



Title	Transactions Between Affiliated Enterprises and Related Parties Principles		
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1.Purpose

The purpose of the regulations is to establish procedures for the Company to regulate transactions between Affiliated Enterprises and related parties. The regulations are formulated based on the Company's business and financial circumstances, as well as relevant laws and regulations.

2.Scope

The regulations apply to all related parties and Affiliated Enterprises with whom the Company has business transactions.

3.Responsibilities

3.1 Finance Department: Responsible for the revision and maintenance of the regulations.

4. Process : None

5. Content

5.1 Management Scope

5.1.1 Affiliated Enterprises: Any of the following conditions are considered subsidiary companies of the Company:

5.1.1.1 Those in a parent, subsidiary, or affiliated relationship with the Company.

5.1.1.2 Individuals who have direct or indirect control over the management of the personnel, financial of business operations of other companies; or individuals of other companies who have direct or indirect control over the management of the personnel, financial of business operations of the Company. The term " have direct or indirect control over the management of the personnel, financial of business operations " is defined in accordance with the relevant laws and regulations for Listed and OTC-Listed Companies

5.1.1.3 Where the Company and another company have made investment in each other's company to the extent that one third or more of the total number of the voting shares or the total amount of the capital stock of both companies are held or contributed by each other, and have direct or indirect control over the management of the personnel, financial of business operations of each other's company,

5.1.1.4 More than half of the total number of directors, supervisors, and general managers for the Company and another company are the same. Calculation of this figure shall include the spouses, children, and relatives in the second degree of the aforementioned persons.

5.1.1.5 Where a majority of the total number of outstanding voting shares or the total amount of the capital stock of the Company and another company are held by the same shareholders.



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5.1.1.6 Another investing company and its related parties, using equity method of valuation with respect to the Company, hold more than one-half of the total outstanding shares of voting stock in the Company; or where the Company and its related parties, using equity method of evaluation, hold a total number of shares in another invested company exceeding one-half of the total number of outstanding shares of voting stock. Calculation of the amount of stock held by or the amount of capital contributions to another company made by the Company shall include each of the following stock or capital amounts:

A. The shares held by or capital contributions made to another company by the subsidiary of the Company.

B. Shares held by or capital contributions made by a third party for the applicant company.

C. Shares held by or capital contributions made by a third party for a subsidiary company of the Company. Definition for the term "third parties", in addition to mutual investments and related parties, also includes independent legal entities with close business dealings with the Company and its subsidiaries.

5.1.2 Related parties and affiliated companies refer to those defined in accordance with regulations recognized and issued by the competent authority, such as International Accounting Standards, International Financial Reporting Standards, Securities Issuers' Financial Reporting Standards, and Company Act.

5.1.3 Even if meeting the criteria specified in the preceding clauses, individuals or entities who can demonstrate that they do not have control or significant influence are not subject to this.

5.1.4 Specified Company or Institution:

5.1.4.1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company;

5.1.4.2. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the public company, and there is a record of financial or business transactions between it and the public company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names.

5.1.4.3. It and its group companies are the source of 30 percent or more of the operating revenue of the public company.

5.1.4.4. It and its group companies are the source of 50 percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of total operating revenue) of the public company.



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5.2 Transaction Scope:

5.2.1 Purchases.

5.2.2 Sales.

5.2.3 Asset transactions.

5.2.4 Entrusted sales or consignment sales and commission payments.

5.2.5 Entrusted processing or consignment processing and processing fee payments.

5.2.6 Fund financing and interest receipts/payments.

5.2.7 Endorsements and guarantees.

5.2.8 Others.

5.3 Transaction Terms and Regulations

The transaction terms and regulations between the Company and Group companies or related parties are as follows:

5.3.1 For purchases, except in special circumstances, or given advantageous conditions that differ from those of ordinary suppliers, under which the granting of preferential pricing or terms of payment can be reasonably stipulated, any other prices and payment terms shall be commensurate with those offered to ordinary suppliers.

5.3.2 For sales, except in cases of long-term cooperation or other special factors that are different from ordinary clients, under which reasonable stipulations may be made to grant preferential pricing or terms of payment, any other prices and payment terms shall be commensurate with those offered to ordinary clients.

5.3.3 Asset transactions must adhere to the Company's " Regulations Governing the Acquisition and Disposal of Assets " (CMP-301).

5.3.4 For entrusted sales or consignment sales, commission should be calculated in line with regular commission agents.

5.3.5 For entrusted processing or consignment processing, processing fees should be calculated in line with regular processing factories.

5.3.6 Fund financing should be conducted in accordance with the Company's "Management Regulations Governing Lending of Funds " (CMP-208).

5.3.7 Endorsements and guarantees should be conducted in accordance with the Company's " Regulations Governing Making of Endorsements/Guarantees " (CMP-206).

5.3.8 Other terms and conditions should be agreed upon on a case-by-case basis.



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5.4 Approval of Transactions

When the Company engages in transactions involving purchases or sales of goods, provision of services, or technical services with related parties, with the estimated total annual transaction amount reaching five percent or more of the Company's most recent consolidated total assets or the most recent year's consolidated net operating revenue, the following information must be submitted to and approved by the Board of Directors before such transactions can proceed, except where "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" apply:

5.4.1 The nature, purpose, necessity, and expected benefits of the transaction.

5.4.2 The rationale for selecting the related party as the counterparty for the transaction.

5.4.3 The principles used to calculate the transaction price and the maximum expected total annual transaction amount.

5.4.4 An explanation of whether the transaction terms are consistent with normal commercial terms and do not harm the interests and rights of the Company and its shareholders.

5.4.5 Any restrictive conditions and other significant contractual terms of the transaction. For the transactions with related parties mentioned above, the following information should be included in the most recent shareholder meeting report after the fiscal year ends:

5.4.6 The actual transaction amounts and terms.

5.4.7 Whether the transactions were conducted in accordance with the transaction price calculation principles approved by the Board of Directors.

5.4.8 Whether the transactions exceed the total annual transaction amount approved by the Board of Directors. An explanation of the reasons, necessity, and justification for exceeding the total annual transaction amount.

Transactions between the Company and its wholly-owned subsidiaries where the Company directly or indirectly holds one hundred percent of the total shares or has one hundred percent control over them, or transactions between such subsidiaries, are not subject to the limitations mentioned above.

5.5 Transactions between the Company and its subsidiaries, related parties, affiliated companies, and specific companies that require approval by the Board of Directors must be processed in accordance with the Company's " Regulations Governing Procedure for Board of Directors Meetings " (CMP-002). The opinions of Independent Directors should be thoroughly considered, and in cases where they express dissent or reservation, it should be duly recorded in the minutes of the Board meeting.



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5.6 Major property transactions, endorsements and guarantees, and fund financing between the Company and its subsidiaries and related parties shall be handled in accordance with relevant regulations, in addition to being processed in accordance with these regulations.

5.7 The Company should maintain independence in transactions with subsidiaries and related parties. Transactions between subsidiaries and related parties shall not violate regular commercial practices to prevent any transfer of benefits.

5.8 Transactions between the Company and related parties should be fully disclosed in the notes to the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Accounting Standards, and relevant regulations of the competent authority for securities.

6. Related Regulations

6.1 Regulations Governing the Acquisition and Disposal of Assets (CMP-301)

6.2 Regulations Governing Loaning of Funds (CMP-208)

6.3 Regulations Governing Making of Endorsements/Guarantees (CMP-206)

7. Forms used : None

8. This policy is formulated by the Finance Department and shall be implemented after approval by the Board of Directors, and the same process applies when making revisions.

[History of "Related Party Transaction Regulations by Jia Wei Lifestyle Group."](#)

[1. These regulations were first made on July 1, 2006.](#)

[2. The 1st revision was made on July 26, 2007.](#)

[3. The 2nd revision was made on March 15, 2011.](#)

[4. The 3rd revision was made on May 9, 2014.](#)

[5. The 4th revision was made on Aug. 12, 2020.](#)

[6. The 5th revision was made on March 24, 2023.](#)