Proya Cosmetics Co., Ltd.

Tax Policy

1. Introduction

Proya Cosmetics Co., Ltd. ("Proya Cosmetics" or the "Company") continuously promotes responsible tax management to ensure that its tax management is aligned with the Company's stage of development, business scale, business model, and external environment, and coordinated with the Company's development strategy.

2. Scope of Application

This Policy applies to the Company and its subsidiaries and branches within the scope of its consolidated financial statements.

3. Responsibilities

Board of Directors: It is responsible for formulating tax policies and strategies, reviewing objectives and plans related to the Company's tax management, and providing guidance and supervision for tax management work.

Strategy and Sustainable Development Committee of the Board of Directors: It is responsible for promoting the effective implementation of the Tax Policy, coordinating all departments in implementing tax management requirements, and facilitating the continuous improvement of the Company's tax management system.

4. Commitments

The Company has established and continues to improve its tax management system to ensure that its tax management is aligned with the Company's stage of development, business scale, business model, and external environment, and coordinated with the Company's development strategy.

The Company strictly complies with all applicable tax laws, regulations, and regulatory requirements in the countries and regions where it operates, including but not limited to the tax laws and regulations of the Chinese mainland, Hong Kong, China, and other jurisdictions involved in its overseas operations. The Company's tax filings, fulfillment of tax obligations, and tax information disclosures are all based on complete and accurate financial records, and it is committed to ensuring the timely and full payment of taxes.

The Company strictly complies with the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* and other relevant requirements, and adopts the arm's length principle in transfer pricing.

The Company adopts tax structures with economic and commercial substance. Based on the substance of its business, the Company properly utilizes tax policies and obtains reasonable tax reductions, exemptions, and incentives within the scope permitted by law. However, it will not engage in any tax arrangements that lack commercial substance and are solely intended to obtain tax benefits, including but not limited to using tax havens for tax evasion or artificially shifting value created to low-tax jurisdictions.

The Company discloses key tax information, including its tax management system, tax categories and tax rates, and tax incentives obtained, in public documents such as annual reports and sustainability reports, in response to investors' and stakeholders' reasonable concerns regarding tax transparency.

5. Others

This Policy is formulated by the Strategy and Sustainable Development Committee of the Company's Board of Directors, which shall be responsible for its interpretation.

Matters not covered by this Policy shall be handled in accordance with relevant laws, regulations, rules, and normative documents.

This Policy shall take effect on the date it is reviewed and approved by the Company's Board of Directors. The applicability of this Policy shall be assessed every three years or when major changes occur.

Proya Cosmetics Co., Ltd.

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