



**TOPBI INTERNATIONAL HOLDINGS LIMITED**

淘帝國際控股有限公司

(the "Company")

**MINUTES FOR THE ANNUAL GENERAL MEETING OF YEAR 2023**

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**DATE : 9:00 AM ON JUNE 26, 2023, MONDAY**

**VENUE : MEETING ROOM A, 6TH FLOOR, PRIMASIA CONFERENCE & BUSINESS CENTER, NO. 99, FUXING NORTH ROAD, SONGSHAN DISTRICT, TAIPEI CITY, TAIWAN (R.O.C)**

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Shares Present: the shares present represented 61,181,671 shares and 56.13% of total 108,986,838 issued (507,000 shares excluding the number of non-voting shares stipulated in article 179 of the company law), and outstanding common shares.

Chairman: Wu, Chin Shan, Independent Director

Recorder: Chen, Chien Wei

**Attendees :**

Zhou, Zhi-Hong, Chief Executive Officer (Video Conference)

Lai, Tiao Tsan, Independent Director

Wu, Chin Shan, Independent Director

Lien, Chih Chi, Director

Chen, Chien Wei, Chief Financial Officer

Zhuang, Ling Feng, Secretary of the Board (Video Conference)

Chen, Kuanghui, CPA of ShineWing Taiwan

HUNG, Chih-Hsun, Lawyer of Formosa Transnational

**Board Members present**

Lien, Chih Chi, Director

Lai, Tiao Tsan, Independent Director

Wu, Chin Shan, Independent Director

**1.Declaration of the Start of the Meeting:**

The aggregate number of shares present in person and by proxy constituted the quorum requirement of the Memorandum and Articles of Association of the Company. The Chairman called the meeting to order.

**2. Chairman's Address:** Zhou Xun Cai, Chairman of Topbi company could not attend this meeting of shareholders for some reason, so I would like to entrust my representative of the board, Mr. Wu Chin Shan, to attend the meeting as chairman and chair today's meeting on behalf of him. Thank you for taking time out of your busy schedule to attend this regular meeting. Here, on behalf of all the employees of the company, I would like to express my deepest gratitude to you, thank you! Please proceed with the agenda.

**3. Report Items:**

The First Item

Report: The Company's Financial Year ("FY") 2022 annual business report.

Description: The Company's FY 2022 annual business report, as referenced in Appendix 1.

The Second Item

Report: Audit Committee's Review Report.

Description: The Audit Committee's Review Report, as referenced in Appendix 2.

**4. Proposed Resolutions**

The First Item (Proposed by the Board)

Proposal: Proposed to approve the FY 2022 Business Report and Financial Statements. (**Ordinary Resolution**)

Description:

- (a) The Company's FY 2022 Financial Statements have been approved by the resolution of the Board of Directors, were audited by Ms. Chen Kuanghui and Mr. Kuo Chenyu, CPAs of ShineWing Taiwan, and submitted together with the FY 2022 Business Report to the Audit Committee for review, who issued a written audit report.
- (b) For FY 2022 Financial Statements and Business Report, please refer to Appendix 1 and Appendix 3.

Resolution: The voting result was described as below:

Shares represented at the time of voting: 61,181,671 votes

Voting Results	% of the total represented
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		share present
Votes in favor:	58,529,484 votes (including 1,348,515 votes cast electronically)	95.66%
Votes against:	183,049 votes (including 183,049 votes cast electronically)	0.29%
Votes invalid:	0 votes (including 0 votes cast electronically)	0.00%
Votes abstained:	2,469,138 votes (including 2,369,138 votes cast electronically)	4.03%

Note: including votes cast electronically

RESOLVED, that the above proposal be and hereby approved by way of Ordinary Resolution.

The Second Item (Proposed by the Board)

Proposal: Proposed to approve the Company's FY 2022 deficit compensation. (**Ordinary Resolution**)

Description: In accordance with article 129A of the articles of association of the company, the 2022 deficit compensation table as shown in the following table.

TOPBI INTERNATIONAL HOLDINGS LIMITED

DEFICIT COMPENSATION TABLE

Financial Year 2022

Item	Total Amount	
	(Unit: NT\$)	
Un-appropriated earnings of January 1, 2022		(442,313,858)
Net Income		132,767,098
Reversal of Special Reserve (Add)	40,087,574	
Un-appropriated earnings after distribution		(269,459,186)
Note: No cash and stock dividends are planned for the current year		

Chairman: Zhou, Xun Cai

Manager: Zhou, ZhiHong

Accounting supervisor: Chen, Chien Wei

Resolution: The voting result was described as below:

Shares represented at the time of voting: 61,181,671 votes

Voting Results		% of the total represented share present
Votes in favor:	58,489,827 votes (Including 1,308,858 votes cast electronically)	95.60%
Votes against:	258,773 votes (Including 258,773 votes cast electronically)	0.42%
Votes invalid:	0 votes (Including 0 votes cast electronically)	0.00%
Votes abstained:	2,433,071 votes (Including 2,333,071 votes cast electronically)	3.97%

Note: including votes cast electronically

RESOLVED, that the above proposal be and hereby approved by way of Ordinary Resolution.

## 5. Discussion Items:

The First Item (Proposed by the Board)

Proposal: Proposal of amendment to the current Memorandum and Articles of Association of the company. (Special Resolution).

Description: In accordance with the "Checklist for the Protection of Shareholders' Rights and Interests in the Country of Registration of Foreign Issuers" amended by Taiwan Stock Exchange Co., Ltd. on January 9, 2023, and to meet the Company's needs in the notification of shareholders' meetings, it was proposed to amend the Articles of Association of the Company. appendix 4.

Resolution: The voting result was described as below:

Shares represented at the time of voting: 61,181,671 votes

Voting Results		% of the total represented share present
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Votes in favor:	58,546,528 votes (Including 1,365,559 votes cast electronically)	95.69%
Votes against:	166,969 votes (Including 166,969 votes cast electronically)	0.27%
Votes invalid:	0 votes (Including 0 votes cast electronically)	0.00%
Votes abstained:	2,468,174 votes (Including 2,368,174 votes cast electronically)	4.03%

Note: including votes cast electronically

RESOLVED, that the above proposal be and hereby approved by way of Special Resolution.

The Second Item (Proposed by the Board)

Proposal: Proposal of amendment to the provisions of the "Regulations Governing Procedure for Board of Directors Meetings" of the Company. (Ordinary Resolution).

Description: To comply with the regulatory requirements of Taiwan, the company hereby proposes to amend the " Regulations Governing Procedure for Board of Directors Meetings ". Please refer to the comparison table of the revised provisions in appendix 5.

Resolution: The voting result was described as below:

Shares represented at the time of voting: 61,181,671 votes

Voting Results		% of the total represented share present
Votes in favor:	58,547,362 votes (Including 1,366,393 votes cast electronically)	95.69%
Votes against:	166,979 votes (Including 166,979 votes cast electronically)	0.27%
Votes invalid:	0 votes (Including 0 votes cast electronically)	0.00%
Votes abstained:	2,467,330 votes	4.03%

(Including 2,367,330 votes cast electronically)	
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Note: including votes cast electronically

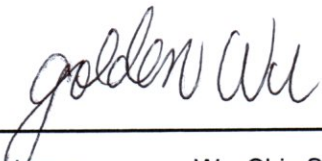
RESOLVED, that the above proposal be and hereby approved by way of Ordinary Resolution.


**6. Special motion: None.**

**7. Adjournment: 9:16 a.m. on the same day.**

**\*\*In case of any discrepancy between the English and Chinese version of those minutes of 2020 Annual General Shareholders' Meeting of Topbi International Holdings Limited, the Chinese version shall prevail.**

There will be no questions from shareholders at this meeting.

  
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Chairman                  Wu, Chin Shan

  
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Recorder                  Chen, Chien Wei

## **Extemporany Motions**

## **Adjournment**

## **【Attachment 1】**

### **TOPBI INTERNATIONAL HOLDINGS LIMITED**

#### **2022 Annual Business Report**

##### 1. Operating results for 2022

###### (a) Implementation results of last year's plan

In 2022, the economic operation pressure of China's garment industry has increased significantly because of the influence of risk factors such as weak demand in China's foreign market, high cost of raw materials, and more complicated foreign trade environment, the economic operation pressure of China's garment industry increased significantly, and the overall development trend showed a sustained slowdown. At the end of the year, as the national epidemic prevention policy was optimized and relaxed and residents in most areas gradually entered the stage of virus infection, the production and marketing cycle gradually recovered. However, the market demand did not improve significantly, and the indexes of production, domestic sales and benefits of the garment industry continued to decline.

According to the National Bureau of Statistics from January to December 2022, the retail sales of apparel products of units above designated size in China totaled 922.26 billion yuan, decrease 7.7% year on year, and the growth rate was 21.9 percentage points lower than the same period in 2021. Sales in physical stores declined significantly. According to the statistics of the China National Commercial Information Center, from January to December, the retail sales and volume of clothing of large retail enterprises in the country decreased by 14.79% and 18.61% respectively compared with the same period last year. Online clothing retail grew steadily, with growing by 3.5% year-on-year from January to December. According to the data of the National Bureau of Statistics, from January to December, there were 13,219 enterprises above designated size (annual main business income of 20 million yuan or above) in China's garment industry, with operating income of 1,453.889 billion yuan, down by 4.56% year-on-year; The total profit was 76.382 billion yuan, down 6.34 percent year-on-year. The loss of the industry expands, and the operation efficiency slows down. From January to December, the loss ratio of enterprises above designated size in the garment industry reached 19.37%, 2.52 percentage points higher than the same period in 2021, and the loss ratio of loss-making enterprises increased by 12.46% year-on-year. In 2022, the Company adopted the business strategy of "seeking progress while maintaining stability, saving money", assisted all agents to transform online channels, fully developed Pin-Duo Duo, Wechat Mall and Tmall Taobao and other e-commerce platforms, and completed the asset replacement of Maoshan Industrial Park and Topbi Tower, basically achieving the annual business target. The Company gradually improved its operating performance in 2022, compared with a simultaneous decline in revenue and profit in 2020 and 2021.



(b) Implementation of the budget

The company's 2022 annual budget has ensured that the funds are used according to the planned purposes, and the company's fixed assets procurement, various marketing expenses and intangible assets expenditure are strictly carried out in accordance with the internal control procedures. The expenses are slightly reduced due to the impact of the epidemic, and the budget implementation is still in good condition.

(c) Financial revenue and expenditure and profitability analysis

In terms of financial performance, the company's consolidated revenue in 2022 was NT\$2546 billion, a 14.1% decrease from its consolidated revenue of NT \$2,964 million for 2021. rise 5.54 percent from its consolidated revenue of NT\$2.808 billion in 2020; Net profit after tax for 2022 was NT\$133 billion, declined 118.94% from a net loss of NT\$700 million in 2021; Earnings per share after tax for 2022 was NT\$1.22. (see table below).

Analyze project		Year	2022	2021	Increase (decrease) ratio (%)
Profit and loss analysis	Operating income (Thousand yuan)		2,546,156	2,963,906	-14.1%
	Operating margin (Thousand yuan)		292,883	-220,712	232.70%
	After-tax profit (Thousand yuan)		132,767	-700,818	118.94%
Profitability	Net profit rate (%)		5.21%	-23.65%	122.03%
	EPS (yuan)		1.22	-6.43	118.97%

(d) Research and development

Affected by the rebound of the epidemic in China in 2022 and the increasingly complicated international political and economic environment, China's garment industry has been faced with major challenges such as periodic stop-work and production in some regions, poor logistics operation, high and rising raw material prices, and the production and business environment is not optimistic. In order to cope with market risks, the company has continued to firmly study the relevant technologies of e-commerce channels since the epidemic. With academic institutions and commercial institutions such as Minjiang University, Fuzhou University, Hangzhou Kualang Network Technology Co., LTD., and Fujian Lebaishi Culture Media Co., LTD., were conducted research on the impact of new media economic formats such as live broadcast economy on clothing sales and explored channel integration and development under the new business environment. In addition, the company's R & D center keeps cooperating with suppliers to study the flexible supply

chain system, so as to achieve "flexible" supply chain manufacturing, and achieve controllable process, flexible manufacturing, reliable price and reliable quality. In the product research and development link, the company has been for many years to study the antibacterial fabric in the application of new products. At present, some antibacterial fabric products have achieved better market performance. In the post-epidemic era, the company will continue to cooperate with Minjiang University, Art Institute of Fuzhou University, Jiangxi Institute of Fashion Technology and other scientific research institutions to study the application direction of various new healthy antibacterial materials. To use the latest antibacterial technology in the field of children's wear, for the company's children's wear products into the core competitiveness.

## 2. A summary of the business plan for 2023

### (a) The company's current business policy

In 2023, the company believes that the customer flow of the clothing retail market is expected to recover, and the consumption environment is expected to show a positive trend of change. As the epidemic prevention and control has been fully lifted, local governments have introduced policies to boost consumption. A series of measures are expected to improve the consumption environment. According to agents and market research, although consumer confidence still fluctuates at present, but looking back to the SARS period in 2003, consumer confidence also declined significantly from April to May due to the widespread epidemic. Subsequently, consumer confidence steadily increased and recovered with the effective control of the epidemic. Therefore, the company believes that the current downturn in consumer willingness and confidence will be followed by consumers' future income expectations to stabilize, consumer confidence is expected to show a slow recovery. Therefore, seizing the opportunity is the important issue of the company in 2023 to stand out in the industry. The company believes that after years of development, China's children's wear industry has entered the stage of fine development with the overall clothing industry, which is dominated by internal circulation, and the growth rate is relatively slow. In the early stage, excess production capacity, uncertain demand market, inefficient and unstable production quality have caused great pressure on poorly operated small and medium-sized enterprises, forcing garment enterprises to promote intellectualization and digitalization and develop into online channels. Enterprises with low intellectualization level and imperfect digitalization system will be quickly integrated or eliminated. China's decentralized competition pattern is evolving into a multi-point and multi-level competition pattern. Therefore, faced with the above operational, the company has been thinking about accelerating the digital transformation.

At present, like other competitors in the children's wear industry in China, although the company does not have a long business chain, it is very fragmented with a large number of SKUs and in the past era of mass production, it is difficult to cope with the epidemic and other sudden disasters, planning failure, production mistakes, resulting in a sharp increase in inventory pressure, delayed channel response, and even negative impact on the company's revenue and profit. Therefore, it is necessary to build a production mode of "rapid response and flexible manufacturing". At the front

end, digital transformation and large-scale collaboration of the traditional supply chain system are carried out, and at the back end, online channels are fully transformed to embrace new economic formats such as live streaming economy. Only in this way can we have a chance to break through the difficulties.

(b) Expected sales volume and basis

The epidemic has caused severe impact and great pressure on the production, sales, industrial chain and supply chain of the garment industry in the past three years. However, it is believed that China's children's wear market will return to the track of rapid growth in the post-epidemic era, driven by positive factors such as consumption upgrading, the rise of the new middle class and the national policy of supporting childbirth and reducing the burden of family rearing. The company will continue to strengthen product research and development and brand building, increase online marketing and channel expansion, and increase the construction of e-commerce live broadcasting business and community private domain. The company plans to rely on the Internet, through the deep integration of "online services, offline experience and modern logistics", to achieve a comprehensive upgrade of the production, circulation and sales process of commodities. In the future, in terms of sales channels, the company can not only rely on stores to display products, provide more convenient sales, and compensate online traffic, but also obtain sales data to guide production through the e-commerce channels of agents. Therefore, the company is cautiously optimistic about the business sales forecast in 2023. It is expected to continue to adopt the business strategy of "seeking progress in stability, saving money", fully rely on the market data feedbacks from agents to guide the production of orders, and at the same time, continue to steadily increase the shipping price to ensure the gross profit, and strive to achieve double growth of revenue and profit compared with 2022.

(c) Important production and marketing policies

1. Strengthen agents' transformation into online e-commerce sales

In the post-epidemic era, contactless consumption has further promoted the mature development of online consumption in China, with online consumption channels and diversified forms of e-commerce. Live streaming e-commerce and social e-commerce are very strong. According to data from China's Ministry of Commerce, the total online retail sales of clothing, shoes, hats and textiles in China have been increasing from 2016 to 2021. In 2021, China's total online retail sales of clothing, shoes, hats and textiles reached 2.84 trillion yuan, up 8.3 percent year on year. Throughout China's clothing retail market, with the digital age, the popularity of the Internet, consumer lifestyle changes, clothing retail enterprises also undergo changes in the business strategy. Compared with a few years ago, when general merchandise retailing was the dominant form of business, technological innovation is combined with materials, logistics, brand communication, sales mode and other aspects, constantly updating the connotation of clothing brands in today's clothing market. The innovation of brand and business form has become the key point in the era of brand great development, and digitalization and comprehensiveness are the important direction of business form

development in the future. In order to achieve the medium - and long-term strategic goals of the company, the management team will continue to strengthen the transformation of agents into online e-commerce channels, the strategic layout of more platforms, the introduction of various service resources, synchronously toward the flexible development of multiple online sales platforms, including wechat member special, live broadcast, short video platforms, etc., to help agents enhance good interaction with consumers, improve brand adhesion.

2. Continue to reform the logistics system and improve the efficiency of Topbi's warehousing and logistics

At present, the clothing industry has entered the era of Internet and information, and the clothing retail has changed from the traditional retail centered on enterprises to the new retail centered on consumers. In this process, logistics, design, production and sales, has become one of the most important business systems of garment enterprises. With the help of efficient logistics systems to accelerate product distribution and improve warehousing efficiency, it has become a common understanding of garment enterprises. As the Group continues to deepen its new retail layout, the construction of warehousing and logistics systems in East China is urgently required. Among them, the Topbi E-commerce Industrial Park project is still the most important goal. To upgrade the logistics and warehousing system, the company plans to introduce automated warehousing and logistics design and improve the order, purchase, shipment and financial management through the ERP system. The Smart Warehouse Logistics Park will also adopt the modern logistics management mode of integrated information, procurement, transportation, warehousing and other logistics activities to build a powerful logistics distribution system to support the group's growing operations. After acquiring Toprich Industrial Park in 2022, Topbi is plan to make full use of the park's independent planning right, give full play to the architectural advantages and support the booming business environment to rebuild the new "Topbi E-commerce Headquarters building", so as to create a good platform for Topbi to develop its e-commerce business, to introduce more talents and realize the corporate plan, enhance share price performance and create long-term value for shareholders.

3. Introduce new media and new economic businesses, including live streaming e-commerce.

Facing the booming new media and new economy business in China, the Company will introduce it in the process of expanding e-commerce business at the right time and strive to develop new media business including live streaming to become a new driving force to accelerate Topbi's business. At this stage, the Company will use the influence of the live broadcast team in Internet channels and the ability to produce Internet content to enhance brand awareness of the Group's products. In the future, the live streaming team can match the actual needs of the group, start the live streaming business of Topbi goods, accelerate channel realization, and truly realize the common development of the new media and new economy team and Topbi.

4. Introduce new media and new economic businesses, including live streaming e-commerce.

With the rapid rise of light fashion style, the increasingly diversified demand of end consumers, the accelerated of trend iteration, and the trend of fragmentation of orders oriented by major e-commerce platforms have spawned the demand for flexible supply mode. The flexibility of supply chain refers to the ability of supply chain to adapt to the change of market demand, it refers to the ability of the whole supply chain system to respond to the change of customer demand. To adapt to this changing trend, the company will do its best to promote the "flexible" manufacturing of the supply chain, so as to achieve a controllable process, flexible manufacturing, reliable price and reliable quality, and retain 15%-20% of the flexibility of the product design of the season. Currently, the fastest time from research and development production to sales can be shortened to four weeks, and the company will launch the fashionable children's wear products of the season with a high average unit price contribute to the overall profitability.

(d) Affected by external competition environment, regulatory environment and overall operating environment

Considering the changes of China's retail data in the context of repeated COVID-19 outbreaks from 2020 to 2022, the data of social retail are greatly affected by the spread of COVID-19 and the prevention and control policies, and the sensitivity of clothing brands is significantly higher than the average level of social retail. The emergence of COVID-19 from January to April 2020, the country introduced the policy of dividing close contacts and quarantine control to restrict the development of the COVID-19 epidemic, which affected the fluctuation of China's social retail. From January to April 2020, the social retail decreased by 16.2%, and the retail sales of clothing decreased by 29.0%. The decrease range is significantly higher than the average level of social retail sales, which is greatly affected. From then until the second half of 2021, the COVID-19 epidemic recurred in China, which had a certain impact on China's retail industry, especially the clothing industry, and the retail growth rate decreased month-on-month. Since March 2022, with the further recurrence of the COVID-19 epidemic, China's consumer industry has been greatly affected. The annual retail sales data are in a downward trend. From January to November 2022, China's social retail sales decreased by 0.1%, and clothing retail sales decreased by 5.8%. Apparel retail is highly correlated with COVID-19 and policies, and the decline and recovery elasticity of apparel retail sales is higher than that of the overall social retail. Looking forward to the future, with the comprehensive control policies of the COVID-19 epidemic, the clothing industry is expected to usher in a great elasticity of repair, and the elasticity is expected to be higher than the overall growth rate of social retail. At this point, we predict that clothing retail will officially enter the improvement cycle in 2023Q2. Therefore, the company will continue to implement the general work tone of "stability is the top priority, seeking progress while maintaining stability", actively implement the operating principle of "increase income and reduce expenditure", implement channel transformation, introduce new economy and accelerate the development strategy of e-commerce and logistics park, and create greater value for shareholders.

## **【Attachment 2】**

### **Topbi International Holdings Limited**

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

The Board of Directors has prepared and submitted the business report and consolidated financial statements of the company for the year of 2022, proposal on deficit compensation for the year 2022, in which the consolidated financial statements have been audited by authorized accountants Chen Kuanghui and Kuo Chenyu behalf of ShineWing CPAs and review report is accordingly issued. The above business reports, consolidated financial statements and deficit compensation have been examined and deemed as fairly presented by Audit Committee. This Review Report is duly submitted in accordance with Article 14, section 4 of the Securities and Exchange Act and Article 219 of the Company Act. Submission for perusal.

Topbi International Holdings Limited

Convenor of the Audit Committee: Lai Tiao Tsan

Date: March 27, 2023

## Independent Auditors' Report

TOPBI International Holdings Limited Company

### Opinion

We have audited the accompanying consolidated balance sheets of TOPBI International Holdings Limited Company (the "Company") and its subsidiaries (collectively referred as the "Group") as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the **Independent auditors' responsibilities for the audit of the consolidated financial statements** section of our report. We are independent of the Group in accordance with the Code of professional Ethics for Certificate Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

## **Independent Auditors' Report (Continued)**

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. We determined the key audit matters should be communicated in our audit report are as follows:

### **Evaluation of cash and cash equivalents**

Please refer to Note 4(6) to the consolidated financial statements for the accounting policies of evaluation of cash and cash equivalents; and please refer to Note 6(1) to the consolidated financial statements for the details of cash and cash equivalents accounts.

As of December 31, 2022, the balances of cash and cash equivalents of the Group is \$1,263,907 thousand, accounting for 29% of the total consolidated assets, due to the significant proportion of balances and the inherent risks; we therefore considered the cash and cash equivalents as the key audit matters for the year.

Our audit procedures included, but are not limited to, obtaining the list of bank deposits balances in the account of the Group, and verifying them to the bank statements; checking the receipt and payment vouchers of major cash and cash equivalents transaction; to check all bank confirmations whether it matches the bank deposit balance in the account, and check whether there are restrictions on bank deposits.

### **Evaluation of financial assets at amortized cost**

Please refer to Note 4(7) to the consolidated financial statements for the accounting policies of evaluation of financial assets at amortized cost; and please refer to Note 6(2) to the consolidated financial statements for the details of financial assets at amortized cost.



## **Independent Auditors' Report (Continued)**

As of December 31, 2022, the balances of financial assets at amortized cost of the Group is \$1,542,800 thousand, accounting for 37% of the total consolidated assets, due to the significant proportion of balances and the inherent risks; we therefore considered the financial assets at amortized cost as the key audit matters for the year.

Our audit procedures included, but were not limited to, obtaining details of the balance of financial assets amortized at cost (fixed deposits) in the accounts of TOPBI and its subsidiaries, and checking to the bank confirmation; to assess whether it is consistent with the balance of the fixed deposit in the account, and check whether the fixed deposit is restricted.

### **Revenue recognition**

Please refer to Note 4(22) to the consolidated financial statements for the accounting policies of revenue recognition; and please refer to Note 6(20) to the consolidated financial statements for the details of revenue.

The main operating income of the Group is the sale of its private label children clothing. The Group mainly fulfill the performance obligations at the point of time when the goods are delivered, and the sales revenue will be recognized at that point of time. As of December 31, 2022, the portion of operating income which are outstanding for collection as the key audit matter for the year.

The audit procedures performed by us include the understanding of recognition process of sales revenue transaction of the Group, and the assessment of whether the revenue recognition meets the requirements of the International Financial Reporting Standard No. 15 "Revenue from Contracts with Customer"; and execute the test whether the relevant control points of the sales and collection cycle are valid; obtain the sales details and check the general ledger, and select the vouchers of relevant sales transaction; obtain the audit confirmation letter and review the subsequent collection of payment after balance sheet date, in order to confirm whether there are major abnormalities in sales revenue.

## **Independent Auditors' Report (Continued)**

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

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

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

Those charged with governance, including members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

### **Independent auditors' responsibilities for the audit of the consolidated financial statements**

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

## **Independent Auditors' Report (Continued)**

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

## **Independent Auditors' Report (Continued)**

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the footnote disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentations.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of audit of the Group. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chen, Kuang-Hui



Kuo, Chenyu

For and on behalf of ShineWing CPAs

March 27, 2023

Taipei, Taiwan

Republic of China

#### Notice to Readers

The accompanying consolidated financial statements are not intended to present the financial position, results of financial operations and cash flows in accordance with accounting principles and practice generally accepted in countries and jurisdictions other than the Republic of China. The standard, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, ShineWing CPAs cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**TOPBI International Holdings Limited Company and Subsidiaries**

**Consolidated balance sheets**

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

<b>Assets</b>	<u>Notes</u>	December 31,			
		2022	%	2021	%
<i>Current assets</i>					
Cash and cash equivalents	6.(1)	\$ 1,263,907	29	\$ 640,907	15
Financial assets at amortized cost - current	6.(2)	1,542,800	37	1,520,400	37
Accounts receivable, net	6.(3)	932,667	21	1,114,349	27
Other receivables	6.(4)	7,686	-	7,935	-
Current income tax assets		21,302	-	20,993	1
Inventories	6.(5)	6,517	-	21,483	1
Prepayments	6.(11), 7	280,946	6	299,224	7
		4,055,825	93	3,625,291	88
<i>Non-current assets</i>					
Property, plant and equipment	6.(6)	65	-	234,773	5
Right-of-use asset	6.(7)	142,662	3	194,726	5
Investment properties, net	6.(9)	130,977	3	-	-
Intangible assets	6.(10)	501	-	-	-
Deferred tax assets	6.(26)	48,740	1	81,395	2
Refundable deposits	6.(11), 7	-	-	217	-
		322,945	7	511,111	12
<b>Total assets</b>		<b>\$ 4,378,770</b>	<b>100</b>	<b>\$ 4,136,402</b>	<b>100</b>

(Continued on next page)

**TOPBI International Holdings Limited Company and Subsidiaries**

**Consolidated balance sheets**

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

<b>Liabilities and equity</b>	Notes	December 31,			
		2022	%	2021	%
<i>Current liabilities</i>					
Short-term borrowings	6.(12), 7	\$ 310,593	7	\$ 12,577	-
Accounts payable	6.(13)	718,875	16	1,002,143	24
Accounts payable to related parties	6.(13), 7	50,646	1	-	-
Other payables	6.(14)	74,813	2	75,364	2
Other payables to related parties	7	2,977	-	76	-
Other current liabilities		<u>134</u>	-	<u>3</u>	-
		<u>1,158,038</u>	<u>26</u>	<u>1,090,163</u>	<u>26</u>
<i>Non-current liabilities</i>					
Deferred tax liabilities	6.(26)	298,166	7	296,134	7
Deposits received	7	<u>440</u>	-	<u>834</u>	-
		<u>298,606</u>	<u>7</u>	<u>296,968</u>	<u>7</u>
<b>Total liabilities</b>		<u>1,456,644</u>	<u>33</u>	<u>1,387,131</u>	<u>33</u>
<i>Equity attributable to shareholders of the parent</i>					
Ordinary shares	6.(16)	1,094,938	25	1,094,938	27
Capital surplus	6.(17)	1,520,022	34	1,520,022	37
Retained earnings:	6.(18)				
Legal reserve		593,778	14	593,778	14
Special reserve		487,320	11	460,948	11
Unappropriated earnings		( 309,547 )	( 7 )	( 415,942 )	( 10 )
Other equity interest	6.(19)	( 447,233 )	( 10 )	( 487,321 )	( 12 )
Treasury shares		<u>( 17,152 )</u>	<u>-</u>	<u>( 17,152 )</u>	<u>-</u>
<b>Total equity</b>		<u>2,922,126</u>	<u>67</u>	<u>2,749,271</u>	<u>67</u>
<b>Total liabilities and equity</b>		<u>\$ 4,378,770</u>	<u>100</u>	<u>\$ 4,136,402</u>	<u>100</u>

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

**TOPBI International Holdings Limited Company and Subsidiaries**

**Consolidated statement of comprehensive income**

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2022	%	2021	%
<b>Revenue</b>	6.(20), 7	\$ 2,546,156	100	\$ 2,963,906	100
<b>Cost of revenue</b>	6.(5), 7	( 2,253,273 )	( 89 )	( 3,184,618 )	( 108 )
<b>Gross profit (loss)</b>		292,883	11	( 220,712 )	( 8 )
<b>Operating expenses</b>	6.(23), 7				
Selling expenses		( 256,629 )	( 10 )	( 305,730 )	( 10 )
General & administrative expenses		( 129,216 )	( 5 )	( 158,894 )	( 5 )
Research and development expenses		( 45,379 )	( 2 )	( 49,096 )	( 2 )
		( 431,224 )	( 17 )	( 513,720 )	( 17 )
<b>Loss from operations</b>		( 138,341 )	( 6 )	( 734,432 )	( 25 )
<b>Non-operating income and expenses</b>					
Other income	6.(21), 7	63,458	3	68,829	2
Other gains and losses	6.(22)	241,658	9	4,217	-
Finance costs	6.(25), 7	( 2,386 )	-	( 4,676 )	-
		302,730	12	68,370	2
<b>Income (Loss) before income tax</b>		164,389	6	( 666,062 )	( 23 )
<b>Income tax expenses</b>	6.(26)	( 31,622 )	( 1 )	( 34,756 )	( 1 )
<b>Net Income (loss) for the year</b>		132,767	5	( 700,818 )	( 24 )
<b>Other comprehensive income (loss)</b>					
Component of other comprehensive income that will not be reclassified to profit or loss					
Exchange differences arising on translation to the presentation currency		40,088	2	( 26,372 )	-
<b>Total other comprehensive income (loss) for the year</b>		40,088	2	( 26,372 )	-
<b>Total comprehensive income (loss) for the year</b>		\$ 172,855	7	( \$ 727,190 )	( 24 )
<b>Net income (loss) attributable to</b>					
shareholders of the parent		\$ 132,767	5	( \$ 700,818 )	( 24 )
<b>Total comprehensive income (loss) attributable to</b>					
shareholders of the parent		\$ 172,855	7	( \$ 727,190 )	( 24 )
<b>Earnings per share (In New Taiwan dollars)</b>	6.(27)				
Basic earnings (loss) per share		\$ 1.22		( \$ 6.43 )	

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



**TOPBI International Holdings Limited Company and Subsidiaries**

**Consolidated statement of changes in equity**

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent							Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Unappropriated earnings	Other equity interest Exchange differences on translating the financial statements of foreign operations		Treasury shares
				Special reserve	Unappropriated earnings				
Balance, January 1, 2021	\$ 1,094,938	\$ 1,520,022	\$ 593,778	\$ 536,182	\$ 209,642	(\$ 460,949)	(\$ 17,152)	\$ 3,476,461	
Appropriation of prior year's earnings:									
Reversal of special reserve	-	-	-	( 75,234 )	75,234	-	-	-	
	1,094,938	1,520,022	593,778	460,948	284,876	( 460,949 )	( 17,152 )	3,476,461	
Net loss for the year	-	-	-	-	( 700,818 )	-	-	( 700,818 )	
Other comprehensive loss for the year	-	-	-	-	-	( 26,372 )	-	( 26,372 )	
Total other comprehensive loss for the year	-	-	-	-	( 700,818 )	( 26,372 )	-	( 727,190 )	
Balance, December 31, 2021	1,094,938	1,520,022	593,778	460,948	( 415,942 )	( 487,321 )	( 17,152 )	2,749,271	
Appropriation of prior year's earnings:									
Special capital reserve	-	-	-	26,372	( 26,372 )	-	-	-	
	1,094,938	1,520,022	593,778	487,320	( 442,314 )	( 487,321 )	( 17,152 )	2,749,271	
Net income for the year	-	-	-	-	132,767	-	-	132,767	
Other comprehensive income for the year	-	-	-	-	-	40,088	-	40,088	
Total other comprehensive income for the year	-	-	-	-	132,767	40,088	-	172,855	
Balance, December 31, 2022	\$ 1,094,938	\$ 1,520,022	\$ 593,778	\$ 487,320	(\$ 309,547)	(\$ 447,233)	(\$ 17,152)	\$ 2,922,126	

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

**TOPBI International Holdings Limited Company and Subsidiaries**

**Consolidated statement of cash flows**

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Income (Loss) before income tax for the year	\$ 164,389	(\$ 666,062)
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation	17,126	25,492
Amortization	89	-
Allowance (reversal) of inventory for decline in market value and obsolescence	( 19,049 )	4,060
Interest expenses	2,386	4,676
Interest income	( 27,087 )	( 28,483 )
Gain on disposal of property, plant and equipment	( 253,574 )	( 213 )
Foreign exchange loss (gain)	1,914	( 4,005 )
Gain on bargain purchase	( 11,309 )	-
Changes in operating assets and liabilities		
Decrease (increase) in accounts receivable	181,682	( 33,085 )
Decrease (increase) in other receivables	5,635	( 753 )
Decrease (increase) in inventories	34,015	( 4,313 )
Decrease (increase) in prepayments	18,764	( 47,533 )
Decrease in other current assets	-	755
Decrease in accounts payable	( 232,622 )	( 508,900 )
Decrease in other payables	( 29 )	( 37,405 )
Increase (decrease) in other current liabilities	131	( 2 )
<b>Cash used in operations</b>	( 107,539 )	( 1,295,771 )
Income taxes paid	-	-
<b>Net cash used in operating activities</b>	( 107,539 )	( 1,295,771 )

(Continued on next page)

**TOPBI International Holdings Limited Company and Subsidiaries**

**Consolidated statement of cash flows**

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	For the year ended December 31,	
	2022	2021
<b>Cash flows from investing activities</b>		
Acquisition of financial assets at amortized cost	( 3,095,330 )	( 1,520,050 )
Proceeds from sale of financial assets at amortized cost	3,095,330	1,563,480
Acquisition of property, plant and equipment	-	( 84 )
Proceeds from disposal of property, plant and equipment	665,608	213
Acquisition of intangible assets	( 591 )	-
Acquisition of subsidiary	( 276,022 )	-
Decrease in refundable deposits	221	-
Interest received	27,279	47,887
<b>Net cash generated from investing activities</b>	<b>416,495</b>	<b>91,446</b>
<b>Cash flows from financing activities</b>		
Increase in short-term borrowings	296,958	29,194
Repayments of short-term borrowings	-	( 402,415 )
Decrease in guarantee deposits received	( 849 )	( 696 )
Interest paid	-	( 12,659 )
<b>Net cash generated from (used in) financing activities</b>	<b>296,109</b>	<b>( 386,576 )</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>17,935</b>	<b>( 15,743 )</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>623,000</b>	<b>( 1,606,644 )</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>640,907</b>	<b>2,247,551</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,263,907</b>	<b>\$ 640,907</b>

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

## 【Attachment 4】

### Topbi International Holdings Limited Comparison Table for the Amendments to Articles of Association

No	Current Articles	Amended Articles	Explanations
	Adopted by Special Resolution passed on <del>{29} June 2022</del>	Adopted by Special Resolution passed on [26] June 2022	The amendment will be adjusted according to the date of adoption.
34	<p>Subject to the Act, in the event any of the resolutions with respect to the paragraph (a), (b), or (c) of Article 32 is passed at a general meeting, any Shareholder who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair value price within twenty (20) days after the date of the resolution. In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date of the resolution, the Shareholder may, within thirty (30) days after such sixty (60)-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.</p> <p>Subject to the Act, in the event any part of the Company's business is Spun Off or involved in any Merger, Acquisition or share swap with any other company, the Shareholder, <del>who has forfeited his</del></p>	<p>Subject to the Act, in the event any of the resolutions with respect to the paragraph (a), (b), or (c) of Article 32 is passed at a general meeting, any Shareholder who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair value price within twenty (20) days after the date of the resolution. In the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date of the resolution, the Shareholder may, within thirty (30) days after such sixty (60)-day period, file a petition to any competent court of Taiwan for a ruling on the appraisal price, and, to the extent that the ruling is capable of enforcement and recognition outside Taiwan, such ruling by such Taiwan court shall be binding and conclusive as between the Company and requested Shareholder solely with respect to the appraisal price.</p> <p>Subject to the Act, in the event any part of the Company's business is Spun Off or involved</p>	<p>1. Paragraph 3 of this Article is added, and the original Paragraphs 3 and 4 are moved to Paragraphs 4 and 5.</p> <p>2. In accordance with Article 12, Paragraph 1 of the Business Mergers and Acquisitions Act and the "Checklist of Shareholder Rights Protection by Foreign Issuers in Country (area) of Registration" as amended by Taiwan Stock Exchange Corporation's letter No. 1111704301 dated January 9, 2023, Paragraph 2 of this Article is amended to include shareholders who "vote against" the said matter therein.</p> <p>3. In accordance with Article 12, Paragraph 2 of the Business Mergers and</p>

<p><del>right to vote</del> on such matter and expressed his dissent therefor, in writing or verbally (with a written record) before or during the general meeting, may request the Company to purchase all of his Shares in writing at the then prevailing fair value price within twenty (20) days after the date of the resolution and specify the price of the Shares to be repurchased.</p> <p>For the purpose of this Article 34, if the Company and any Shareholder reach an agreement on the price of the Shares to be repurchased by the Company, the Company shall pay for such agreed purchase price of Shares to be repurchased within ninety (90) days from the date of passing of the resolution by general meeting. In case no agreement as to the purchase price is reached, the Company shall pay the fair price as determined by the Company to such Shareholder within ninety (90) days from the date on which the resolution was adopted. If the Company fails to pay the agreed purchase price, the Company shall be deemed to agree to the price as requested by the Shareholder.</p> <p>For the Shareholder who requests the Company to purchase all of his Shares in accordance with the second paragraph, in the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date on which the resolution was adopted, the Company shall apply to the court for a ruling on the fair price against all the dissenting shareholders as the opposing party within thirty (30) days after such sixty-day period, and Taiwan Taipei District Court has the jurisdiction.</p>	<p>in any Merger, Acquisition or share swap with any other company, the Shareholder, <u>who has voted against or abstained from voting</u> on such matter and expressed his dissent therefor, in writing or verbally (with a written record) before or during the general meeting, may request the Company to purchase all of his Shares in writing at the then prevailing fair value price within twenty (20) days after the date of the resolution and specify the price of the Shares to be repurchased.</p> <p><u>Shares for which voting right has been abstained in the preceding Paragraph shall not be counted in the number of votes of shareholders present at the meeting.</u></p> <p>For the purpose of this Article 34, if the Company and any Shareholder reach an agreement on the price of the Shares to be repurchased by the Company, the Company shall pay for such agreed purchase price of Shares to be repurchased within ninety (90) days from the date of passing of the resolution by general meeting. In case no agreement as to the purchase price is reached, the Company shall pay the fair price as determined by the Company to such Shareholder within ninety (90) days from the date on which the resolution was adopted. If the Company fails to pay the agreed purchase price, the Company shall be deemed to agree to the price as requested by the Shareholder.</p> <p>For the Shareholder who requests the Company to purchase all of his Shares in</p>	<p>Acquisitions Act and the "Checklist of Shareholder Rights Protection by Foreign Issuers in Country (area) of Registration" as amended by Taiwan Stock Exchange Corporation's letter No. 1111704301 dated January 9, 2023, Paragraph 3 of this Article has been added.</p>
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		<p>accordance with the second paragraph, in the event the Company fails to reach such agreement with the Shareholder within sixty (60) days after the date on which the resolution was adopted, the Company shall apply to the court for a ruling on the fair price against all the dissenting shareholders as the opposing party within thirty (30) days after such sixty-day period, and Taiwan Taipei District Court has the jurisdiction.</p>	
48	<p>At least thirty (30) days' notice in writing shall be given for an annual general meeting, and at least fifteen (15) days' notices in writing shall be given for an extraordinary general meetings. The period of notice shall be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held. The notice shall specify the place, the <u>day</u> and the <u>hour</u> of the meeting and <u>the general nature of the business</u>. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual <u>recipients</u>.</p>	<p><u>Subject to Article 48A, at least thirty (30) days' notice in writing shall be given to all the shareholders for an annual general meeting, and at least fifteen (15) days' notices in writing shall be given to all the shareholders for an extraordinary general meeting pursuant to Article 143, except in the case where the shareholder holds less than 1,000 shares, the Company need not send notice in writing, but may give notice of general meetings by public announcement in accordance with the laws of the Cayman Islands and Applicable Listing Rules.</u></p> <p>The period of notice shall be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held. The notice shall specify the place, the <u>date</u> and the <u>time</u> of the meeting and <u>the reason for the meeting</u>. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent by the individual <u>shareholder</u>.</p>	<p>1. The latter part of Paragraph 1 of this Article is added, and the original latter part of the Paragraph 1 is moved to Paragraph 2, and the wording is adjusted as appropriate. Also, some adjustments are made to maintain coherence among articles.</p> <p>2. In order to relieve the Company of the burden in sending notices of shareholders' meetings and to promote more efficient use of the Company's resources, the latter part of Paragraph 1 of this Article is added in accordance with Article 26-2 of the Securities and Exchange Act. Regarding this amendment, the Cayman legal counsel confirms that</p>

			there's no statutory law on this in Cayman and the Company may follow its tailor-made M&A so long as it's complied with listing rules.
107	<p>A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. -For the purposes of this Article, a general notice to the Board by a Director to the effect that:</p> <p>(a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or</p> <p>(b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;</p> <p>shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.</p>	<p>A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general notice to the Board by a Director to the effect that:</p> <p>(a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or</p> <p>(b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;</p> <p>shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought</p>	<p>1. The latter part of Paragraph 2 of this Article is moved to Paragraph 3 to comply with the Chinese version, with some terminological adjustments according to Cayman lawyer's advice.</p> <p>2. Pursuant to Article 5, Paragraph 4 of the Business Mergers and Acquisitions Act and the "Checklist of Shareholder Rights Protection by Foreign Issuers in Country (area) of Registration" as amended by Taiwan Stock Exchange Corporation's letter No. 1111704301 dated January 9, 2023, Paragraph 3 of this Article is amended.</p>

<p>To the extent required by Applicable Listing Rules, a Director shall not vote for himself or on behalf of other Director for whom he acts as an alternate in respect to any matter, including but not limited to any contract or proposed contract or arrangement or contemplated transaction of the Company, in which such Director has a personal interest (whether directly or indirectly) which may conflict with and impair the interest of the Company. Any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted, but such Director shall be counted in the quorum for purposes of convening the Board meeting; <del>before the Company adopts any resolution of Merger, Acquisition, Spin-off or share swap, a Director who has a personal interest in the transaction of Merger, Acquisition, Spin-off or share swap shall declare such interest to the Board at the Board meeting and to the shareholders at the general meeting the essential contents of such personal interest and the reasons that the relevant resolution shall be approved or dissented.</del></p> <p>Notwithstanding the first paragraph of this Article, if any Director has a personal interest (whether directly or indirectly) in any matter or business tabled or considered at the Board meeting, such Director shall disclose and explain his interest, the nature and extent thereof, all material information or contents on such personal interest at the same Board meeting.</p> <p>In the case that a Director's spouse, a blood relative within second degree of kinship or a company which has parent-subsidary</p>	<p>up and read at the next Board meeting after it is given.</p> <p>To the extent required by Applicable Listing Rules, a Director shall not vote for himself or on behalf of other Director for whom he acts as an alternate in respect to any matter, including but not limited to any contract or proposed contract or arrangement or contemplated transaction of the Company, in which such Director has a personal interest (whether directly or indirectly) which may conflict with and impair the interest of the Company. Any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted, but such Director shall be counted in the quorum for purposes of convening the Board meeting.</p> <p>Notwithstanding the first paragraph of this Article, if any Director has a personal interest (whether directly or indirectly) in any matter or business tabled or considered at the Board meeting, such Director shall disclose and explain his interest, the nature and extent thereof, all material information or contents on such personal interest at the same Board meeting. <u>Before the Company adopts any resolution of Merger, Acquisition, Spin-off or share swap, a Director who has a personal interest in the transaction of Merger, Acquisition, Spin-off or share swap shall declare such interest to the Board at the Board meeting and to the shareholders at the general meeting the essential contents of such personal interest and the reasons that such Director votes for or</u></p>	
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	<p>relationship with the Director has personal interest in a matter on agenda for the Board meeting, such Director shall be deemed to have personal interest in that matter.</p>	<p><u>against the relevant resolution, and the Company shall itemize the essential contents of such Director's personal interest and the reasons that such Director votes for or against the relevant resolution in the notice to convene a meeting of shareholders; such contents may be uploaded onto the website designated by the Taiwan competent authorities or by the Company, and the address of such website shall be indicated in the above notice.</u></p> <p>In the case that a Director's spouse, a blood relative within second degree of kinship or a company which has parent-subsidiary relationship with the Director has personal interest in a matter on agenda for the Board meeting, such Director shall be deemed to have personal interest in that matter.</p>	
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## 【Attachement 5】

### Topbi International Holdings Limited Comparison Table for the Amendments to Regulations Governing Procedure for Board of Directors Meetings

Amended Articles	Current Articles	Explanations
<p>Article 3 The Board of Directors shall meet at least once a quarter and shall be specified in the rules of procedure. The reason for the convening of the board of directors shall be stated and the directors shall be notified seven days in advance. But in case of emergency, they must be summoned at any time. The notice called in the preceding paragraph may be made electronically with the consent of the other party. No provisional motion may be proposed for any matter in Item 1 of Article 7 of these Measures.</p>	<p>Article 3 The Board of Directors shall meet at least once a quarter and shall be specified in the rules of procedure. The reason for the convening of the board of directors shall be stated and the directors <u>and supervisors</u> shall be notified seven days in advance. But in case of emergency, they must be summoned at any time. The notice called in the preceding paragraph may be made electronically with the consent of the other party. The matters mentioned in Item 1 of Article 7 of these Measures <u>shall be listed in the cause of convening</u>, and shall not be submitted for provisional motion, <u>except for emergencies or justifiable reasons</u>.</p>	<p>1. Items 1 through 3 are not amended. 2. Whereas the provisions of Article 7 (1) relate to matters important to the operation of the company, shall be stipulated in the Cause of the call so that the directors may have sufficient information and time to evaluate their proposals before making decisions</p> <p>Remove the fourth rule The matters mentioned in paragraph 1 of Article 7 shall be listed in the causes of convening and shall not be submitted for provisional motion. If the Company has an urgent matter to be referred to the Board of Directors for discussion, it may be called at any time in accordance with the provisions of Item 2 and shall not affect the normal operation of the business or operation of the Company. The emergency meeting of the Board of Directors shall be convened in</p>

		accordance with Article 4 at a place and time convenient for the directors to attend, and in accordance with Article 5, the contents of the Board of Directors' proceedings and meeting materials shall be sent to the members of the Board of Directors together with the notice of the meeting
<p>Article 7 The following matters shall be referred to the board of directors for discussion:</p> <ol style="list-style-type: none"> <li>1. Business plan of the Company.</li> <li>2. Annual financial report and semi-annual financial report. However, the semi-annual financial report does not need to be checked by accountants in accordance with the law.</li> <li>3. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14 (1) of the Securities Exchange Law of the place where the company is listed.</li> <li>4. In accordance with Article 36 (1) of the Securities Exchange Law of the place where the stock market is listed, the procedures for handling major financial business activities such as acquiring or distributing assets, trading derivatives, lending funds to others, endorsing others or providing guarantees shall be prescribed or amended.</li> <li>5. Offer, issue or private placement of securities having the nature of equity.</li> </ol>	<p>Article 7 The following matters shall be referred to the board of directors for discussion:</p> <ol style="list-style-type: none"> <li>1. Business plan of the Company.</li> <li>2. Annual financial report and semi-annual financial report. However, the semi-annual financial report does not need to be checked by accountants in accordance with the law.</li> <li>3. Establish or amend the internal control system and evaluate the effectiveness of the internal control system in accordance with Article 14 (1) of the Securities Exchange Law of the place where the company is listed.</li> <li>4. In accordance with Article 36 (1) of the Securities Exchange Law of the place where the stock market is listed, the procedures for handling major financial business activities such as acquiring or distributing assets, trading derivatives, lending funds to others, endorsing others or providing guarantees shall be prescribed or amended.</li> <li>5. Offer, issue or private placement of securities having the nature of equity.</li> </ol>	<p>1. According to the provisions of Article 208 (1) and (2) of the Company Law, the appointment of the Chairman of the Board of Directors is vested in the authority of the Board of Directors or the Executive Board of Directors, and the procedure for the appointment of the chairman of the Board of Directors is not expressly stated in the Company Law, but the method for the appointment of the chairman of the Board of Directors is not expressly stated in Letter No. 094021 05990 of the Ministry of Economic Affairs of August 2, 1994. Unless otherwise provided by the articles of association, it is more reasonable for the decision to be made by the board of Directors or the</p>

<p><u>6. If the Board of directors has no managing director, the election or removal of the chairman of the board.</u></p> <p>7. Appointment or removal of head of finance, accounting or internal audit.</p> <p>8. A donation to a related person or a major donation to a non-related person. However, the public interest donation for emergency relief due to major natural disasters shall be ratified by the next board of directors.</p> <p>9. In accordance with Article 14 (3) of the Securities Exchange Law of the place where the stock is listed, other matters subject to the resolution of the board of shareholders or the resolution of the board of directors or the major matters stipulated by the competent authority according to the laws or articles of association.</p> <p>The relevant party mentioned in <u>paragraph 8</u> of the preceding paragraph refers to the relevant party regulated by the financial reporting standards of the securities issuer in the place of listing. The "major donation to non-related persons" refers to a donation of more than NT \$100 million per donation or a cumulative donation of more than NT \$100 million to the same person in a year, or a donation of more than 1% of the net operating income or 5% of the paid-in capital of the most recent annual financial report approved by accountants.</p> <p>The one year mentioned in the preceding paragraph shall be based on the date of the meeting of the board of directors, and shall be calculated one year back. The part passed by the resolution of the</p>	<p>6. Appointment or removal of head of finance, accounting, or internal audit.</p> <p>7. A donation to a related person or a major donation to a non-related person. However, the public interest donation for emergency relief due to major natural disasters shall be ratified by the next board of directors.</p> <p>8. In accordance with Article 14 (3) of the Securities Exchange Law of the place where the stock is listed, other matters subject to the resolution of the board of shareholders or the resolution of the board of directors or the major matters stipulated by the competent authority according to the laws or articles of association.</p> <p>The relevant party mentioned in paragraph 7 of the preceding paragraph refers to the relevant party regulated by the financial reporting standards of the securities issuer in the place of listing. The "major donation to non-related persons" refers to a donation of more than NT \$100 million per donation or a cumulative donation of more than NT \$100 million to the same person in a year, or a donation of more than 1% of the net operating income or 5% of the paid-in capital of the most recent annual financial report approved by accountants.</p> <p>The one year mentioned in the preceding paragraph shall be based on the date of the meeting of the board of directors, and shall be calculated one year back. The part passed by the resolution of the board of directors shall not be counted.</p> <p>If the company has independent directors, at least one independent</p>	<p>standing Board of Directors.</p> <p>2. Based on the stipulations of the Company Law and the letter of interpretation from the Ministry of Economic Affairs, the dismissal and election of the chairman of the board are both important matters of the company. The new sixth paragraph specifies that if the board of directors has no managing director, the election or removal of the chairman shall be referred to the board of directors for discussion. The current sixth to eighth paragraphs shall be transferred to the seventh to the ninth paragraphs. In addition, in accordance with Article 208 (2) of the Company Law, the chairman elected by the Executive Board of Directors shall conform to the procedures and procedures stipulated by the Board of directors for the election and removal of the chairman, and shall conform to the provisions stipulated in Article 19.</p> <p>3. Subparagraph 2 is amended in accordance with subparagraph 1 and</p>
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<p>board of directors shall not be counted.</p> <p>If the company has independent directors, at least one independent director shall attend the board meeting in person; For the first matter subject to resolution of the Board of Directors, all the independent directors shall be present at the Board of Directors meeting. If the independent directors are unable to attend in person, they shall be represented by other independent directors. Any objections or reservations made by the independent directors shall be stated in the Board minutes; If an independent director is unable to attend the board meeting in person to express objections or reservations, he or she shall, unless justified, give a written opinion in advance and record it in the proceedings of the Board of Directors.</p>	<p>director shall attend the board meeting in person; For the first matter subject to resolution of the Board of Directors, all the independent directors shall be present at the Board of Directors meeting. If the independent directors are unable to attend in person, they shall be represented by other independent directors. Any objections or reservations made by the independent directors shall be stated in the Board minutes; If an independent director is unable to attend the board meeting in person to express objections or reservations, he or she shall, unless justified, give a written opinion in advance and record it in the proceedings of the Board of Directors.</p>	<p>subparagraphs 3 to 5 are not amended.</p>
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