a speaker's slip but does not actually speak shall be deemed not to speak at the meeting. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

On the same issue, each shareholder shall not take the floor more than twice and shall not speak more than five minutes for each round unless agreed by the Chair. If the shareholder's speech violates the Rules or exceeds the scope of the meeting agenda, the Chair may terminate the speech.

While an attending shareholder is taking the floor, other shareholders shall not interrupt or interfere with the current floor unless agreed by the Chair and the speaking shareholder.

The Chair shall stop an offender.

If there are two or more representatives appointed by a legal entity shareholder to participate in a Shareholders' Meeting, only one representative may speak on the same issue.

After the speech of an attending shareholder, the Chair may respond in person or direct relevant personnel to respond.

Article 12      The vote of the Shareholders' Meeting shall be calculated based on the total shares held by the shareholders.

The resolution of Shareholder's Meeting shall be made based on the calculations of total issued shares excluding the non-voting shares.

When the matters being discussed at the meeting have relations with the personal interests of a shareholders and cause harmful impact on the Company's interests because of such relations, the shareholder shall refuse involvement in voting and acting as proxy to exercise the voting rights on the behalf of other shareholders. The shares unable to exercise the voting rights in the preceding paragraph shall be excluded from the voting rights of the attending shareholders.

When an attorney, except for trust enterprises or registrar which has been permitted by competent authorities, receives the proxies from two or more shareholders, the voting right on behalf of other shareholders shall be limited to 3% of the voting rights of total issued shares. The voting rights exceed the standard mentioned above shall be excluded.

When the Company holds a Shareholders' Meeting, the shareholders are allowed to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the Shareholders' Meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

If a shareholder intends to attend the Shareholders' Meeting in person after he/she has exercised voting rights by correspondence or electronic means, a written declaration of intent to rescind the voting rights which has been exercised by the ways mentioned above



shall be made known to the Company by the same means by which the voting rights were exercised. The written declaration mentioned above shall be handed in 2 business days before the date of the Shareholders' Meeting; if it is submitted after the time period, the voting rights already exercised by correspondence or electronic means shall prevail.

When a shareholder has exercised voting right both by correspondence or electronic means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Article 13      A shareholder shall be entitled to one vote for each share held, except those restricted shares or shares without voting rights under Article 179, paragraph 2 of the Company Act.

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

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except those specified in the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by half or more of the votes represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending

shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they shall be put to a vote. However, if any one of the proposals is adopted, the other proposals shall be deemed rejected and no requirement for further voting on them.

The personnel for supervising the casting of votes and counting shares for resolutions shall be designated by the Chairman; however, that the person supervising the casting of votes shall be a shareholder. Vote counting for the proposals or election resolved at the Shareholders Meeting shall be conducted in public at the place of the Shareholders Meeting. The results, including the statistical tallies of the numbers of votes, shall be announced on-site immediately after the vote counting is completed, and shall be recorded in the minutes.

Article 14      The election of the directors at a Shareholders' Meeting shall be held according to "Rules for Election of Directors" adopted by the Company, and the voting results shall be announced on-site immediately, including the name list of the elected directors and unelected directors, the number of ballots received by each.

The ballots for the election mentioned in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 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 15      The resolution made at the Shareholders' Meeting shall be included in the meeting minutes, which shall bear the signature or seal of the Chair and be distributed to each shareholder within 20 days after the meeting. The distribution of the meeting minutes in the preceding paragraph may be made by the form of an announcement.

The minutes shall be faithfully record the items, such as meeting's year, month, day, place, Chairman's name, the methods of resolution, summary of the proceedings, and results of resolutions. The minutes of Shareholders' Meeting shall be preserved during the existence of the Company.

"There is no objection from any shareholders after solicited by the Chairman and the resolution is passed" shall be recorded in the meeting minutes if the proposal is passed after the Chair inquires the shareholders' opinion and no objection is raised. If there is any objection and the proposal is to put to a vote, however, the method for resolution, the number of approval votes cast and the percentage of the approval votes as to total votes shall be recorded in the minutes.

- Article 16 The Company shall upload the resolution content of Shareholders' Meeting to the MOPS within the prescribed time period if the resolution concerning the significant matters regulated by the applicable laws or regulations, or the regulations of Taiwan Stock Exchange Corporation (or GreTai Securities Market).
- Article 17 The meeting Chair may instruct security personnel to help maintain order at the meeting. When a shareholder attempts to speak by any device other than the public address equipment set by the Company, the Chair may prevent the shareholder from speaking. The Chair may also instruct security personnel to escort a shareholder from the meeting if the shareholder violates the Rules and defies the Chair's correction, or obstruct the proceedings and refuse to stop.
- Article 18 When a meeting is taking place, the Chair may announce a break based on time considerations. If an event with force majeure occurs, the Chair may rule the meeting temporarily suspended and announce a time for resuming the meeting in view of the circumstances.
- If the meeting place is no longer available for continued use for discussing remaining items (including extraordinary motions) on the meeting agenda, the Shareholders' Meeting may adopt a resolution to resume the meeting at another place.
- The shareholders may adopt a resolution to postpone or resume the meeting within 5 days based on Article 182 of the Company Act.
- Article 19 These Rules and Procedures and any amendment hereto shall come into force after being resolved by the Board of Directors and then approved by the Shareholders' Meeting.
- Article 20 The amendment record of these Rules:
- The Rules and Procedures were enacted on March, 2002.
- The 1<sup>st</sup> amendment was made on May 24, 2006.
- The 2<sup>nd</sup> amendment was made on May 20, 2008.
- The 3<sup>rd</sup> amendment was made on June 22, 2011.
- The 4<sup>th</sup> amendment was made on June 6, 2012.
- The 5<sup>th</sup> amendment was made on June 10, 2014.
- The 6<sup>th</sup> amendment was made on June 10, 2015.
- The 7<sup>th</sup> amendment was made on June 23, 2020.
- The 8<sup>th</sup> amendment was made on June 22, 2021.

**POYA International Co., Ltd.**  
**Rules of Regulations Governing Loaning of Funds and Making of**  
**Endorsements/Guarantees**  
**Chapter I General Principles**

Article 1     These Regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act ("the Act").

Article 2     The Company shall comply with these Regulations when making loans to and endorsements/guarantees for others; provided, where financial laws or regulations provide otherwise, such provisions shall govern.

Article 3     Under Article 15 of the Company Act, the Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement; or

2. Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth.

The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle.

The term "financing amount" as used in paragraph 1, sub-paragraph 2 of this Article means the cumulative balance of the public company's short-term financing.

The restriction in paragraph 1, subparagraph 2 shall not apply to inter-company loans of funds between overseas companies in which the public company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the public company by any overseas company in which the public company holds, directly or indirectly, 100% of the voting shares. However, the Public Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.

If the Company has paid-in capital of not less than NT\$1 billion and it furthermore has joined a leasing association and stated that it will comply with the self-regulatory rules, and has complied with the requirements of Article 9, paragraph 2, the restriction in paragraph 1, subparagraph 2 shall not apply to its provision of short-term financing,

provided, however, that the amount loaned by it may not exceed 100 percent of its net worth.

When a responsible person of a company violates paragraph 1 or the proviso of the preceding paragraph, the responsible person shall bear joint and several liability with the borrower for repayment; if the Company suffers damage, the responsible person also shall be liable for damages.

Article 4 The term "endorsements/guarantees" as used in these Regulations refers to the following:

1. Financing endorsements/guarantees, including:

A. Bill discount financing.

B. Endorsement or guarantee made to meet the financing needs of another company.

C. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.

2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.

3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

Article 5 The Company may make endorsements/guarantees for the following companies:

1. A company with which it does business.

2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.

3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.

Companies in which the public company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Where the Company fulfills its contractual obligations by providing mutual

endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through a company in which the public company holds 100% of the voting shares.

Article 6 "Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 7 The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

"Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds or endorsement/guarantee, whichever date is earlier.

## **Chapter II Formulation of Operation Procedures**

### **Section I Loans of Funds to Others**

Article 8 The Company intending to loan funds to others shall formulate its Operational Procedures for Lending Funds to Others in compliance with these Regulations, and, after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall

submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

Where the Company has appointed independent directors, when it submits its Operational Procedures for Loaning Funds to Others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the board of directors meeting.

The Company without the intention of loaning funds to others may, after passage by the board of directors, be relieved from the obligation of formulating the Operational Procedures for Loaning Funds to Others. If such a company subsequently intends to loan funds to others, it shall still comply with the preceding two paragraphs.

Where the Company has established an audit committee, when it adopts or amends its Operational Procedures for Loaning Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors, and the provisions of paragraph 2 shall not apply.

If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 9      The Company shall specify the following matters in its Operational Procedures for Loaning Funds to Others, and shall comply with those Operational Procedures when loaning funds:

1.Entities to which the Company may loan funds.

2.Evaluation standards for loaning funds to others:

A.Where funds are loaned for reasons of business dealings, evaluation standards shall be specified for determining whether the amount of a loan is commensurate to the total amount of trading between the two companies.

- B. Where short-term financing is needed, the reasons for and conditions of extending loans shall be enumerated.
3. The aggregate amount of loans and the maximum amount permitted to a single borrower shall each be prescribed separately for business transactions and for short-term financing respectively.
4. Duration of loans and calculation of interest.
5. Procedures for handling loans of funds.
6. Detailed review procedures, including:
- A. The necessity of and reasonableness of extending loans to others.
  - B. Borrower credit status and risk assessment.
  - C. Impact on the Company's business operations, financial condition, and shareholders' equity.
  - D. Whether collateral must be obtained and appraisal of the value thereof.
7. Announcement and reporting procedures.
8. Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights.
9. Penalty for violation of these Regulations or of the Company's Operational Procedures for Loaning Funds to Others by managers or personnel in charge.
10. Procedures for controlling and managing loans of funds to others by subsidiaries.
11. Other particulars required by the FSC.

The Company that engages in short-term financing under Article 3, paragraph 5, in addition to complying with the preceding paragraph, furthermore shall perform enhanced risk assessment for, respectively, unsecured financing, financing to enterprises in any single industry, and financing to any single group of affiliated enterprises or members of a single corporate group, and shall prescribe limits on the amounts that may be loaned in such financing.

- Article 10 Where a subsidiary of the Company intends to make loans to others, the public company shall instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with these Regulations, and it shall comply with the Procedures when loaning funds.

## **Section II Endorsements/Guarantees for Others**

- Article 11 The Company intending to make endorsements or guarantees for others shall



formulate its Operational Procedures for Endorsements/Guarantees in compliance with these Regulations, and, after passage by the board of directors, submit the same to each supervisor and for approval by the shareholders' meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures.

Where the Company has appointed independent directors, when it submits the Operational Procedures for Endorsements/Guarantees for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the board of directors meeting.

The Company without the intention of making endorsements or guarantees for others may, after passage by the board of directors, be relieved from the obligation of formulating the Operational Procedures for Endorsements/Guarantees. If such a company subsequently intends to make endorsements or guarantees, it shall still comply with the preceding two paragraphs.

Where the Company has established an audit committee, when it adopts or amends its Operational Procedures for Endorsements/Guarantees, the provisions of Article 8, paragraphs 4 to 6 shall apply *mutatis mutandis*.

Article 12 The Company shall specify the following matters in its Operational Procedures for Endorsements/Guarantees, and shall comply with those Operational Procedures when making endorsements/guarantees:

- 1.Entities for which the Company may make endorsements/guarantees.
- 2.Where an endorsement/guarantee is made due to needs arising from business dealings, evaluation standards shall be specified for determining whether the amount of an endorsement/guarantee is commensurate the total amount of trading between the two companies.
- 3.The ceilings on the amounts the Company is permitted to make in endorsements/guarantees, including on the public company's aggregate endorsement/guarantee amount and the amount of its endorsements/guarantees for

any single entity, as well as on the aggregate endorsement/guarantee amount, and the amount of endorsements/guarantees for any single entity, that the public company and its subsidiaries as a whole are permitted to make. If the aggregate amount of endorsements/guarantees that is set as the ceiling for the public company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting.

4.Procedures for making endorsements/guarantees.

5.Detailed review procedures, including:

A.The necessity of and reasonableness of endorsements/guarantees.

B.Credit status and risk assessment of the entity for which the endorsement/guarantee is made.

C.The impact on the Company's business operations, financial condition, and shareholders' equity.

D.Whether collateral must be obtained and appraisal of the value thereof.

6.Procedures for controlling and managing endorsements/guarantees by subsidiaries.

7.Procedures for use and custody of corporate chops.

8.Hierarchy of decision-making authority and delegation thereof.

9.Announcing and reporting procedures.

10.Penalty for violation of these Regulations or the Company's Operational Procedures for Endorsements/Guarantees by managers and personnel in charge.

11.For circumstances in which an entity for which the Company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, relevant follow-up monitoring and control measures shall be expressly prescribed.

12.Other particulars required by the FSC.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted

Article 13 Where a subsidiary of the Company intends to make endorsements/guarantees for others, the public company shall instruct it to formulate its own Operational

Procedures for Endorsements/Guarantees in compliance with these Regulations, and it shall comply with the Procedures when making endorsements/guarantees.

### **Chapter III Case Evaluation**

#### **Section I Loans of Funds to Others**

Article 14 Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with these Regulations and the Company's Operational Procedures for Loaning Funds to Others. The Company may loan funds to others only after the evaluation results under this paragraph and Article 9, paragraph 6 have been submitted to and resolved upon by the board of directors. The Company shall not empower any other person to make such decision.

Loans of funds between the public company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the public company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 3, paragraph 4.

Where the Company has appointed independent directors, when it loans funds to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

Article 15 The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under paragraph 1 of the preceding Article.

The public company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the

supervisors in writing of any material violation found

- Article 16 If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.

## **Section II Endorsements/Guarantees for Others**

- Article 17 Before making an endorsement/guarantee for others, the Company shall carefully evaluate whether the endorsement/guarantee is in compliance with these Regulations and the Company's Operational Procedures for Endorsements/Guarantees for Others. The Company may make an endorsement/guarantee only after the evaluation results under this paragraph and Article 12, paragraph 5 have been submitted to and resolved upon by the board of directors, or approved by the chairman of the board, where empowered by the board of directors under Article 12, paragraph 8 to grant endorsements/guarantees within a specific limit, for subsequent submission to and ratification by the next board of directors' meeting.

Before making any endorsement/guarantee pursuant to Article 5, paragraph 2, a subsidiary in which the public company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the public company's board of directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Where the Company has appointed independent directors, when it makes endorsements/guarantees for others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person approved by the board of directors and may be used to seal or issue negotiable instruments only in prescribed procedures.

When making a guarantee for an overseas company, the Company shall have the

Guarantee Agreement signed by a person authorized by the board of directors.

Article 18 The Company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under paragraph 1 of the preceding article.

The public company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.

Article 19 Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.

Where the public company has appointed independent directors, when it makes endorsements/guarantees for others, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

Article 20 Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Regulations, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.

#### **Chapter IV Information Disclosure**

## **Section I Loans of Funds to Others**

Article 21 The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.

Article 22 The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1.The aggregate balance of loans to others by the public company and its subsidiaries reaches 20 percent or more of the public company's net worth as stated in its latest financial statement.

2.The balance of loans by the public company and its subsidiaries to a single enterprise reaches 10 percent or more of the public company's net worth as stated in its latest financial statement.

3.The amount of new loans of funds by the public company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the public company's net worth as stated in its latest financial statement.

The public company shall announce and report on behalf of any subsidiary thereof that is not the Company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

Article 23 The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

## **Section II Endorsements/Guarantees for Others**

Article 24 The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.

Article 25 The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1.The aggregate balance of endorsements/guarantees by the public company and its subsidiaries reaches 50 percent or more of the public company's net worth as stated in its latest financial statement.

2. The balance of endorsements/guarantees by the public company and its subsidiaries for a single enterprise reaches 20 percent or more of the public company's net worth as stated in its latest financial statement.
3. The balance of endorsements/guarantees by the public company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of public company's net worth as stated in its latest financial statement.
4. The amount of new endorsements/guarantees made by the public company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the public company's net worth as stated in its latest financial statement.

The public company shall announce and report on behalf of any subsidiary thereof that is not the Company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

Article 26 The Company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.

Article 26-1 A foreign company as specified under Article 165-1 of the Act ("foreign company") shall comply *mutatis mutandis* with these Regulations when making loans to, and endorsements or guarantees for, others.

If the foreign company does not have corporate chops, it may be exempted from application of the provisions of Article 12, paragraph 1, subparagraph 7, and Article 17, paragraph 4.

Net worth of a foreign company as calculated under these Regulations means the balance sheet equity attributable to the owners of the parent company.

Article 26-2 Where the Company has appointed independent directors, when there is any matter of which it is required to notify the supervisors under Article 15, paragraph 2 or Article 18, paragraph 2, it shall at the same time also give written notice to the independent directors. When it submits a rectification plan to the supervisors under

Article 16 or 20, it shall at the same time also submit the rectification plan to the independent directors.

Where the Company has established an audit committee, the provisions of Articles 15, 16, 18, and 20 regarding supervisors shall apply mutatis mutandis to the audit committee.

### **Chapter V Supplemental Provisions**

Article 27      The amendment record of these Rules:

The Rules and Procedures were enacted on 21 June, 2022.



Appendix XI

**POYA International Co., Ltd.**

**Shareholdings of All Directors**

**( Base Date : April 23, 2022 )**

Title	Name	Shareholdings	Share ownership ratio (%)
Chairman	Duo Chin Investment Co., Ltd. Representative: Chen Jian-Zao	8,414,935	8.34%
Vice Chairman	Poya Investment Co., Ltd Representative: Chen Fan Mei-Jin	8,250,721	8.18%
Director	Chen Zong-Cheng	6,319,747	6.27%
Director	Chen Ming-Shian	0	0.00%
Independent Director	Li Ming-Xian	0	0.00%
Independent Director	Liu Zhi-Hong	0	0.00%
Independent Director	Wu Lin-Yi	0	0.00%
Total		22,985,403	22.79%

Note :

1. Total current issued shares on April 23, 2022: common stocks 100,859,462 shares. The number of legal shares shall be held by all the directors are 8,000,000 shares.
2. The shares held by the independent directors are excluded from the actual shares held by all the directors.
3. The rules of legal shares shall be held by the supervisors are not applicable because of the establishment of the Audit Committee of the Company.

## Appendix XII

### Impact of the Stock Dividend Distribution on Operating Results, Earnings per Share and Shareholders' Return on Investment

Effect upon business performance, earnings per share and shareholder return of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting.

Due to operation expansion needs, 1,008,594 share of stock dividends are issued in 2022. The company keeps its cash from retained earnings for store expansion in the future. Under the premise that issuing stock dividends will be beneficial to business performance and the company's revenue will grow steadily, the diluted effect on earnings per share is limited.

Unit: New Taiwan Dollars

Year			2022 ( estimated )
Item			
Beginning Capital (unit: 1,000)			1,008,594
2021 Dividend Policy	Cash dividend per share		11.0 dollars (Note 1)
	Retained earnings transferred to common stock		0.01share (Note 1)
	Capital surplus transferred to common stock		0 share
Business Performance	Operating profit		(Note 2)
	Operating profit growth (YoY)		
	Net profit		
	Net profit growth(YoY)		
	Earnings per share		
	Earnings per share growth(YoY)		
	Average annual return on investment ( Reciprocal of average P/E ratio )		
Pro forma EPS and P/E ratio	If all retained earnings are transferred to cash dividends	Pro forma earnings per share	
		Pro forma average annual return on investment	
	If capital surplus is not transferred	Pro forma earnings per share	

	to common stock	Pro forma average annual return on investment	
	If capital surplus is not transferred to common stock and all retained earnings are transferred to cash dividends	Pro forma earnings per share	
		Pro forma average annual return on investment	

Note 1 : The above-mentioned dividend distribution rate is calculated based on a total of 100,859,462 issued shares, by which the Board of Directors resolved the profit distribution on April 25, 2022. This is to be determined by the resolution of the 2022 annual shareholders meeting this time.

Note 2 : According to the “Regulations Governing the Publication of Financial Forecasts of Public Companies”, the company is not obligated to publicate financial forecasts of 2022. Therefore, there are no 2022 financial forecasts.

Chairman : Chen Jian-Zao    General Manager : Chen Zong-Cheng    Finance and Accounting Manager : Shen Hong-Yu

### **Other Matters**

Description of acceptance of shareholders' suggestions in 2022 Regular Shareholders' Meeting:

1. The shareholder, with 1% or more of total shares issued by the Company, shall raise a proposal of Regular Shareholders' Meeting by written form to the Company. Each shareholder shall raise only one proposal as limited and the words of such proposal shall not be more than 300, or such proposal will be excluded.
2. The Company will make an announcement on MOPS according to the applicable rules and regulations. The period for acceptance of the proposal of Regular Shareholders' Meeting this time is from April 15, 2022 to April 25, 2022 (Those proposals by a registered mail shall be accepted with the arriving date to be during the period).
3. The Company didn't receive any proposal from the shareholder.