

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

## **2015 Annual General Shareholders' Meeting**

Meeting Agenda

(Translation)

June 10, 2015

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 2015 Annual Meeting of Shareholders**

- 1、Call the Meeting to Order
- 2、Chairman's Remarks
- 3、Reports
- 4、Acknowledgements
- 5、Discussion
- 6、Motions
- 7、Adjournment

**POYA International Co., Ltd.**  
**Agenda of 2015 Annual Meeting of Shareholders**

Time: 9 a.m., Jun 10, 2015 (Wednesday)

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

1、Call the Meeting to Order

2、Chairman's Remarks

3、Reports

(1) 2014 Business Report

(2) 2014 Audit Committee's Review Report

(3) Amendments to part of provision of Corporate Social Responsibility Best Practice Principles

(4) Amendments to part of provision of Ethical Corporate Management Best Practice Principles

(5) Amendments to part of provision of Procedures for Ethical Management and Guidelines for Conduct

(6) Amendments to part of provision of Codes of Ethical Conduct

4、Acknowledgements

(1) Adoption of the 2014 Business Report and Financial Statements

(2) Adoption of the proposal for distribution of 2014 profits

5、Discussion

(1) Proposals for a new share issue through capitalization of earnings and employee bonus

(2) Amendments to part of provisions of Articles of Incorporation

(3) Amendments to part of provisions of Rules of Procedure for Shareholders Meetings

6、Motions

7、Adjournment

## Reports

### Report 1: 2014 Business Report

Explanation : The 2014 Business Report is attached as pp. [9-12], Appendix I.

### Report 2: 2014 Audit Committee's Review Report

Explanation : The 2014 Audit Committee's Review Report is attached as pp. [13-13], Appendix II.

### Report 3: Amendments to part of provision of Corporate Social Responsibility Best Practice Principle

Explanation : In order to implement corporate social responsibility, foster the progress of economy, society and environment, and promote sustainable development, the Corporate Social Responsibility Best Practice Principle of the Company shall be enacted and approved by the Board of Directors on October 27, 2014.

Complied with the amendments to Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies, the Company revises part of its provision after it has been adopted by the Board of Directors on February 24, 2015. The provision after revision is attached as pp. [14-21], Appendix III.

### Report 4: Amendments to part of provision of Ethical Corporate Management Best Practice Principles

Explanation : In order to foster a corporate culture of ethical management and sound development, the Ethical Corporate Management Best Practice Principles of the Company shall be enacted and approved by the Board of Directors on October 27, 2014.

Complied with the amendments to Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, the Company revises part of its provision after it has been adopted by the Board of Directors on February 24, 2015. The provision after revision is attached as pp. [22-28], Appendix IV.

#### Report 5: Amendments to part of provision of Procedures for Ethical Management and Guidelines for Conduct

Explanation : In order to fully implement a policy of ethical management and actively prevent unethical conduct, the Procedures for Ethical Management and Guidelines for Conduct of the Company shall be enacted and approved by the Board of Directors on October 27, 2014.

Complied with the amendments to applicable laws and regulations, the Company revises part of its provision after it has been adopted by the Board of Directors on March 23, 2015. The provision after revision is attached as pp. [29-38], Appendix V.

#### Report 6: Amendments to part of provision of Codes of Ethical Conduct

Explanation : For the purpose of encouraging the directors and managers of the Company to act in line with ethical standards, and helping the interested parties of the Company better understand ethical standards, the Codes of Ethical Conduct of the Company shall be enacted and approved by the Board of Directors on October 27, 2014.

Complied with the amendments to Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, the Company revises part of its provision after it has been adopted by the Board of Directors on March 23, 2015. The provision after revision is attached as pp. [39-42], Appendix VI.

## Acknowledgements

Proposal 1: Adoption of the 2014 Business Report and Financial Statements (Proposed by the Board)

Explanation:

1. The Company's 2014 Financial Statements were audited by PricewaterhouseCoopers Taiwan. Also Business Report and Financial Statements have been approved by the Audit Committee, with the review report included in the meeting minute.
2. Business report is attached as pp. [9-12], Appendix I. The auditing report of the certified accountants and the financial statements mentioned above are attached as pp. [43-48], Appendix VII.
3. Please acknowledge the 2014 Business Report and Financial Statements.

Resolution:

Proposal 2: Adoption of the proposal for distribution of 2014 profits (Proposed by the Board)

Explanation:

1. The Distribution Table of 2014 Profits (Attached as pp. [49-50], Appendix VIII) has been submitted to the Company's Audit Committee for approval and been adopted by the Ninth Board Meeting which held by the Sixth Board of Directors of the Company.
2. The Board of Directors shall be fully authorized by the Regular Shareholders' Meeting to handle the matters related to that the shares or profits to be distributed to each share based on the number of actual shares outstanding on the record date for distribution change because of the buyback, transfer the ownership of, or cancellation of the treasury stocks, the cash capital increase, the exercise of employee stock options, and equity conversion in connection with convertible corporate bonds or other convertible securities.
3. Upon the proposal of share dividends and cash dividends being approved by the Regular Shareholders' Meeting, the Board of Directors shall be authorized to resolve the date of share distribution by capitalization, the ex-dividend date, and other relevant issues.
4. The proposal of remunerations for directors and supervisors has been adopted by the Four<sup>th</sup> Committee Meeting which held by the Second Remuneration Committee of the Company.

5. Please acknowledge the proposal for distribution of 2014 profits.

Resolution:

## **Discussion**

Proposal 1: Proposal for a new share issue through capitalization of earnings and employee bonus  
(Proposed by the Board)

Explanation:

1. Considering the future needs of business developments, the Company proposes to issue 941,130 new shares (common stocks) with par value NTD 10 per share, through capitalization of stock dividends of NTD 9,411,300 which were allocated from the 2014 distributable earnings. The total monetary amount of stock bonus for employees is NTD 81,000,000. The number of issuing shares shall be calculated based on the closing price at the date of one day previous to the Regular Shareholders' Meeting and the consideration of effects caused by excluding rights and dividends. If the stock bonus for an employee is less than one share, it shall be distributed in cash.
2. According to the holding shares recorded in the register of shareholders at the date of share distribution through capitalization, each existing shareholder with common stocks will be entitled to receive a stock dividend of 10 shares for each 1,000 shares. For the fractional shares less than one share, the shareholders shall pool into one share and register at the Shares Registration Agent of the Company within five days after the book closure date of share distribution through capitalization. Overdue fractional shares or those fractional shares still less than one share after pooling shall be distributed in cash in a dollar amount (round down to a dollar amount) according to Article 240 of the Company Act. Such fractional shares shall be purchased at par value by specific persons arranged by the Chairman authorized by the Board of Directors.
3. The rights and obligations of the newly issuing shares are same as the existing common shares. Also, the issue in non-physical form is adopted.
4. The Board of Directors shall be fully authorized by the Shareholders' Meeting to handle the matters related to that the shares to be distributed to each share based on the number of actual



shares outstanding on the record date for distribution change because of the buyback, transfer the ownership of, or cancellation of the treasury stocks, equity conversion in connection with domestic or overseas convertible corporate bonds or other convertible securities, the cash capital increase or the exercise of employee stock options.

5. Upon the resolution of new share issue through capitalization being passed by the Regular Shareholders' Meeting and being submitted to the authorities for approval, the date of share distribution through capitalization shall be set up by the Board of Directors. If there is any change made by the authorities or for the reaction to the objective environments, the Board of Directors shall handle the matters under full authorities given by the Shareholders' Meeting.
6. Please discuss the proposal of a new share issue through capitalization of earnings and employee bonus.

Resolution:

Proposal 2: Amendments to part of provisions of Articles of Incorporation (Proposed by the Board)

Explanation:

1. Complied with the actual need of operating procedure, the Company hereby revises part of the provision of Articles of Incorporation. The comparison table for the amendments to Articles of Incorporation before and after revision and the Articles before revision are attached as pp. [51-73], Appendix IX.
2. Please discuss the amendments to part of provisions of Articles of Incorporation

Resolution:

Proposal 3: Amendments to part of provisions of Rules of Procedure for Shareholders Meetings (Proposed by the Board)

Explanation:

1. Complied with the amendment to the applicable laws and regulations, the Company hereby revises part of the provision of Rules of Procedure for Shareholders Meetings. The comparison table for the amendments to Rules of Procedure for Shareholders Meetings before and after revision and the Articles before revision are attached as pp. [74-85], Appendix X.

2. Please discuss the amendments to part of provisions of Rules of Procedure for Shareholders Meetings

Resolution:

## **Motions**

## **Adjournment**

**Poya International Co., Ltd.**  
**2014 Business Report**

## 1. 2014 Business Results

## (1) The implementation of the business plan

Unit : NTD 1,000

Title/amount	FY2014	FY2013	Change in amount	Change in proportion (%)
Operating revenue	9,167,590	7,249,459	1,918,131	26.46%
Operating Cost	(5,456,820)	(4,374,265)	1,082,555	24.75%
Net operating margin	3,710,770	2,875,194	835,576	29.06%
Operating expenses	(2,815,877)	(2,278,549)	537,328	23.58%
Operating profit	894,893	596,645	298,248	49.99%
Non-operating income and expenses	42,139	77,686	(35,547)	(45.76%)
Profit before income tax	937,032	674,331	262,701	38.96%
Profit for the year	772,462	558,852	213,610	38.22%
Basic earnings per share (in dollars)	8.22	5.97	2.25	37.69%

A. The growth of operating revenue and national store number remain stable. The growth rate of store number in 2014 is 25.3%.

Unit : Stores/NTD 1,000

Title/year	FY2011	FY2012	FY2013	FY2014
Operating revenue	6,278,203	6,272,815	7,249,459	9,167,590
Total store number (Note)	64	74	87	109

Note : The store number in 2013, which was 87, was used as the basis for the calculation of the growth rate of new stores.

## (2) Financial structure and profitability analysis

Title		FY2014	FY2013
Financial Structure	Ratio of liabilities to assets (%)	50.89	49.45
	Ratio of long-term capital to fixed assets (%)	184.71	174.71

Profitability	Return on assets (ROA) (%)	17.52	15.53
	Return on equity (ROE) (%)	34.93	29.30
	Profit ratio (%)	8.43	7.71
	Basic EPS (NTD) (in retrospect) (Note)	8.22	5.97

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

## 2. 2015 Business plan

In 2014, both the consumers around the world and the corporation can reduce the energy expenses because of the stable recovery of global economy and the decrease of international crude oil prices. However, the risk of unstable financial environment still exists and the growth capacity of economy in each region is quite insufficient and uneven as being affected by the damages from the cold weather in U.S., higher consumption tax in Japan, unemployment and debt default risk in Europe. According to the forecast made by Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C., the domestic need in 2015 will grow stably, with the private consumption increasing by around 2.78%. The expectation of higher wages and salaries received by the employees also results in expansion of private consumption.

In the competitive and changeable economic environment, Poya shall keep making differentiation by market positioning and upgrading its services to pursue better operating performance. With the support of all personnel and the management, there are 109 stores national wide by the end of 2014. The operating revenue and profit for the year after tax in 2014 are NTD9.2 billion and NTD0.77 billion respectively, both of which reached the record highs.

With respect to the business operation, in addition to keeping upgrading the image of market position through the CIS implemented in 2014 and keeping activating the selling place with the spirits of “Beauty, Trendy, Color” to create brand value, Poya will also focus on product quality. By offering more and higher C/P ratio (Cost/Performance Ratio) products, Poya can raise the satisfaction level of the customers. As there is the trend of consuming fair-priced and fashion products, Poya will irregularly offer promotion and hold activities to reward our customers. We hope to intensify the positive feeling in fair-price and promotion for our customers, and provide great fun

when they make the purchase. Moreover, Poya will keep providing better services, tracing the consuming behaviors of the members periodically, and maintaining the permanent value of the customers.

### 3 、 Business policy

#### (1) Keep the development of 4<sup>th</sup> generation store to react the market

Hold the core spirits of “Beauty, Trendy, Color” , Poya will keep the development of 4<sup>th</sup> generation CIS to intensify the brand image, store beautification and medium visibility. The policy of consistent exhibition of spotlights in the selling place, adoption of the same displayed rules, and activated design of atmospheric items shall be executed by each store national wide. It is the way to deepen the market position and image of Poya; also, lead to a new century.

#### (2) Intensify the competitive ability of stores by differentiated marketing

Poya can cultivate specific selling points to increase the traffic, sales and net profits by means of effective market researches which help to understand the customers’ demands and market position, outstanding advantages which help to create brand value, and differentiated marketing activities of each store which help to intensify the competitive ability of stores in each market region.

#### (3) Enhance the competitive ability of product management

Poya devotes itself to greater product competitiveness, more effective inventory control, deeper product categories and higher completeness of product mix in order to satisfy the customers’ needs at different levels, to increase the selling opportunity of products in different area, and to remain the leading position in the industry.

Poya aims at the objective of becoming as “A more preferred Poya by the customers” , and hopes to provide better products and services so that customers will give priority to Poya whenever making a purchase. In addition, Poya will implement the sustainable spirit on environment, society and corporate governance for perpetual growth and corporate sustainability. On behalf of the management, we are appreciated to the supports of all shareholders, customers and suppliers, and the

dedication of all personnel. We will spare no efforts 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

Shen Hong-Yu, Financial and Accounting Manager

**POYA International Co., Ltd.**  
**Audit Committee's Review Report**

The Board of Directors have prepared and submitted the business report, financial statements and profit distribution proposal for the year 2014, among which the financial statements have been audited and reviewed by Lee Ming Hsien and Liu Tzu-Meng, who are both certified accounts from the accounting firm of PwC Taiwan, and they have issued an audit report. The report and documents mentioned above have been reviewed by the Audit Committee of the Company and the Audit Committee are of the opinion that they are in order, and hereby issue this report in accordance to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

2015 Regular Shareholders' Meeting

POYA International Co., Ltd.

Convener of Audit Committee: Tsai-Yuan Lin

February 24, 2015

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

### **Corporate Social Responsibility 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 “Corporate Social Responsibility 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 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.
- Article 3 In fulfilling corporate social responsibility 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.
- Article 4 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.
- Article 5 The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility 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.

## **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 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 corporate social responsibility by including the following matters:

1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
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;
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility 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 corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 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.

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 corporate social responsibility 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 all 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.

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.

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 Corporate Social Responsibility 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 corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility 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 corporate social responsibility 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 corporate social responsibility initiatives.

Article 29 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 corporate social responsibility 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.

## **Chapter 6    Supplementary Provisions**

- Article 30      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 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 1<sup>th</sup> amendment was made on February 24, 2015.

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

### **Ethical Corporate Management Best Practice Principles**

- Article 1      In order to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices, the Company hereby enacts these Principles according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies.”
- These Principles are applicable to its business groups and organizations of such the Company, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such Company ("business group").
- Article 2      When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.
- Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, managers, employees or substantial controllers or other stakeholders.
- Article 3      "Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.
- Article 4      The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate



management.

Article 5      The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6      In order to implement ethical management policy, the Company shall enact “Procedures for Ethical Management and Guidelines for Conduct” and shall clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs").

The enactment of “Procedures for Ethical Management and Guidelines for Conduct” in the preceding paragraph shall comply with relevant laws and regulations of the territory where the Company and their business group are operating.

Article 7      When establishing the prevention programs, the Company shall analyze which business activities within their business scope which are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.

The prevention programs adopted by the Company shall at least include preventive measures against the following:

1.    Offering and acceptance of bribes.
2.    Illegal political donations.
3.    Improper charitable donations or sponsorship.
4.    Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5.    Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6.    Engaging in unfair competitive practices.
7.    Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

- Article 8      The Board of Directors and the management of the Company shall actively achieve the commitment on implementation of the ethical corporate management policies, and shall thoroughly carry out the policies in internal management and in commercial activities.
- Article 9      The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.
- When entering into contracts with its agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.
- Article 10     When conducting business, the Company and its directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.
- Article 11     When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.
- Article 12     When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.
- Article 13     The Company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14     The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15     The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16     In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17     The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company assigns Audit Division for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The Audit Division shall report to the board of directors on a regular basis.

Article 18      The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business

Article 19      When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal, and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20      The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

Article 21      The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.

3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22     The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

Article 23     If there is any violation of these Procedures, the personnel of the Company shall actively report to the board of directors, Audit Committee, internal audit manager or other managers. The Company shall keep secret about the identity of whistle-blowers and the content of reported cases.

When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 24     If any person of the Company violates the ethical corporate management rules, the Company shall give punishments according to relative rules and regulation based on its violation and shall immediately disclose on the Company's internal website the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25      The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26      The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27      These Principles shall be implemented after the discussion of the Audit Committee and the approval of the board of directors, and shall be submitted to the shareholders' meeting. The same procedure shall be followed when the principles have been amended.

For the Company that has appointed any independent director, when the ethical corporate management best practice principles 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 of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Article 28      This Principle was enacted on October 27, 2014. The first amendment was made on February 24, 2015, which was approved by the Board of Directors.

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

### **Procedures for Ethical Management and Guidelines for Conduct**

- Article 1      The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency. In order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are enacted pursuant to the provisions of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the laws of the territories where the Company, its group enterprises and organization operate with a view to providing all personnel of the Company with clear directions for the performance of their duties.
- Article 2      The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.
- Article 3      The term "personnel of the Company" in these Procedures and Guidelines refers to any director, supervisor, managerial officer, employee, mandatary, or person having substantial control, of the Company or its group enterprises and organizations.
- Any provision, promise, request, or acceptance of improper benefits in whatever form or name by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.
- Article 4      The term " unethical conduct " in these Procedures and Guidelines refers to that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
- The counterparties of the unethical conduct in the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors,

managerial officers, employees, persons having substantial control, or other interested parties.

Article 5      The term "benefits" in these Procedures and Guidelines refers to any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 6      The auditing office of the Company is the solely responsible unit (hereinafter, "responsible unit") in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines. Besides, the recording and filing of reports, the monitoring of implementation, and the irregular reports to the Board of Director shall be made by the responsible unit. The main duties of the responsible unit include the following items:

1. Assist to integrate the value of integrity and ethic with the operating strategy of the Company, and enact prevented measure against abuse for ethical management according to related laws and regulations.
2. Enact the prevented program against unethical behaviors, in which the standard procedure for operation and guideline for conduct of each position shall be clearly specified.
3. Make a plan of the internal organization, personnel structure and function, and set up the mechanism for supervision and for checks and balance toward higher risks of unethical behaviors of operating activities within the business scope of the Company.
4. Implement and coordinate the promotion and training of the ethical policies.
5. Establish the system for handling accusation letters, and ensure the effectiveness of the execution.
6. Assist the Board of Directors and the management to examine and evaluate whether the prevented measure has been executed effectively for carrying out the ethical management. The evaluation report of compliance status shall be made periodically according to the related operating procedures.

Article 7      Except under one of the following circumstances, the provision, acceptance, promise, or request of the benefits, regulated in Article 5, direct or indirectly by the given



personnel of the Company shall be complied with the provisions of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and these Procedures and Guidelines. The conduct shall be approved after carrying out the relevant procedures:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in normal social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or relationship development.
3. The conduct is invitations to guests or attendance at specific commercial activities or factory visits because of business needs, when the method of fee payment, number of participants, class of accommodations, and time period for the event or visit have been specified in advance.
4. The conduct is attendance at folk festivals that are open to and invite the attendance of the general public.
5. The conduct includes rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits offered to or accepted from a person other than relatives or friends shall be in line with the normal regulations of social community and the ordinary scope of custom.
7. Property received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative shall be in line with the regulations of local society and normal custom.
8. Other conduct that complies with the rules of the Company.

Article 8 Except under the circumstances set forth in the preceding article, any provision or promise of the benefits, regulated in Article 5, direct or indirect to any personnel of the Company shall be managed according to the following procedures:

1. If there is no interested relationship of official duties between the party providing

or offering the benefit and the personnel of the Company, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit. The responsible unit shall also be notified if necessary.

2. If an interested relationship of official duties does exist between the party providing or offering the benefit and the personnel of the Company, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

The term "An interested relationship of official duties does exist between the party providing or offering the benefit and the personnel of the Company" as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it shall be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

Article 9      The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company do provide or promise a facilitating payment under threat or intimidation, the personnel shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall

take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 10 Political contributions by the Company shall be made in accordance with the following provisions and the relative regulations of the Company' s authorization chart. The matter shall be reported to the supervisor for approval, and a notification shall be given to the responsible unit. If the amount of a contribution is more than the amount which shall be authorized by the Board of Directors in the Company' s authorization chart, it shall be made only after being reported to and approved by the Board of Directors.

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 11 Charitable donations or sponsorships by the Company shall be made in accordance with the following provisions and the relative regulations of the Company' s authorization chart. The matter shall be reported to the supervisor for approval, and a notification shall be given to the responsible unit. If the amount of a charitable donation or sponsorship is more than the amount which shall be authorized by the Board of Directors in the Company' s authorization chart, it shall be made only after being reported to and approved by the Board of Directors.

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.

2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 12      The directors and managerial officers of the Company and the stakeholders presenting or participating at the Board meeting as a non-voting observer shall express opinions about the relationship of interests in the Board meeting when a proposal at a Board meeting concerns a director's personal interest or the interest of the juristic person represented by the director. If such a relationship is likely to prejudice the interest of the Company, the director may not participate in the discussion nor vote on that proposal. In addition, the director shall refuse involvement in discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among them, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have an interested relationship is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit. The immediate supervisor shall provide the personnel with proper instructions.

The personnel of the Company shall not participate in the non-company's business activities by utilizing the Company's resources and shall not affect the work performance because of such participation in the non-company's business activities.

Article 13      Legal Affairs Section of General Administrative Division is the special unit, being

charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's intellectual properties like trade secret, trademark, patent and copyright. It shall also conduct irregular reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

The personnel of the Company shall thoroughly observe the related operating regulations with respect to intellectual properties in the preceding paragraph, and shall not disclose the Company's intellectual properties like trade secrets, trademark, patent and copyright to others. Nor shall the personnel inquiry or collect the Company's intellectual properties like trade secrets, trademark, patent and copyright which are unrelated to his/her individual duties.

Article 14 The Company shall engage in business activities in accordance with Fair Trade Act and applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 15 The Company shall collect and understand the applicable laws and regulations and international standards, which shall be observed by the Company when offering the products and services. The summery of such matters needing attention shall be announced to drive the Company's personnel to ensure the transparency of information about, and safety of, the products and services in the course of procurement, provision, or sale of the products and services.

Where there are media reports or sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately. The investigation shall be carried out and the improved program shall be raised.

The responsible unit of the Company shall submit to the Board of Directors the matter in the preceding paragraph, the treatment and the improved measures.

Article 16 The Company's personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging

the undisclosed information to any other party in order to prevent another party from using such information to engage in insider trading.

Any other institution or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 17     The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials in order to make the suppliers, customers, other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management of the Company.

Article 18     Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the ethical management policy and related rules of the Company. Also, the personnel shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitating payments, or other improper benefits provided or accepted through other channels.

Article 19     Any personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty who involve in unethical behaviors. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20     Before making a contract with another party, the Company shall fully understand the status of the other party's ethical management and shall make observance of ethical management policies of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. Whenever a party to the contract becomes aware that any personnel has violated

the terms and conditions of the contract which prohibit the acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation.

2. Wherever a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms shall be set up, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 When discovering or receiving a complaint about any personnel's involvement in unethical conduct, the Company shall ascertain the relevant facts without delay. If it is verified that there is a violation of applicable laws and regulations or the Company's policy and procedures of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation, rights and interests. If the internal personnel misreport or bring a false accusation on purpose, the Company shall give punishment to such personnel according to the regulations. With serious consequences, the personnel shall be dismissed.

With respect to the unethical conduct that has occurred, the Company shall charge the relevant units with the task of reviewing the internal control system and relevant procedures, and proposing corrective measures to prevent a recurrence of the same unethical conduct. The responsible unit of the Company shall submit to the Board of Directors a report on the unethical conduct, actions taken, subsequent reviews and corrective measures.

Article 22 If any personnel of the Company discover that another party has engaged in unethical conduct towards the Company and such unethical conduct involves alleged illegality,

the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23 If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment according to applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its internal website the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 These Procedures and Guidelines and any amendments to it shall enter into force after it has been adopted by the Audit Committee and Board of Directors, and submitted to a shareholders meeting.

When submitting these Procedures and Guidelines to Board of Directors for discussion, the opinions of independent directors shall be taken into full consideration. If an independent Director objects to or expresses reservations about such a matter, it shall be recorded in the Board meeting minutes; if an independent Director intends to express an objection or reservation but is unable to attend the meeting in person, the Director shall issue a written opinion in advance, unless there is a legitimate reason for exception, and the opinion shall be recorded in the Board meeting minutes.

Article 25 These Procedures and Guidelines were enacted on October 27, 2014. The first amendment was made on March 23, 2015.



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

### **Codes of Ethical Conduct**

**Article 1 Purpose of and Basis for Adoption**

For the purpose of encouraging the directors and the managerial officers of the Company to act in line with ethical standards, and helping the interested parties of the Company better understand ethical standards, the Company shall enact a Codes of Ethical Conduct with reference to “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies”, and shall abide by such a Codes of Ethical Conduct.

**Article 2 Objects of Application**

The Code is applicable to the directors and the managerial officers of the Company, including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company.

**Article 3 Content of the Code**

**1. Prevention of Conflicts of Interest**

The directors or managerial officers of the Company shall perform their duties in an objective and efficient manner, and shall avoid any improper benefit obtained by taking advantage of their position in the Company either for themselves or for their spouse, parents, children, or relatives within the second degree of kinship. The directors and managerial officers of the Company shall voluntarily explain whether there is any potential conflict between them and the Company when the Company makes loans of funds or provisions of guarantees, major asset transactions or the purchases (or sale) of goods involving the affiliated enterprise at which a director or managerial officer mentioned above work.

**2. Minimizing Incentives to Pursue Personal Gain**

The company shall prevent its directors or managerial officers from engaging in any

of the following activities:

- (1) Seeking an opportunity to pursue personal gain by using company property or information, or taking advantage of their positions.
- (2) Obtaining personal gain by using company property or information, or taking advantage of their positions.
- (3) Competing with the Company.

When the Company has an opportunity for profits, it is the responsibility of the directors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.

### 3. Confidentiality

The directors and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by laws to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damages to the Company or its suppliers and customers.

### 4. Fair Trades

The directors and managerial officers of the Company shall fairly treat all suppliers and customers, competitors, and employees of the Company, and may not obtain improper benefits obtained through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

### 5. Safeguarding and Proper Use of Company Assets

All directors and managerial officers have the responsibility to safeguard the Company's assets and to ensure that those assets can be effectively and lawfully used for official business purposes. Any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

## 6. Legal Compliance

The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

## 7. Encouraging Reporting on Any Illegal or Unethical Activity

The Company shall raise awareness of ethics internally and encourage employees to report to the Board of Directors, a managerial officer, the chief internal auditor, or other appropriate individuals upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. The Company shall manage the case confidentially and let the employees aware that the Company will use its best efforts to ensure the safety of informants.

## 8. Disciplinary Measures

When a director, or managerial officer of the Company violates the code of ethical conduct, the Company shall, after investigation, handle the matter according to related regulations and shall promptly disclose on the Market Observation Post System (MOPS) the name and title of the violator, the date of the violation, reasons for the violation, provisions of the code violated, and the disciplinary actions taken.

If the director or managerial officer who shall be punished because of violation of the code does not accept the disciplinary actions, the director or managerial officer may appeal against the judgments based on related regulations.

## Article 4 Procedures for exemption

If there is necessary for any exemption for directors or managerial officers from compliance with the code, the application of the exemption shall be adopted by a resolution of the Board of Directors. That information on the date on which the Board of Directors adopted the resolution for exemption, and the objection or reservation raised by the independent directors, and the period of, reasons for, and principles behind the application of the exemption shall also be disclosed without delay on the MOPS in order that the shareholders may evaluate the appropriateness of the Board resolution to forestall any arbitrary or dubious exemption from the code. It is to

safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 5      Method of disclosure

The code of ethical conduct and any amendments to it shall be disclosed on the Company's website, in the Company's annual reports and prospectuses, and on the MOPS.

Article 6      Enforcement

The code of ethical conduct and any amendments to it shall enter into force after it has been reviewed by the Audit Committee, adopted by the Board of Directors, and submitted to a shareholders meeting.

Article 7      The code of ethical conduct was enacted on October 27, 2014. The first amendment was made on March 23, 2015.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have audited the accompanying balance sheets of POYA International Co., Ltd. as of December 31, 2014, December 31, 2013, and the related statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of POYA International Co., Ltd. as of December 31, 2014, December 31, 2013, and its financial performance and cash flows for the years ended December 31, 2014 and 2013 in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

Independent Accountants

Lee Ming-Hsien

Liu Tzu-Meng

February 24, 2015

**POYA INTERNATIONAL CO.,LTD**  
**BALANCE SHEETS**

(Expressed in thousands of New Taiwan dollars)

			December 31, 2014		December 31, 2013	
Assets		Notes	AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 771,751	16	\$ 700,491	18
1150	Notes receivable, net		8,338	-	7,299	-
1170	Accounts receivable, net	6(2)	433,248	9	288,163	7
1200	Other receivables		154,382	3	7,439	-
130X	Inventories	5(2) and 6(3)	1,765,613	36	1,417,479	36
1410	Prepayments		62,223	1	39,300	1
11XX	Total Current Assets		3,195,555	65	2,460,171	62
Non-current assets						
1600	Property, plant and equipment	6(4)(20)	1,407,485	29	1,299,689	33
1840	Deferred income tax assets	6(17)	15,779	1	9,515	-
1920	Refundable deposits	6(19)	157,552	3	127,030	3
1985	Long-term prepaid rents		103,655	2	89,094	2
1990	Other non-current assets		10,961	-	12,877	-
15XX	Total Non-current assets		1,695,432	35	1,538,205	38
1XXX	Total Assets		\$ 4,890,987	100	\$ 3,998,376	100

(Continued)

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

			December 31, 2014		December 31, 2013	
			AMOUNT	%	AMOUNT	%
Liabilities and Equity						
Current liabilities						
2150	Notes payable	6(19)	\$ 444,820	9	\$ 313,973	8
2170	Accounts payable	6(19)	927,106	19	656,943	17
2200	Other payables		506,503	10	409,454	10
2230	Current income tax liabilities	6(16)	110,557	2	72,599	2
2310	Receipts in advance		12,640	-	14,677	-
2320	Long-term liabilities, current portion	6(5)	263,780	6	238,391	6
2399	Other current liabilities		18,051	1	10,782	-
21XX	Total Current Liabilities		2,283,457	47	1,716,819	43
Non-current liabilities						
2540	Long-term borrowings	6(5)	197,633	4	249,362	6
2570	Deferred income tax liabilities	6(16)	2,574	-	-	-
2640	Accrued pension liabilities	5(2) and 6(6)	2,092	-	7,781	-
2645	Guarantee deposits received		3,133	-	3,118	-
25XX	Total Non-current Liabilities		205,432	4	260,261	6
2XXX	Total Liabilities		2,488,889	51	1,977,080	49
Equity						
Share capital						
3110	Common stock	6(7)	941,131	19	929,073	23
3200	Capital surplus	6(7)(8)	394,551	8	346,318	9
	Retained earnings	6(7)(9)(16)				
3310	Legal reserve		284,378	6	228,493	6
3350	Unappropriate retained earnings		782,038	16	517,412	13
3XXX	Total equity		2,402,098	49	2,021,296	51
Contingent Liabilities and Commitments		6(18) and 9				
Total liabilities and equity			\$ 4,890,987	100	\$ 3,998,376	100

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

Chairman : Chen Jian-Zao

General Manager : Chen Zong-Cheng

Financial and Accounting Manager : Shen Hong-Yu

POYA INTERNATIONAL CO.,LTD  
STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for basic and diluted earnings per share)

Items	Notes	2014		2013	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(11)	\$ 9,167,590	100	\$ 7,249,459	100
5000 Operating costs	6(3)	( 5,456,820)	( 59)	( 4,374,265)	( 60)
5900 Net operating margin		3,710,770	41	2,875,194	40
Operating expenses	6(7)(15)(16)(19) and 7				
6100 Selling expenses		( 2,277,795)	( 25)	( 1,842,597)	( 26)
6200 General & administrative expenses		( 538,082)	( 6)	( 435,952)	( 6)
6000 Total operating expenses		( 2,815,877)	( 31)	( 2,278,549)	( 32)
6900 Operating profit		894,893	10	596,645	8
Non-operating income and expenses					
7010 Other income	6(12)	38,985	-	86,531	1
7020 Other gains and losses	6(13)	10,549	-	( 4,274)	-
7050 Finance costs	6(4)(14)	( 7,395)	-	( 4,571)	-
7000 Total non-operating income and expenses		42,139	-	77,686	1
7900 Profit before income tax		937,032	10	674,331	9
7950 Income tax expense	6(17)	( 164,570)	( 2)	( 115,479)	( 1)
8200 Profit for the year		\$ 772,462	8	\$ 558,852	8
Actuarial gain (loss) on defined benefit plans					
8360 Income tax expense	6(7)	\$ 3,969	-	\$ 5,344	-
8399 Income tax relating to the components of other comprehensive income	6(17)	( 675)	-	( 908)	-
8300 Other comprehensive income for the year		\$ 3,294	-	\$ 4,436	-
8500 Total comprehensive income for the year		\$ 775,756	8	\$ 563,288	8
Basic earnings per share(in dollars)	6(18)				
9750 Net income		\$ 8.22		\$ 5.97	
9850 Diluted earnings per share(in dollars)		\$ 8.19		\$ 5.95	

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

Chairman : Chen Jian-Zao

General Manager : Chen Zong-Cheng

Financial and Accounting Manager : Shen Hong-Yu



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

				Retained Earnings		
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total equity
<u>For the year ended December 31, 2013</u>						
Balance at January 1, 2013		\$ 916,267	\$ 309,961	\$ 185,168	\$ 382,282	\$ 1,793,678
Distribution of 2012 net income:						
Legal reserve		-	-	43,325	( 43,325 )	-
Cash dividends	6(10)	-	-	-	( 375,670 )	( 375,670 )
Stock dividends	6(8)(10)	9,163	-	-	( 9,163 )	-
Employees' stock bonus	6(8)	3,643	36,357	-	-	40,000
Net income for the year ended December 31,2013		-	-	-	558,852	558,852
Other comprehensive income for the year ended December 31,2013		-	-	-	4,436	4,436
Balance at December 31, 2013		<u>\$ 929,073</u>	<u>\$ 346,318</u>	<u>\$ 228,493</u>	<u>\$ 517,412</u>	<u>\$ 2,021,296</u>
<u>For the year ended December 31, 2014</u>						
Balance at January 1, 2014		\$ 929,073	\$ 346,318	\$ 228,493	\$ 517,412	\$ 2,021,296
Distribution of 2013 net income:						
Legal reserve		-	-	55,885	( 55,885 )	-
Cash dividends	6(10)	-	-	-	( 445,954 )	( 445,954 )
Stock dividends	6(8)(10)	9,291	-	-	( 9,291 )	-
Employees' stock bonus	6(8)	2,767	48,233	-	-	51,000
Net income for the year ended December 31,2014		-	-	-	772,462	772,462
Other comprehensive income for the year ended December 31,2014		-	-	-	3,294	3,294
Balance at December 31, 2014		<u>\$ 941,131</u>	<u>\$ 394,551</u>	<u>\$ 284,378</u>	<u>\$ 782,038</u>	<u>\$ 2,402,098</u>

(Note)The employees' bonuses were \$40,000 and \$51,000, and the directors' and supervisors' remuneration were \$4,800 and \$4,800 in 2012 and 2013, respectively, which had been deducted from net income for the years.

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

Chairman : Chen Jian-Zao

General Manager : Chen Zong-Cheng

Financial and Accounting Manager : Shen Hong-Yu

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

	Notes	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax for the year		\$ 937,032	\$ 674,331
Adjustments to reconcile net income to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(4)(15)	296,514	238,453
Gain from disposal of property, plant and equipment	6(13)	( 13,374 )	-
Interest income		( 2,404 )	( 1,625 )
Interest expense	6(14)	7,968	4,900
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		( 1,039 )	2,221
Accounts receivable		( 145,085 )	( 58,627 )
Other receivables		( 3,943 )	2,254
Inventories		( 348,134 )	( 90,151 )
Prepayments		( 22,923 )	11,872
Net changes in liabilities relating to operating activities			
Notes payables		130,847	30,986
Accounts payable		270,163	99,027
Other payables		171,139	92,260
Receipts in advance		( 2,037 )	1,234
Other current liabilities		7,269	( 2,130 )
Accrued pension liabilities		( 1,719 )	( 1,590 )
Cash provided by generated from operations		1,280,274	1,003,415
Interest paid		( 7,395 )	( 4,571 )
Interest received		2,404	1,625
Income tax paid		( 130,979 )	( 99,207 )
Net cash provided by operating activities		<u>1,144,304</u>	<u>901,262</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	6(20)	( 620,120 )	( 565,439 )
Interest payments for acquisition of property, plant and equipment	6(4)(14)(20)	( 573 )	( 329 )
Proceeds from disposal of property, plant and equipment	6(20)	63,095	-
Increase in refundable deposits		( 30,522 )	( 12,626 )
Decrease (increase) in long-term prepaid rents		( 14,561 )	29,547
Decrease in other non-current assets		1,916	91
Net cash used in investing activities		<u>( 600,765 )</u>	<u>( 548,756 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term borrowings		320,000	430,000
Repayment of long-term borrowings		( 346,340 )	( 185,693 )
Increase in guarantee deposits received		15	400
Cash dividends paid	6(10)	( 445,954 )	( 375,670 )
Net cash used in financing activities		<u>( 472,279 )</u>	<u>( 130,963 )</u>
Increase in cash and cash equivalents		71,260	221,543
Cash and cash equivalents at beginning of year	6(1)	700,491	478,948
Cash and cash equivalents at end of year	6(1)	<u>\$ 771,751</u>	<u>\$ 700,491</u>

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

Chairman : Chen Jian-Zao

General Manager : Chen Zong-Cheng

Financial and Accounting Manager : Shen Hong-Yu

**POYA International Co., Ltd.**  
**2014 Profits Distribution Table**

Unit: New Taiwan Dollars

Items	Amount		Note:
	Sub-total	Grand Total	
Beginning unappropriated retained earnings		6,282,246	Note 2
Add: 2014 adjustment to retained earnings		3,295,231	
Add : Reversal of surplus of legal reserve		<u>4,143,898</u>	Note 3
Adjusted unappropriated retained earnings		13,721,375	
Add: Net earnings after tax for the current year		<u>772,461,637</u>	
Distributable earnings for the current period		786,183,012	
Less: Legal reserve		<u>(77,246,164)</u>	
Accumulated distributable earnings		708,936,848	
Distribution items:			
Shareholders dividend	(9,411,300)		
—Shares \$ 0.1/share			
Shareholders dividend	<u>(696,436,622)</u>	<u>(705,847,922)</u>	
—Cash \$ 7.4/share			
Unappropriated retained earnings		<u>\$ 3,088,926</u>	

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 retrained earnings from the previous year to be equal to accumulated distributable earnings.

The earning distribution of the Company shall depend on the industrial environment where the Company is in, the future business development and the needs on re-investments set forth by the Board of Directors. The proposal of earning distribution shall be executed after it is approved by the Shareholders' Meeting and shall comply with

			<p>the following principles:</p> <ol style="list-style-type: none"> <li>1. Compensation for directors and supervisors: shall not exceed 6% of the distributable earnings for the current period</li> <li>2. Employee bonuses: shall not be less than 0.1% of the distributable earnings for the current period</li> <li>3. Shareholder dividends and bonuses: shall be 50% to 100% of the accumulated distributable earnings, among which the cash dividend shall not be less than 1% of total dividend. Cash dividend may not be distributed in the event that it is less than NTD 0.5 per share, in which case a share dividend shall be distributed instead.</li> </ol>
<p>Note 1: Distribution of employee bonuses through shares                      NTD 81,000,000</p> <p>   Compensation for directors and supervisors                      NTD 4,800,000</p> <p>Note 2: Misprint of 2013 adjustment to retained earnings in last year</p> <p>Note 3: The surplus of 2014 legal reserve was \$4,143,898, because the 2013 earnings distributed before offsetting losses for previous years.</p> <p>Note 4: 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>Note 5: The amount of the employee bonuses and the compensation for directors and supervisors recognized in the Company's 2014 financial statements is the same as that in the approved distribution proposal.</p>			

Chairman : Chen Jian-Zao

General Manager : Chen Zong-Cheng

Financial and Accounting Manager : Shen Hong-Yu

## POYA International Co., Ltd.

### Comparison Table for the Amendments to “Articles of Incorporation” before and after Revision

Article	After the Revision	Before the Revision	Reason for Amendments
Article 2	Refer to Appendix IX-I.	Refer to Appendix IX-I.	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, and the actual operating needs, the Company hereby adjusts and updates the codes and names of the business items.
Article 11	...(Omission) 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.	...(Omission)	Complied with the provision of Article 177.1 of the Company Act, the Company hereby adds the word statement of Article 177.2.
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	There shall be seven directors of the Company, who are elected from the candidates with legal capacity by the shareholders’ meeting. The term of office shall be three years, and the	For implementing the spirits of corporate governance, the election for

Article	After the Revision	Before the Revision	Reason for Amendments
	<p>Act, the way for electing independent directors shall adopt Candidates Nomination System and the independent 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.</p> <p>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.</p>	<p>directors may be re-elected to further terms. Among the directors mentioned above, there shall be three independent directors included. The way for electing independent directors shall adopt Candidates Nomination System and independent directors of the Company shall be elected from the candidates of independent directors by the shareholders' meeting.</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. The election for independent directors and the directors shall be held together; however, the quota of the election shall be counted separately.</p>	<p>directors shall hereby adopt Candidates Nomination System according to Article 192.1 of the Company Act. The late paragraph of origin Article 14.1 and origin Article 14.3 are included in Article 14.2. The origin Article 14.2 is included in Article 14.1.</p>
Article 23	Adds the statement of "The 21th amendment was made on June 10, 2015" based on the original Article.	...(Omission)	Add the latest amended record.

**Article 2 Comparison Table for the Amendments to “Business Items of the Company”  
before and after Revision**

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
<u>1</u>	F106020	Wholesale of Articles for Daily Use	New Business Item			Complied with the actual operating needs, the Company hereby adds the new business item.
<u>2</u>	F206020	Retail Sale of Articles for Daily Use	<u>二</u>	F206020	Retail Sale of Articles for Daily Use	For easy reading, the Company, complied with the amendment, hereby arranges in order by number.
<u>3</u>	F210010	Retail Sale of Watches and Clocks	<u>四</u>	F210010	Retail Sale of Watches and Clocks	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>4</u>	F115010	Wholesale of Jewelry and Precious Metals	<u>五</u>	F115010	Wholesale of Jewelry and Precious Metals	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>5</u>	F215010	Retail Sale of Jewelry and Precious Metals	<u>六</u>	F215010	Retail Sale of Jewelry and Precious Metals	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>6</u>	F401010	International Trade	<u>八</u>	F401010	International Trade	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>7</u>	F210020	Retail Sale of Spectacles	<u>九</u>	F210020	Retail Sale of Spectacles	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>8</u>	JZ99080	Beauty Shops	<u>十</u>	JZ99080	Beauty Shops	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
<u>9</u>	F208050	Retail Sale of the Second Type Patent Medicine	<u>十一</u>	F208050	Retail Sale of the Second Type Patent Medicine	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>10</u>	<u>F102170</u>	Wholesale of Food and Grocery	New Business Item			Complied with the actual operating needs, the Company hereby adds the new business item.
<u>11</u>	F203010	Retail Sale of Food and Grocery	<u>二十四</u>	F203010	Retail Sale of Food and Grocery	1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification. 2. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the names of the business items.
<u>12</u>	F102040	Wholesale of Nonalcoholic Beverages	<u>二十五</u>	F102040	Wholesale of Nonalcoholic Beverages	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>13</u>	F107030	Wholesale of Cleaning Preparations	<u>三十</u>	F107030	Wholesale of Cleaning Preparations	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>14</u>	F207030	Retail Sale of Cleaning Preparations	<u>三十一</u>	F207030	Retail Sale of Cleaning Preparations	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>15</u>	F106050	Wholesale of Pottery, Porcelain and	<u>三十二</u>	F106050	Wholesale of Pottery, Porcelain	Complied with the amendment, the



After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
		Glassware			and Glassware	Company hereby rearranges in order by number according to business classification.
<u>16</u>	F113020	Wholesale of Household Appliance	<u>三十五</u>	F113020	Wholesale of Household Appliance	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>17</u>	F213010	Retail Sale of Household Appliance	<u>三十六</u>	F213010	Retail Sale of Household Appliance	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>18</u>	F107080	Wholesale of Environment Medicine	<u>四十一</u>	F107080	Wholesale of Environment Medicine	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>19</u>	F207080	Retail Sale of Environment Medicine	<u>四十二</u>	F207080	Retail Sale of Environment Medicine	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>20</u>	F108031	Wholesale of Drugs, Medical Goods	<u>四十三</u>	F108031	Wholesale of Drugs, Medical Goods	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>21</u>	F208031	Retail Sale of Medical Equipments	<u>四十四</u>	F208031	Retail Sale of Medical Equipments	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>22</u>	F102030	Wholesale of Tobacco Products and Alcoholic Beverages	<u>四十六</u>	F102030	Wholesale of Tobacco Products and Alcoholic Beverages	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>23</u>	F203020	Retail Sale of Tobacco and Alcoholic Drinks	<u>四十七</u>	F203020	Retail Sale of Tobacco and	Complied with the amendment, the

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
					Alcoholic Drinks	Company hereby rearranges in order by number according to business classification.
<u>24</u>	F206010	Retail Sale of Ironware	<u>四十九</u>	F206010	Retail Sale of Ironware	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>25</u>	F218010	Retail Sale of Computer Software	<u>五十</u>	F218010	Retail Sale of Computer Software	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>26</u>	F208021	Retail Sale of Drugs and Medicines	<u>五十一</u>	F208021	Retail Sale of Drugs and Medicines	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>27</u>	F213060	Retail Sale of Telecom Instruments	<u>五十二</u>	F213060	Retail Sale of Telecom Instruments	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>28</u>	F301020	Supermarkets	<u>五十三</u>	F301020	Supermarkets	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>29</u>	JZ99110	Body Shaping Services	<u>五十四</u>	JZ99110	Body Shaping Services	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>30</u>	F102020	Wholesale of Edible Oil	<u>二十三</u>	F102020	Wholesale of Edible Oil	1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification. 2. Complied with the amendments, made by

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
						Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the names of the business items.
<u>31</u>	F104 <u>1</u> 10	Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products	<u>十三</u>	F1040 <u>4</u> 0	Wholesale of Luggage and Bag	<ol style="list-style-type: none"> <li>1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification.</li> <li>2. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the codes and names of the business items.</li> </ol>
<u>32</u>	F204 <u>1</u> 10	Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products	<u>二</u>	F2040 <u>5</u> 0	Retail Sale of Apparel Accessories	<ol style="list-style-type: none"> <li>1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification.</li> <li>2. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the names of the business items.</li> </ol>

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
<u>33</u>	F2050 <u>40</u>	Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures	<u>二十一</u>	F2050 <u>20</u>	Retail Sale of Fixture	<ol style="list-style-type: none"> <li>1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification.</li> <li>2. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the names of the business items.</li> </ol>
<u>34</u>	F1050 <u>50</u>	Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures	<u>三十七</u>	F1040 <u>60</u>	Wholesale of Bedding	<ol style="list-style-type: none"> <li>1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification.</li> <li>2. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the codes and names of the business items.</li> </ol>
<u>35</u>	F1090 <u>70</u>	Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles	<u>十九</u>	F1090 <u>40</u>	Wholesale of Toys and Recreational Articles	<ol style="list-style-type: none"> <li>1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification.</li> <li>2. Complied with the amendments, made by Ministry of Economic</li> </ol>

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
						Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the codes and names of the business items.
<u>36</u>	F2090 <u>6</u> 0	Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles	<u>二十七</u>	F2090 <u>1</u> 0	Retail Sale of Books and Stationery	<ol style="list-style-type: none"> <li>1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification.</li> <li>2. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the codes and names of the business items.</li> </ol>
<u>37</u>	F113050	Wholesale of Computing and Business Machinery Equipment	<u>十七</u>	F113050	Wholesale of Office Machinery and Equipment	<ol style="list-style-type: none"> <li>1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification.</li> <li>2. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the names of the business items.</li> </ol>

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
<u>38</u>	F213030	Retail sale of Computing and Business Machinery Equipment	<u>十八</u>	F213030	Retail Sale of Office Machinery and Equipment	3. Complied with the amendment, the Company hereby rearranges in order by number according to business classification. 4. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the names of the business items.
<u>39</u>	F208040	Retail Sale of Cosmetics	<u>三</u>	F208040	Retail Sale of Cosmetics	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
<u>40</u>	<u>F399040</u>	Retail Business Without Shop	New Business Item			Complied with the actual operating needs, the Company hereby adds the new business item.
<u>41</u>	F <u>399990</u>	Retail sale of Others	<u>七</u>	F <u>301030</u>	General Merchandise	1. Complied with the amendment, the Company hereby rearranges in order by number according to business classification. 2. Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby revises the codes and names of the business items.

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
<u>42</u>	<u>G202010</u>	Parking Garage Business	New Business Item			Complied with the actual operating needs, the Company hereby adds the new business item.
<u>43</u>	<u>G801010</u>	Warehousing and Storage	New Business Item			Complied with the actual operating needs, the Company hereby adds the new business item.
<u>44</u>	<u>IZ06010</u>	Cargoes Packaging	New Business Item			Complied with the actual operating needs, the Company hereby adds the new business item.
<u>45</u>	<u>ZZ99999</u>	All business items that are not prohibited or restricted by law, except those that are subject to special approval.	<u>五十五</u>	<u>ZZ99999</u>	All business items that are not prohibited or restricted by law, except those that are subject to special approval.	Complied with the amendment, the Company hereby rearranges in order by number according to business classification.
	<u>Deletion</u>		<u>十二</u>	<u>F109020</u>	Wholesale of Stationery	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.”
	<u>Deletion</u>		<u>十四</u>	<u>F204040</u>	Retail Sale of Luggage and Bag	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
						Accessories and Other Textile Products.”
	<u>Deletion</u>		<u>十五</u>	<u>F104020</u>	Wholesale of Clothing	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.”
	<u>Deletion</u>		<u>十六</u>	<u>F204020</u>	Retail Sale of Clothing	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.”
	<u>Deletion</u>		<u>二十</u>	<u>F209030</u>	Retail Sale of Toys and Recreational Articles	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F209060 Retail sale of Stationery Articles,



After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
						Musical Instruments and Educational Entertainment Articles.”
	<u>Deletion</u>		<u>二十二</u>	F105020	Wholesale of Fixture	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures.”
	<u>Deletion</u>		<u>二十六</u>	F105010	Wholesale of Furniture	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures.”
	<u>Deletion</u>		<u>二十八</u>	F109010	Wholesale of Books	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.”

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
	<u>Deletion</u>		<u>二十九</u>	<u>F104070</u>	Wholesale of Diaper	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.”
	<u>Deletion</u>		<u>三十三</u>	<u>F109030</u>	Wholesale of Sporting Goods	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.”
	<u>Deletion</u>		<u>三十四</u>	<u>F209020</u>	Retail Sale of Sporting Goods	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles.”

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
	<u>Deletion</u>		<u>三十八</u>	<u>F204060</u>	Retail Sale of Bedding	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.”
	<u>Deletion</u>		<u>三十九</u>	<u>F104030</u>	Wholesale of Shoes	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.”
	<u>Deletion</u>		<u>四十</u>	<u>F204030</u>	Retail Sale of Shoes	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.”

After the Revision			Before the Revision			Reason for Amendments
Number	Code	Statement of Business Items	Number	Code	Statement of Business Items	
	<u>Deletion</u>		<u>四十五</u>	<u>F104050</u>	Wholesale of Apparel Accessories	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.”
	<u>Deletion</u>		<u>四十八</u>	<u>F205010</u>	Retail Sale of Furniture	Complied with the amendments, made by Ministry of Economic Affairs, to the codes of “Table of Codes of Business Items Operated by the Company, Version 8.0”, the Company hereby includes the item into the category of “F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.”

# **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:

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|--|--|
| 1. F204050 Retail Sale of Apparel Accessories              | 2. F206020 Retail Sale of Articles for Daily Use                 |
| 3. F208040 Retail Sale of Cosmetics                        | 4. F210010 Retail Sale of Watches and Clocks                     |
| 5. F115010 Wholesale of Jewelry and Precious Metals        | 6. F215010 Retail Sale of Jewelry and Precious Spectacles Metals |
| 7. F301030 General Merchandise                             | 8. F401010 International Trade                                   |
| 9. F210020 Retail Sale of Spectacles                       | 10. JZ99080 Beauty Shops   |
| 11. F208050 Retail Sale of the Second Type Patent Medicine | 12. F109020 Wholesale of Stationery                              |
| 13. F104040 Wholesale of Luggage and Bag                   | 14. F204040 Retail Sale of Luggage and Bag                       |
| 15. F104020 Wholesale of Clothing                          | 16. F204020 Retail Sale of Clothing                              |
| 17. F113050 Wholesale of Office Machinery and Equipment    | 18. F213030 Retail Sale of Office Machinery and Equipment        |
| 19. F109040 Wholesale of Toys and Recreational Articles    | 20. F209030 Retail Sale of Toys and Recreational Articles        |
| 21. F205020 Retail Sale of Fixture                         | 22. F105020 Wholesale of Fixture                                 |
| 23. F102020 Wholesale of Edible Oil                        | 24. F203010 Retail Sale of Food and Grocery                      |
| 25. F102040 Wholesale of Nonalcoholic Beverages            | 26. F105010 Wholesale of Furniture                               |
| 27. F209010 Retail Sale of Books and Stationery            | 28. F109010 Wholesale of Books                                   |
| 29. F104070 Wholesale of Diaper                            | 30. F107030 Wholesale of Cleaning Preparations                   |
| 31. F207030 Retail Sale of Cleaning Preparations           | 32. F106050 Wholesale of Pottery, Porcelain and Glassware        |
| 33. F109030 Wholesale of Sporting Goods                    | 34. F209020 Retail Sale of Sporting Goods                        |
| 35. F113020 Wholesale of Household Appliance               | 36. F213010 Retail Sale of Household Appliance 1                 |

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|---|--|
| 37. F104060 Wholesale of Bedding  | 38. F204060 Retail Sale of Bedding                                   |
| 39. F104030 Wholesale of Shoes  | 40. F204030 Retail Sale of Shoes                                     |
| 41. F107080 Wholesale of Environment Medicines  | 42. F207080 Retail Sale of Environment Medicine                      |
| 43. F108031 Wholesale of Drugs, Medical Goods   | 44. F208031 Retail Sale of Medical Equipments                        |
| 45. F104050 Wholesale of Apparel Accessories  | 46. F102030 Wholesale of Tobacco Products and<br>Alcoholic Beverages |
| 47. F203020 Retail Sale of Tobacco Products and<br>Alcoholic Beverages  | 48. F205010 Retail Sale of Furniture                                 |
| 49. F206010 Retail Sale of Ironware   | 50. F218010 Retail Sale of Computer Software                         |
| 51. F208021 Retail Sale of Drugs and Medicines  | 52. F213060 Retail Sale of Telecom Instruments                       |
| 53. F301020 Supermarkets  | 54. JZ99110 Body Shaping Services                                    |
| 55. ZZ99999 Any business not prohibited or limited<br>by the Business Operation Laws<br>except those business requiring<br>special approval |  |

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|-----------|--|
| 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 at least three directors and authenticated by laws. 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, he/she may appoint an attorney with the proxy statement issued by the Company, specifying the scope of authorization. Except those regulated by Article 177 of the Company Act, the proxies shall be handled by "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".
- 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. The term of office shall be three years, and the directors may be re-elected to further terms. Among the directors mentioned above, there are three independent directors. The way for electing independent directors shall adopt Candidates Nomination System and independent directors of the Company shall be elected from the candidates by the shareholders' meeting. 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 Director 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.

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.

Article 17 The Board of Directors is authorized to determine the remuneration of the Chairman and the Directors, taking account of the extent of participating in the Company's operation and the value contributed by the directors. Also, to determine the compensation bases on the general level in the industry.

## **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, setting aside 10% as legal reserve and 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 earnings of the Company shall be allocated after the Board of Directors takes account of the capital demands for future business or reinvestment according to the industry the Company stay. The distribution of the Company's earnings shall be made by raising the following proposals, which shall be resolved by the shareholders' meeting.

- (1) Remuneration of the Directors: shall not be higher than 6% of the distributable earnings in this term;
- (2) Bonus for the employees: shall not be less than 0.1% of the distributable earnings in this term;
- (3) Dividend and bonus for the Shareholders: 50%-100% of the accumulated distributable earnings, cash dividends of which shall not be less than 1% of total dividends. If cash dividend is lower than 0.5 per share, stock dividend shall be substituted for cash dividend.

New shares or cash shall be issued from the limited part of the legal reserve which exceeds 25% of the paid-in capital.

## **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 1st amendment was made on March 31, 1997.

The 2nd amendment was made on October 23 1998.

The 3rd amendment was made on May 10, 1999.

The 4th amendment was made on June 28, 1999.

The 5th amendment was made on October 25, 1999.

The 6th amendment was made on February 10, 2000.

The 7th amendment was made on June 26, 2000.

The 8th amendment was made on June 21, 2001.

The 9th amendment was made on April 22, 2002  
The 10th amendment was made on April 21, 2003.  
The 11th amendment was made on May 18, 2004.  
The 12th amendment was made on May 17, 2005.  
The 13th amendment was made on May 24, 2006.  
The 14th amendment was made on May 22, 2007.  
The 15th amendment was made on May 20, 2008.  
The 16th amendment was made on June 3, 2009.  
The 17th amendment was made on June 15, 2010.  
The 18th amendment was made on June 6, 2012.  
The 19th amendment was made on June 11, 2013.  
The 20th amendment was made on June 10, 2014.

**POYA International Co., Ltd.**  
**Chairman : Chien-Chao Chen**

**POYA International Co., Ltd.**

**Comparison Table for the Amendments of “Rules of Procedure for Shareholders Meetings” before and after Revision**

Article	After the Revision	Before the Revision	Reason for Amendments
Article 3	<p>...(Omission)</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice, the proxy forms, and both the origins and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, and the election or dismissal of directors or supervisors. The electronic materials mentioned above shall be uploaded to the Market Observation Post System (MOPS) at least 30 days before the date of a regular shareholders meeting or at least 15 days before the date of a special shareholders meeting.</p> <p>The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials, which shall be uploaded to the MOPS at least 21 days before the date of the regular shareholders meeting or at least 15 days before the date of the special shareholders meeting. The Company shall also make the shareholders meeting agenda and supplemental meeting materials available, at least 15 days before the date of the shareholders</p>	<p>...(Omission)</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice, the proxy forms, and both the origins and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, and the election or dismissal of directors or supervisors. The electronic materials mentioned above shall be uploaded to the Market Observation Post System (MOPS) at least 30 days before the date of a regular shareholders meeting or at least 15 days before the date of a special shareholders meeting.</p> <p>The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials, which shall be uploaded to the MOPS at least 21 days before the date of the regular shareholders meeting or at least 15 days before the date of the special shareholders meeting. The Company shall also make the shareholders meeting agenda and supplemental meeting materials available, at least 15 days before the date of the shareholders</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>

Article	After the Revision	Before the Revision	Reason for Amendments
	<p>meeting, for review by the shareholders at anytime, display them at the Company and the professional shareholder services agent appointed by the Company, and distribute them on-site at the meeting place.</p> <p>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.</p> <p>Election or dismissal of directors or supervisors, 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.</p>	<p>meeting, for review by the shareholders at anytime, display them at the Company and its shareholder services agent, and distribute them on-site at the meeting place.</p> <p>The reasons for convening the shareholders meeting shall be specified in the meeting notice and public announcement.</p> <p>Election or dismissal of directors or supervisors, 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 shall be set out in the reasons for convening the shareholders meeting. None of them mentioned above may be raised by an extraordinary motion.</p>	
Article 6	<p>...(Omission)</p> <p>The shareholders shall attend the shareholders' meetings based on the attendance cards, sign-in cards or other certificates of attendance.</p>	<p>...(Omission)</p> <p>The shareholders shall attend the shareholders' meetings based on the attendance cards, sign-in cards or other certificates of attendance.</p>	<p>Complied with the amendments to “Rules of Procedure for Shareholders Meetings for Poya</p>

Article	After the Revision	Before the Revision	Reason for Amendments
	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. ...(Omission)	The solicitors who solicit proxy forms shall also bring identification documents for verification. ...(Omission)	International Co., Ltd.”, the Company hereby revises part of word statements of origin Articles.
Article 7	...(Omission) 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. ...(Omission)	...(Omission) The shareholders’ meeting convened by the Board of Directors shall be participated by the half or more of all the director members. 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. ...(Omission)	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 20	The amendment record of these Rules: The Rules and Procedures were enacted on March, 2002. The first amendment was made on May 24,	The amendment record of these Rules: The Rules and Procedures were enacted on March, 2002. The first amendment was made on May 24,	Add the latest amended record and revise word statement slightly.

Article	After the Revision	Before the Revision	Reason for Amendments
	<p>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>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>	

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

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

- 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 a shareholders' meeting shall be specified in the meeting notice and public announcement.
- Election or dismissal of the directors, amendments to Articles of Incorporation, the dissolution, merger or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the meeting notice. None of the matters 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 solicitors soliciting 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 participated by the half or more of all the director members. 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. 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 in regards to non-voting shares is not include in the calculations of total issued 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.

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. When voting on each agenda item, voting rights of the total shares held by the attending shareholders shall be announced by the Chair or assigned personnel. An agenda item shall be regarded approved after the Chair inquires opinion of all the attending shareholders and no objection is raised. The effect is as same as the resolution approved by voting. If there is any objection, the agenda item shall be resolved by voting as mentioned in the preceding paragraph.

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 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 first amendment was made

on May 24, 2006.

The second amendment was made on May 20, 2008.

The third amendment was made on June 22, 2011.

The fourth amendment was made on June 6, 2012.

The fifth amendment was made on June 10, 2014.

**POYA International Co., Ltd.**  
**Shareholdings of the Members of Six<sup>th</sup> Board of Directors**  
**( Term : Jun 10, 2014~Jun 9, 2017 )**

1. The legal share ownership ratio and shareholdings of the members of Sixth Board of Directors of the Company are as followed:

Total current issued shares are common stocks of 94,113,057 shares.

The number of legal shares shall be held by all the directors are 7,529,045 shares.

2. By the end of book closure date of 2015 Regular Shareholders' Meeting (April 12, 2015), the shareholdings by all the directors are as followed respectively: (Complied to the Article26 of Securities and Exchange Act)

Title	Name	Shareholdings	Share ownership ratio (%)
Chairman	Duo Chin Investment Co., Ltd. Representative: Chen Jian-Zao	7,755,104	8.24%
Vice Chairman	Poay Investment Co., Ltd Representative: Chen Fan Mei-Jin	7,768,031	8.25%
Director	Chen Zong-Cheng	5,892,822	6.26%
Director	Chen Ming-Shian	0	0.00%
Independent Director	LinTsai-Yuan	0	0.00%
Independent Director	Liu Zhi-Hong	0	0.00%
Independent Director	Zhong Jun-Rong	0	0.00%
Total		21,415,957	22.75%

Note :

1. The shares held by the Independent Directors are excluded from the actual shares held by all the directors.
2. 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.



## **Related Information of Employee Bonus and Compensation for Directors and Supervisors**

The proposal of distribution of employee bonuses and compensation for directors and supervisors shall be executed according to applicable laws and regulations after being resolved by the Board of Directors on February 24, 2015 and being approved by the Regular Shareholders' Meeting on Jun 10, 2015. The distribution amount of employee bonuses and compensation for directors and supervisors is as followed:

1. Employee stock bonuses NTD 81,000,000
2. Compensation for directors and supervisors NTD 4,800,000元
3. The employee bonuses and compensation for directors and supervisors which are mentioned above have been treated as expenditure in 2014. The amount of the employee bonuses and the compensation for directors and supervisors recognized in the financial statements is the same as that in the distribution proposal approved by the Board of Directors.

## The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

The total stock dividends are 941,130 shares. The issuance of stock dividends is for the purpose of business expansion. There are positive benefits to the Company's operating performance by retaining the cash from operating earnings for new store expansion in the future. Under the expectation of stable sale growth of the Company, the dilution effect of stock dividend issuance on EPS is limited.

The impact of stock dividend issuance on business performance, EPS, and shareholder Return Rate is as followed:

Unit: NTD 1,000

Year		2015 ( Forecast )
Item		
Beginning paid-in capital		941,131
The distribution of stock and cash dividends	Cash dividend per share	NTD 7.40 (Note 1)
	Stock dividend per share through capitalization of earnings	0.01share (Note 1)
	Stock dividend per share through capitalization of additional paid-in capital	0 share
The change of business performance	Operating profits	(Note 2)
	Operating profits, YOY (%)	
	Net income after tax	
	Net income after tax, YOY (%)	
	Earnings per share	
	Earnings per share, YOY (%)	
	Annual average return on investment (A reciprocal of annual average PE ratio)	
Pro Forma EPS and PE ratio	The distribution of cash dividend through capitalization of earnings	Pro Forma EPS
		Pro Forma Annual average return on investment
	No dividend distribution through capitalization of additional paid-in capital	Pro Forma EPS
		Pro Forma Annual average return on investment

	No dividend distribution through capitalization of additional paid-in capital and distribution of cash dividend through capitalization of earnings	Pro Forma EPS	(Note 2)
		Pro Forma Annual average return on investment	

Note :

1. The cash and stocks to be distributed to each share as shareholders' bonuses mentioned above were calculated based on the total number of actual shares, which was 94,113,057 shares, outstanding on the date of resolution of earnings distributed by the Board of Directors on February 24, 2015. The cash and stocks to be distributed to each share have not yet been adopted by the 2015 Regular Shareholders' Meeting.
2. The Company may not disclose the 2015 financial forecast according to the provision of "Regulations Governing the Publication of Financial Forecasts of Public Companies." Therefore, there is no 2015 forecast information.

## **Other Matters**

Description of acceptance of shareholders' suggestions in 2015 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 2, 2015 to April 13, 2015 (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.