



Yuen Foong Yu Consumer Products Co., Ltd.

2023 Annual General Meeting of Shareholders

Meeting Handbook

Date: June 28, 2023

Note: This is a translation of the meeting handbook of 2023 Annual General Meeting of Shareholders. The translation is intended for reference only and nothing else, the Company here by disclaims any and all liabilities whatsoever for the translation. The Chinese text of the handbook shall govern any and matters related to the interpretation of the subject matter stated herein.

Table of Contents

Meeting Agenda	3
I. Report Items	4
II. Proposed Resolutions	7
III. Elections.....	9
IV. Other Proposed Resolutions	11
V. Extraordinary motions.....	12
Appendixes	
I. 2022 Business Report	13
II. 2022 Consolidated Financial Statements	15
III. 2022 Parent company only Financial Statements.....	21
IV. 2022 Earning Distribution Table	27
V. Certified Public Accountants' Audit Report	28
VI. Audit Committee's Review Report.....	36
VII. Comparison Table "Board Meeting Procedures" Before and After Revision.....	37
VIII. Candidates of 7 Directors.....	49
IX. Procedures for election of directors and supervisors	52
X. Contents of prohibition of business strife to be lifted out of the directors.....	56
XI. Rules of Procedures of Shareholders' Meetings.....	61
XII. Articles of Incorporation.....	73
XIII. Shareholding of all Directors	81

(Please refer to the website below for entire details of the Financial Statements:

<http://mops.twse.com.tw>)

Yuen Foong Yu Consumer Products Co., Ltd.
2023 Annual General Meeting of Shareholders Meeting Agenda

Time: June 28, 2023 (Wednesday) 9:00 a.m.

Location: No. 24, Sec. 1, Hangzhou S. Rd., Zhongzheng Dist., Taipei City
5F, GIS MOTC Convention Center

Type of Meeting: Physical Meeting

Chairman: Felix Ho, chairman of the Board of Directors

Agenda:

I. Call Meeting to Order

II. Chairman Address

III. Report Items

(I) To report the business of 2022.

(II) Audit Committee's review report.

(III) To report 2022 employees' profit sharing and directors' compensation.

(IV) To report the amendment of Board Meeting Procedures.

IV. Proposed Resolutions

(I) To accept 2022 Business Report and Financial Statements.

(II) To approve 2022 earnings distribution.

V. Elections

(I) Elect 4 directors and 3 independent directors.

VI. Other Proposed Resolutions

(I) To remove the non-competition restriction for new directors and the institutional entities they represent.

VII. Extraordinary motions

VIII. Meeting Adjourned

Report Items

I. To report the business of 2022.

(Proposed by the Board of Directors)

Descriptions:

- (I) The Company's consolidated operating revenue reached NT\$10.12 billion in 2022. The operating profit was NT\$0.90 billion, net income was NT\$0.68 billion and diluted earnings per share were NT\$2.55.
- (II) Please refer to Appendix 1 (See page 13 to 14).
- (III) Please review.

II. Audit Committee's review report.

(Proposed by the Audit Committee)

Descriptions:

- (I) The Company's 2022 consolidated and individual financial statements have been audited and certified by CPAs, and have been reviewed and examined by the Audit Committee along with the Business Report and Proposal for Earnings Distribution. Audit and review reports have been submitted and are attached as Appendixes 5 and 6 (See page 28 to 36).
- (II) The Audit Committee's convener is requested to read out the review reports.
- (III) Please review.

III. To report 2022 employees' profit sharing and directors' compensation.

(Proposed by the Board of Directors)

Descriptions:

- (I) Pursuant to Article 26 of the Company's Articles of Incorporation, with the profit earned by the Company in a year, a sum of 1% minimum shall be distributed as profit sharing to employees and a sum of 2% maximum shall be distributed as the compensation to directors and supervisors. The Company duly distribute NT\$8,804,502 for profit sharing to employees and NT\$8,627,356 for Compensation to directors.
- (II) The present motion was reviewed and passed by the Remuneration Committee through its 8th meeting of 2th convened on March 14, 2023 and was resolved by the Board of Directors through its 15th meeting of 15th convened on March 14, 2023.
- (III) Please review.

IV. To report the amendment of Board Meeting Procedures.

(Proposed by the Board of Directors)

Descriptions:

- (I) In coordination with the amendment by the Financial Supervisory Commission of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" on August 5, 2022, it is proposed that the Company's "Board Meeting Procedures" be partially amended.
- (II) The present motion was already duly reviewed and passed by the Audit Committee through its 13th meeting of 1th convened on November 10, 2022 and was further duly resolved by the Board of Directors through its 14th meeting of 15th convened on November 10, 2022.
- (III) Please refer to Appendix 7 for Comparison Table of Board Meeting Procedures Before and After Revision (See page 37 to 48).

(IV) Please review.

Proposed Resolutions

I. To accept 2022 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Descriptions:

(I) The Company's 2022 consolidated and individual financial statements (including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, have been audited by CPAs, and, along with the Business Report, have been reviewed and approved by the Audit Committee with no discrepancies found. Please refer to Appendixes 1-3 (See page 13 to 26).

(II) Please accept.

Resolution:

II. To approve 2022 earnings distribution.

(Proposed by the Board of Directors)

Descriptions:

(I) The net profit after tax was NT\$681,919,660 in 2022; added with the accumulated undistributed earnings of the preceding year NT\$275,675,619, confirmed welfare plan re-measurement NT\$6,333,600 and special reserve reversal NT\$139,073,211, the total distributable amount was NT\$1,103,002,090. Excluding a statutory legal reserve of NT\$68,825,326, the distribution of cash dividends were NT\$2.3 per share, amounting to NT\$614,396,748 in total. The remaining balance of NT\$419,780,016 is reserved to be consolidated and distributed in the coming year.

(II) Following the passing resolution of common stock cash dividends, the Company proposed ex-dividend date to be set on July 23, 2023.

(III) In order to coordinate with computer checks and difficulties in

currency exchange, the disbursement of cash dividends will be rounded to the nearest dollar. If the total amount of allocated cash dividends is less than NT\$1, the amount will be transferred to the Company's Staff Welfare Committee.

(IV) The present motion was resolved in the 15th Board of Directors meeting of 15th. The Earning Distribution Table are attached as hereto as Appendix 4 (See page 27).

(V) Please approve.

Resolution:

Elections

- I. Elect 4 directors and 3 independent directors.

(Proposed by the Board of Directors)

Descriptions:

- (I) Pursuant to Article 17 of the Company's Articles of Incorporation, The Company shall have five to seven directors and two supervisors elected based on capacity during the shareholders' meeting. The term of office for directors and supervisors of the company shall be three years with eligibility for subsequent re-election. After the public offering of the company's shares, the number of independent directors among the directors specified in the preceding paragraph shall be based on the regulations in the Securities and Exchange Act and shall be not less than two in number and not less than one-fifth of the total number of directors. The Company shall adopt a candidate nomination system for elections. Independent directors shall be elected from among the nominees in the shareholders' meeting. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority. After the public offering of the company's shares, the candidates' nomination system is adopted for election of the directors of the company, and the shareholders' meeting shall elect the directors from among the nominees listed in the roster of director candidates.
- (II) The Company's Board of Directors of 15th has seven directors including four directors and three independent directors, and they are coming to the end of their 3-year terms on September 23, 2023. 7 directors' seats will be elected for board of directors of 16th (including 4 director seats and 3 independent director seats) by the election of 2023 shareholders' meeting pursuant to the company law and the Company's Articles of Incorporation.

- (III) The term of office of the newly elected directors of 16th is three years, from June 28, 2023 to June 27, 2026.
- (IV) The Company's directors shall be elected under the candidate nomination system. For the present election, the candidates shall be nominated by the Company's Board of Directors. The List of Candidates for Directors and their academic credentials and hands-on career experience data are attached as Appendix 8 (See page 49 to 51).
- (V) Please proceed to elect nominated directors in accordance with the Company's procedures for director and supervisor election. Please refer to Appendix 9. (See page 52 to 55).

The chairman announces the commencement of the elections.

The chairman announces the results of the elections.

Other Proposed Resolutions

- I. To remove the non-competition restriction for new directors and the institutional entities they represent.

(Proposed by the Board of Directors)

Descriptions:

- (I) Pursuant to Paragraph 1 of Article 209 of Company Law: “A director who does anything for either himself or herself or on behalf of another person that falls within the scope of the Company’s business shall explain to the meeting of shareholders the essential contents of such an act and secure approval therefrom”.
- (II) In order to get help from the expertise and relevant experience of the newly appointed directors, the newly elected director of the Company and a corporate person he or she represents or invests in a company or engages in business linked with or similar to the scope of the Company’s business where such act is not against the duties he or she is in charge of, it is advisable to propose to the shareholders’ meeting to lift him or her or the corporate person he or she represents from prohibition of business strife.
- (III) The contents of the acts in prohibition of business strife to be lifted from a director are attached as Appendix 10 (See page 56 to 60).

Resolution:

Extraordinary motions

In 2022, the Russia-Ukraine War gave rise to the global energy crisis and inflation, and the intense status of supply chains was not relieved. The U.S., Europe, and the majority of the world's main economies adopted tight monetary policies with rapid increases in interest rates in response, resulting in the significant depreciation of non-USD currencies, the effects on end demand due to the material impacts on exports and investments in Taiwan; the growth in exports in Taiwan slowed down, and the rising prices affected consumer spending power and facilitated optional conservative consumption. On the other hand, the new norm of the pandemic and global climate change resulted in frequent fires and floods, allowing consumers to look beyond only protecting their own health and safety to understanding the importance of protecting all of the Earth's environments.

The household paper product market in Taiwan recorded over NT\$1 billion in annual sales, and facial tissue and kitchen towel accounted for over 80%. In 2022, the sales of facial tissues recorded a growth of 10%, and the proportion of high-quality products also continued to grow, accounting for over 50%; high-end consumption dynamics continue to push facial tissues toward practical and delicate development. The outbreak of COVID-19 has been affecting people's lifestyles; consumers have become more aware of health and hygiene, and the home-cooking scenarios have increased. Yuen Foong Yu Consumer Products Co., Ltd. has been continuing to promote innovation; different from the concept of prior kitchen towels in rolls, the Interfold design allows consumers to easily pull out the towel for use with a single hand, improving the popularization of our kitchen towels. The ratio of high-quality kitchen towels has exceeded 60%, representing an increase in consumers seeking quality. Meanwhile, we launched the "Mayflower Ultimate Interfold Tissue" to break through the limit of strength and aesthetics; the fluffiness, softness, with "European grid embossing," and the ability to withstand wet wiping without breaking created premium consumer experiences for the consumers of our double-layer facial tissues. The cleaning product market also grew due to the increase in demand for protecting family members' health. Orange House launched liquid products with upgraded dust mite-proof and anti-bacterial functions that concurrently satisfy consumers' demands for allergy-proof. In 2022, our consolidated operating income was NT\$10.12 billion, the operating gain was NT\$900 million, the net profit attributable to the owners was NT\$680 million, and earnings per share were NT\$2.55.

In 2022, under the effects of rising raw material prices and a series of extreme lockdown policies triggered by the pandemic, the overall economic status in the Mainland China market recorded a downward trend, and thus, resulted in a sluggish market, conservative consumption, and demand reduction, which significantly affected the normal sales promotion of businesses. The management team has been actively exploring raw material suppliers to reduce the unfavorable factors of costs through professional procurement capacity. Meanwhile, the Company continued to reinforce and solidify the cooperating business model, develop new products and new channels, and make attempts for different feasible solutions for new

breakthroughs in the hope of conquering the price war in the current market due to excessive production capacity and launch innovations for our products that segregate markets and create new requirements of customers.

Yuen Foong Yu Consumer Products Co., Ltd. has been committed to sustainable development and implementing environmental, social and corporate governance (ESG); positive brand images and corporate prospects are beneficial for talent cultivation to nurture diversified innovation momentum so as to continue to provide safe, healthy, and merry living experiences for consumers. The team continues to make innovations and product upgrades to organize successful channel operations and achieve multiple breakthroughs within the industry so as to optimize our production and sales structure, improve investment benefits, and continue to advance and optimize costs for our supply chains. At the same time, we observe consumers' demands and future market trends and continue to develop innovative products. To launch premium products, we will invest NT\$1.01 billion in building paper machines and processing equipment to satisfy the requirements of the consumers' market and continue to provide drivers for future growth. Looking into 2023, due to the ongoing global inflation, intense geopolitical conflicts, continual energy crisis in Europe, and the subsequent development of extreme changes in the pandemic control policies in Mainland China, the global economic prospect is facing downward risks and uncertainties. The local outbreak in Taiwan has been fading; however, the price increase recently is significant, together with the geopolitical risks in East Asia, citizens' consumption behaviors have become cautious, which may inhibit the growth in consumption. Under the backdrop of uneven economic recovery worldwide and facing the unstable supply of raw materials and energy, ups and downs of pulp prices, and many other development variables, the management team will prudently and flexibly adopt countermeasures to seek further breakthroughs and continue to create reasonable investment value for shareholders.

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,932,163	23	\$ 1,645,437	21
Financial assets at amortized cost - current (Notes 4 and 7)	4,771	-	103,499	1
Notes and accounts receivable (Notes 4, 5, 8 and 16)	1,301,510	16	1,269,329	16
Accounts receivable from related parties (Notes 4, 16 and 24)	6,103	-	3,332	-
Other receivables from related parties (Note 24)	-	-	2,223	-
Inventories (Notes 4 and 9)	1,313,054	16	1,099,668	14
Other current assets (Note 24)	<u>275,798</u>	<u>3</u>	<u>223,512</u>	<u>3</u>
Total current assets	<u>4,833,399</u>	<u>58</u>	<u>4,347,000</u>	<u>55</u>
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4, 11, 17 and 24)	3,040,224	37	3,114,280	39
Right-of-use assets (Notes 4, 12 and 17)	326,666	4	318,635	4
Deferred tax assets (Notes 4 and 18)	17,293	-	23,013	-
Other non-current assets	<u>55,490</u>	<u>1</u>	<u>140,739</u>	<u>2</u>
Total non-current assets	<u>3,439,673</u>	<u>42</u>	<u>3,596,667</u>	<u>45</u>
TOTAL ASSETS	<u>\$ 8,273,072</u>	<u>100</u>	<u>\$ 7,943,667</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	\$ 268,000	3	\$ 37,000	-
Short-term bills payable (Note 13)	-	-	149,990	2
Notes and accounts payable	659,405	8	492,114	6
Accounts payable to related parties (Note 24)	267,732	3	236,683	3
Other payables	898,974	11	982,708	12
Other payables to related parties (Note 24)	44,379	-	47,114	1
Current tax liabilities (Notes 4 and 18)	150,355	2	148,399	2
Lease liabilities - current (Notes 4, 12 and 24)	58,672	1	51,296	1
Other current liabilities (Note 16)	<u>84,523</u>	<u>1</u>	<u>98,526</u>	<u>1</u>
Total current liabilities	<u>2,432,040</u>	<u>29</u>	<u>2,243,830</u>	<u>28</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 13)	198,620	3	57,900	1
Deferred tax liabilities (Notes 4 and 18)	57,133	1	57,146	1
Lease liabilities - non-current (Notes 4, 12 and 24)	190,176	2	187,322	2
Net defined benefit liabilities (Notes 4 and 14)	940	-	16,679	-
Other non-current liabilities	<u>25,732</u>	<u>-</u>	<u>38,203</u>	<u>1</u>
Total non-current liabilities	<u>472,601</u>	<u>6</u>	<u>357,250</u>	<u>5</u>
Total liabilities	<u>2,904,641</u>	<u>35</u>	<u>2,601,080</u>	<u>33</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 15)				
Share capital				
Ordinary shares	<u>2,671,290</u>	<u>32</u>	<u>2,671,290</u>	<u>34</u>
Capital surplus	<u>1,214,116</u>	<u>15</u>	<u>1,214,116</u>	<u>15</u>
Retained earnings				
Legal reserve	331,631	4	225,589	3
Special reserve	241,756	3	203,863	3
Unappropriated earnings	<u>963,930</u>	<u>11</u>	<u>1,220,998</u>	<u>15</u>
Total retained earnings	<u>1,537,317</u>	<u>18</u>	<u>1,650,450</u>	<u>21</u>
Other equity	<u>(102,683)</u>	<u>(1)</u>	<u>(241,756)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	<u>5,320,040</u>	<u>64</u>	<u>5,294,100</u>	<u>67</u>
NON-CONTROLLING INTERESTS	<u>48,391</u>	<u>1</u>	<u>48,487</u>	<u>-</u>
Total equity	<u>5,368,431</u>	<u>65</u>	<u>5,342,587</u>	<u>67</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 8,273,072</u>	<u>100</u>	<u>\$ 7,943,667</u>	<u>100</u>

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

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET SALES (Notes 4, 16 and 24)	\$ 10,124,589	100	\$ 9,890,353	100
COST OF GOODS SOLD (Notes 4, 9, 14, 17 and 24)	<u>(7,913,263)</u>	<u>(78)</u>	<u>(7,209,860)</u>	<u>(73)</u>
GROSS PROFIT	<u>2,211,326</u>	<u>22</u>	<u>2,680,493</u>	<u>27</u>
OPERATING EXPENSES (Notes 4, 14, 17 and 24)				
Selling and marketing	(935,336)	(9)	(1,007,676)	(10)
General and administrative	(336,816)	(3)	(388,004)	(4)
Research and development	<u>(42,982)</u>	<u>(1)</u>	<u>(47,548)</u>	<u>-</u>
Total operating expenses	<u>(1,315,134)</u>	<u>(13)</u>	<u>(1,443,228)</u>	<u>(14)</u>
PROFIT FROM OPERATIONS	<u>896,192</u>	<u>9</u>	<u>1,237,265</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 4, 17 and 24)	(8,679)	-	(14,632)	-
Interest income (Note 4)	33,729	-	24,664	-
Other income (Note 24)	36,118	-	20,672	-
Gain on disposal of property, plant and equipment (Note 4)	729	-	2,294	-
Gain on disposal of investments (Note 21)	-	-	1,763	-
Other expenses (Note 11)	(1,028)	-	(3,605)	-
Foreign exchange (loss) gain (Notes 4 and 26)	<u>(44,651)</u>	<u>-</u>	<u>18,851</u>	<u>-</u>
Total non-operating income and expenses	<u>16,218</u>	<u>-</u>	<u>50,007</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	912,410	9	1,287,272	13
INCOME TAX EXPENSE (Notes 4 and 18)	<u>(222,903)</u>	<u>(2)</u>	<u>(216,575)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>689,507</u>	<u>7</u>	<u>1,070,697</u>	<u>11</u>

(Continued)

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 14)	\$ 7,917	-	\$ (2,310)	-
Tax effect of items that will not be reclassified (Notes 4 and 18)	<u>(1,583)</u>	<u>-</u>	<u>462</u>	<u>-</u>
	<u>6,334</u>	<u>-</u>	<u>(1,848)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	<u>139,073</u>	<u>1</u>	<u>(37,893)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>145,407</u>	<u>1</u>	<u>(39,741)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 834,914</u>	<u>8</u>	<u>\$ 1,030,956</u>	<u>10</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 681,920	7	\$ 1,062,266	11
Non-controlling interests	<u>7,587</u>	<u>-</u>	<u>8,431</u>	<u>-</u>
	<u>\$ 689,507</u>	<u>7</u>	<u>\$ 1,070,697</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 827,327	8	\$ 1,022,525	10
Non-controlling interests	<u>7,587</u>	<u>-</u>	<u>8,431</u>	<u>-</u>
	<u>\$ 834,914</u>	<u>8</u>	<u>\$ 1,030,956</u>	<u>10</u>
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$ 2.55</u>		<u>\$ 4.24</u>	
Diluted	<u>\$ 2.55</u>		<u>\$ 4.23</u>	

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

(Concluded)

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company (Notes 4 and 15)							Other Equity	Non-controlling Interests (Notes 15)	Total Equity	
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Total			
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total				
BALANCE AT JANUARY 1, 2021	244,906	\$ 2,449,060	\$ 219,055	\$ 76,248	\$ -	\$ 1,493,408	\$ 1,569,656	\$ (203,863)	\$ 4,033,908	\$ 47,712	\$ 4,081,620
Appropriation of 2020 earnings											
Legal reserve	-	-	-	149,341	-	(149,341)	-	-	-	-	-
Special reserve	-	-	-	-	203,863	(203,863)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(979,624)	(979,624)	-	(979,624)	-	(979,624)
Net income for the year ended December 31, 2021	-	-	-	-	-	1,062,266	1,062,266	-	1,062,266	8,431	1,070,697
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	-	(1,848)	(1,848)	(37,893)	(39,741)	-	(39,741)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,060,418	1,060,418	(37,893)	1,022,525	8,431	1,030,956
Issuance of ordinary shares for cash	20,717	207,170	924,154	-	-	-	-	-	1,131,324	-	1,131,324
Share-based payment transactions	1,506	15,060	70,907	-	-	-	-	-	85,967	37	86,004
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(7,693)	(7,693)
BALANCE AT DECEMBER 31, 2021	267,129	2,671,290	1,214,116	225,589	203,863	1,220,998	1,650,450	(241,756)	5,294,100	48,487	5,342,587
Appropriation of 2021 earnings											
Legal reserve	-	-	-	106,042	-	(106,042)	-	-	-	-	-
Special reserve	-	-	-	-	37,893	(37,893)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(801,387)	(801,387)	-	(801,387)	-	(801,387)
Net income for the year ended December 31, 2022	-	-	-	-	-	681,920	681,920	-	681,920	7,587	689,507
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	6,334	6,334	139,073	145,407	-	145,407
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	688,254	688,254	139,073	827,327	7,587	834,914
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(7,683)	(7,683)
BALANCE AT DECEMBER 31, 2022	267,129	\$ 2,671,290	\$ 1,214,116	\$ 331,631	\$ 241,756	\$ 963,930	\$ 1,537,317	\$ (102,683)	\$ 5,320,040	\$ 48,391	\$ 5,368,431

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

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 912,410	\$ 1,287,272
Adjustments for:		
Depreciation expense	432,672	416,934
Amortization expense	458	2,433
Expected credit loss recognized (reversed)	2,185	(784)
Finance costs	8,679	14,632
Interest income	(33,729)	(24,664)
Share-based compensation expenses	-	7,692
Gain on disposal of property, plant and equipment	(729)	(2,294)
Gain on disposal of investments	-	(1,763)
Impairment loss on non-financial assets	-	1,042
(Reversal of write-downs) write-downs of inventories	(8,858)	4,008
Unrealized loss on foreign currency exchange	31	143
Gain from lease modification	-	(30)
Changes in operating assets and liabilities		
Notes and accounts receivable	(27,767)	(84,185)
Accounts receivable from related parties	(2,717)	16,333
Other receivables from related parties	2,271	(1,888)
Inventories	(195,468)	(220,006)
Other current assets	(48,503)	143,498
Notes and accounts payable	166,209	61,690
Accounts payable to related parties	29,688	(68,711)
Other payables	(77,012)	(54,260)
Other payables to related parties	(4,462)	19,760
Other current liabilities	(15,402)	34,027
Net defined benefit liabilities	(7,822)	(7,678)
Cash generated from operations	1,132,134	1,543,201
Interest received	31,753	24,676
Interest paid	(8,461)	(14,704)
Income tax paid	(216,737)	(325,211)
Net cash generated from operating activities	<u>938,689</u>	<u>1,227,962</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal (acquisition) of financial assets at amortized cost	106,376	(19,741)
Net cash outflow from disposal of subsidiary (Note 21)	-	(133)
Payments for property, plant and equipment	(292,394)	(189,444)
Proceeds from disposal of property, plant and equipment	3,158	6,018
(Increase) decrease in other non-current assets	85,338	(3,333)
Net cash used in investing activities	<u>(97,522)</u>	<u>(206,633)</u>

(Continued)

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	\$ 231,000	\$ (40,000)
Increase (decrease) in short-term bills payable	(150,000)	150,000
Proceeds from (repayments of) long-term borrowings	140,720	(864,280)
Decrease in other payables to related parties	-	(2,330)
Repayment of the principal portion of lease liabilities	(55,796)	(49,289)
Increase (decrease) in other non-current liabilities	(12,504)	1,595
Distribution of cash dividends	(801,387)	(979,624)
Issuance of ordinary shares for cash	-	1,131,324
Employee stock options	-	78,312
Changes in non-controlling interests	<u>(7,683)</u>	<u>(7,693)</u>
Net cash used in financing activities	<u>(655,650)</u>	<u>(581,985)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>101,209</u>	<u>(25,173)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	286,726	414,171
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,645,437</u>	<u>1,231,266</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,932,163</u>	<u>\$ 1,645,437</u>

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

(Concluded)

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 235,375	3	\$ 292,806	4
Notes and accounts receivable (Notes 4, 7 and 15)	874,197	12	780,267	11
Accounts receivable from related parties (Notes 4, 15 and 22)	154,703	2	191,213	3
Other receivables from related parties (Note 22)	27,477	-	8,551	-
Inventories (Notes 4 and 8)	489,427	6	383,331	5
Other current assets	<u>113,506</u>	<u>2</u>	<u>67,608</u>	<u>1</u>
Total current assets	<u>1,894,685</u>	<u>25</u>	<u>1,723,776</u>	<u>24</u>
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 4 and 9)	3,568,968	47	3,536,730	49
Property, plant and equipment (Notes 4, 10 and 22)	1,862,522	25	1,774,196	24
Right-of-use assets (Notes 4 and 11)	198,507	3	177,418	2
Deferred tax assets (Notes 4 and 17)	9,964	-	13,717	-
Other non-current assets	<u>42,529</u>	<u>-</u>	<u>48,239</u>	<u>1</u>
Total non-current assets	<u>5,682,490</u>	<u>75</u>	<u>5,550,300</u>	<u>76</u>
TOTAL ASSETS	<u>\$ 7,577,175</u>	<u>100</u>	<u>\$ 7,274,076</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 12)	\$ 248,000	3	\$ -	-
Short-term bills payable (Note 12)	-	-	149,990	2
Notes and accounts payable	314,952	4	287,044	4
Accounts payable to related parties (Note 22)	368,542	5	308,382	4
Other payables	672,321	9	714,737	10
Other payables to related parties (Note 22)	4,745	-	3,233	-
Current tax liabilities (Notes 4 and 17)	130,015	2	128,470	2
Lease liabilities - current (Notes 4 and 11)	46,837	1	41,384	1
Other current liabilities (Note 15)	<u>36,656</u>	<u>-</u>	<u>40,437</u>	<u>-</u>
Total current liabilities	<u>1,822,068</u>	<u>24</u>	<u>1,673,677</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 12)	198,620	3	57,900	1
Deferred tax liabilities (Notes 4 and 17)	57,133	1	57,146	1
Lease liabilities - non-current (Notes 4 and 11)	154,197	2	138,412	2
Net defined benefit liabilities (Notes 4 and 13)	940	-	16,679	-
Other non-current liabilities	<u>24,177</u>	<u>-</u>	<u>36,162</u>	<u>-</u>
Total non-current liabilities	<u>435,067</u>	<u>6</u>	<u>306,299</u>	<u>4</u>
Total liabilities	<u>2,257,135</u>	<u>30</u>	<u>1,979,976</u>	<u>27</u>
EQUITY (Notes 4 and 14)				
Share capital				
Ordinary shares	<u>2,671,290</u>	<u>35</u>	<u>2,671,290</u>	<u>37</u>
Capital surplus	<u>1,214,116</u>	<u>16</u>	<u>1,214,116</u>	<u>17</u>
Retained earnings				
Legal reserve	331,631	4	225,589	3
Special reserve	241,756	3	203,863	3
Unappropriated earnings	<u>963,930</u>	<u>13</u>	<u>1,220,998</u>	<u>17</u>
Total retained earnings	<u>1,537,317</u>	<u>20</u>	<u>1,650,450</u>	<u>23</u>
Other equity	<u>(102,683)</u>	<u>(1)</u>	<u>(241,756)</u>	<u>(4)</u>
Total equity	<u>5,320,040</u>	<u>70</u>	<u>5,294,100</u>	<u>73</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 7,577,175</u>	<u>100</u>	<u>\$ 7,274,076</u>	<u>100</u>

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

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET SALES (Notes 4, 15 and 22)	\$ 6,513,546	100	\$ 6,155,049	100
COST OF GOODS SOLD (Notes 4, 8, 13, 16 and 22)	<u>(4,728,392)</u>	<u>(73)</u>	<u>(4,273,625)</u>	<u>(69)</u>
GROSS PROFIT	<u>1,785,154</u>	<u>27</u>	<u>1,881,424</u>	<u>31</u>
OPERATING EXPENSES (Notes 4, 13, 16 and 22)				
Selling and marketing	(670,280)	(10)	(670,615)	(11)
General and administrative	(221,687)	(3)	(253,308)	(4)
Research and development	<u>(29,793)</u>	<u>(1)</u>	<u>(32,270)</u>	<u>(1)</u>
Total operating expenses	<u>(921,760)</u>	<u>(14)</u>	<u>(956,193)</u>	<u>(16)</u>
PROFIT FROM OPERATIONS	<u>863,394</u>	<u>13</u>	<u>925,231</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 4 and 16)	(5,821)	-	(10,658)	-
Share of profit (loss) of subsidiaries (Notes 4 and 9)	(23,028)	-	327,953	5
Interest income (Note 4)	1,376	-	111	-
Other income (Note 22)	20,889	-	9,251	-
Gain on disposal of property, plant and equipment (Note 4)	1,087	-	281	-
Foreign exchange gain (loss) (Note 4)	249	-	(41)	-
Other expenses (Note 10)	<u>-</u>	<u>-</u>	<u>(1,346)</u>	<u>-</u>
Total non-operating income and expenses	<u>(5,248)</u>	<u>-</u>	<u>325,551</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	858,146	13	1,250,782	20
INCOME TAX EXPENSE (Notes 4 and 17)	<u>(176,226)</u>	<u>(2)</u>	<u>(188,516)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>681,920</u>	<u>11</u>	<u>1,062,266</u>	<u>17</u>

(Continued)

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 13)	\$ 7,917	-	\$ (2,310)	-
Tax effect of items that will not be reclassified (Notes 4 and 17)	(1,583)	-	462	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries	<u>139,073</u>	<u>2</u>	<u>(37,893)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>145,407</u>	<u>2</u>	<u>(39,741)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 827,327</u>	<u>13</u>	<u>\$ 1,022,525</u>	<u>17</u>
EARNINGS PER SHARE (Note 18)				
Basic	<u>\$ 2.55</u>		<u>\$ 4.24</u>	
Diluted	<u>\$ 2.55</u>		<u>\$ 4.23</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Share Capital (Notes 14 and 19)		Capital Surplus (Notes 4 and 14)	Retained Earnings (Note 14)			Total	Other Equity Exchange Differences on Translation of Foreign Financial Statements (Note 4)	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2021	244,906	\$ 2,449,060	\$ 219,055	\$ 76,248	\$ -	\$ 1,493,408	\$ 1,569,656	\$ (203,863)	\$ 4,033,908
Appropriation of 2020 earnings									
Legal reserve	-	-	-	149,341	-	(149,341)	-	-	-
Special reserve	-	-	-	-	203,863	(203,863)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(979,624)	(979,624)	-	(979,624)
Net income for the year ended December 31, 2021	-	-	-	-	-	1,062,266	1,062,266	-	1,062,266
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	-	(1,848)	(1,848)	(37,893)	(39,741)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,060,418	1,060,418	(37,893)	1,022,525
Issuance of ordinary shares for cash	20,717	207,170	924,154	-	-	-	-	-	1,131,324
Share-based payment transactions	1,506	15,060	70,907	-	-	-	-	-	85,967
BALANCE AT DECEMBER 31, 2021	267,129	2,671,290	1,214,116	225,589	203,863	1,220,998	1,650,450	(241,756)	5,294,100
Appropriation of 2021 earnings									
Legal reserve	-	-	-	106,042	-	(106,042)	-	-	-
Special reserve	-	-	-	-	37,893	(37,893)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(801,387)	(801,387)	-	(801,387)
Net income for the year ended December 31, 2022	-	-	-	-	-	681,920	681,920	-	681,920
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	6,334	6,334	139,073	145,407
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	688,254	688,254	139,073	827,327
BALANCE AT DECEMBER 31, 2022	267,129	\$ 2,671,290	\$ 1,214,116	\$ 331,631	\$ 241,756	\$ 963,930	\$ 1,537,317	\$ (102,683)	\$ 5,320,040

The accompanying notes are an integral part of the parent company only financial statements.

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 858,146	\$ 1,250,782
Adjustments for:		
Expected credit loss recognized (reversed)	-	(54)
Depreciation expense	209,093	198,770
Finance costs	5,821	10,658
Interest income	(1,376)	(111)
Share-based compensation expense	-	6,622
Share of loss (profit) of subsidiaries	23,028	(327,953)
Gain on disposal of property, plant and equipment	(1,087)	(281)
(Reversal of write-downs) write-downs of inventories	(678)	571
Unrealized gain on foreign currency exchange	(103)	(125)
Impairment loss on non-financial assets	-	760
Gain from lease modification	-	(41)
Changes in operating assets and liabilities		
Notes and accounts receivable	(93,966)	(107,484)
Accounts receivable from related parties	36,510	(21,403)
Other receivables from related parties	(18,926)	23,741
Inventories	(105,418)	(26,321)
Other current assets	(45,778)	117,990
Notes and accounts payable	27,990	69,943
Accounts payable to related parties	60,191	(27,210)
Other payables	(31,094)	(48,941)
Other payables to related parties	494	(220)
Other current liabilities	(3,781)	17,517
Net defined benefit liabilities	(7,822)	(7,678)
Cash generated from operations	911,244	1,129,532
Interest received	1,256	111
Dividends received	83,689	79,063
Interest paid	(5,599)	(10,713)
Income tax paid	(172,524)	(295,704)
Net cash generated from operating activities	<u>818,066</u>	<u>902,289</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(257,800)	(147,378)
Proceeds from disposal of property, plant and equipment	1,087	281
(Increase) decrease in other non-current assets	693	(1,047)
Net cash used in investing activities	<u>(256,020)</u>	<u>(148,144)</u>

(Continued)

YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 248,000	\$ -
Increase (decrease) in short-term bills payable	(150,000)	150,000
Raise (repayments) of long-term borrowings	140,720	(864,280)
Decrease in other non-current liabilities	(11,985)	-
Repayment of the principal portion of lease liabilities	(44,825)	(37,376)
Distribution of cash dividends	(801,387)	(979,624)
Employee stock options	-	78,312
Issuance of ordinary shares for cash	<u>-</u>	<u>1,131,324</u>
Net cash used in financing activities	<u>(619,477)</u>	<u>(521,644)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(57,431)	232,501
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>292,806</u>	<u>60,305</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 235,375</u>	<u>\$ 292,806</u>

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

Yuen Foong Yu Consumer Products Co., Ltd
2022 Earning Distribution Table

Unit: NT\$

Item	Amount
Distributable Retained Earnings	
A Unappropriated earnings at beginning of the fiscal year	275,675,619
B Net profit for the year ended Dec 31,2021	681,919,660
C Re-measurement of defined benefit plans	6,333,600
D Reversal of special reserve	139,073,211
Total	1,103,002,090
Distribution Items	
1 Legal Reserve((B~C)*10%)	68,825,326
2 Cash Dividend(NT\$2.3 per share)	614,396,748
3 Unappropriated Retained Earnings	419,780,016
Total	1,103,002,090

Chairman: Yi-Da Ho

General Manager: Zong-Chun Li

Accounting Chief Officer: Pei-Wen Chen

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yuen Foong Yu Consumer Products Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Yuen Foong Yu Consumer Products Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, 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 Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

Valuation of Receivables

The Group has a large number of customers and its notes and accounts receivable are material in amount. When evaluating the impairment of receivables, the management estimated the loss allowance based on the lifetime expected credit loss. The valuation of receivables involves accounting estimates and assumptions determined by the management. Therefore, we considered the valuation of receivables as a key audit matter.

For the disclosures related to receivables, refer to Notes 4, 5 and 8 to the consolidated financial statements.

Our audit procedures for the abovementioned key audit matter included the following:

1. We obtained the reports of impaired receivables impairment and assessed the reasonableness of the methodology and data used in the reports.
2. We tested the receivables aging schedule and reviewed the calculation of expected credit loss for reasonableness of the recognized expected credit loss on receivables.
3. We tested the recoverability of receivables by analyzing overdue accounts and by verifying cash receipts in the subsequent period. For a receivable that was past due but not yet received, we assessed the reasonableness of the expected credit loss based on the customer's payment history, customer's credit policy control and tracking of overdue receivables.

Other Matter

We have also audited the parent company only financial statements of Yuen Foong Yu Consumer Products Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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 Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 the audit committee, are responsible for overseeing the Group's financial reporting process.

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China 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.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022, and is therefore the key audit matter. We describe the matter in our auditors' 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.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Juan Ye and Shiow-Ming Shue.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yuen Foong Yu Consumer Products Co., Ltd.

Opinion

We have audited the accompanying financial statements of Yuen Foong Yu Consumer Products Co., Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2022. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2022 is as follows:

Valuation of Receivables

The Company has a large number of customers and its notes and accounts receivable are material in amount. When evaluating the impairment of receivables, the management estimated the loss allowance based on the lifetime expected credit loss. The valuation of receivables involves accounting estimates and assumptions determined by the management. Therefore, we considered the valuation of receivables as a key audit matter.

For the disclosures related to receivables, refer to Notes 4, 5 and 7 to the financial statements.

Our audit procedures for the abovementioned key audit matter included the following:

1. We obtained the reports of impaired receivables impairment and assessed the reasonableness of the methodology and data used in the reports.
2. We tested the receivables aging schedule and reviewed the calculation of expected credit loss for reasonableness of the recognized expected credit loss on receivables.
3. We tested the recoverability of receivables by analyzing overdue accounts and by verifying cash receipts in the subsequent period. For a receivable that was past due but not yet received, we assessed the reasonableness of the expected credit loss based on the customer's payment history, customer's credit policy control and tracking of overdue receivables.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the financial statements for the year ended December 31, 2022, and is therefore the key audit matter. We describe the matter in our auditors' 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.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Juan Ye and Shio-Ming Shue.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Yuen Foong Yu Consumer Products Co., Ltd

Audit Committee's Review Report

March 14, 2023

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of Deloitte & Touche was retained to audit CPG's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Yuen Foong Yu Consumer Products Co., Ltd. According to relevant requirements of the Securities and Exchange Act and the Company Act, we hereby submit this report.

2023 Annual General Shareholders' Meeting

Chairman of the Audit Committee: Mei-Li Su

Yuen Foong Yu Consumer Products Co., Ltd. Board Meeting Procedures

- Article 1. These Procedures are established in accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies to provide guidance over board of directors meetings of Yuen Foong Yu Consumer Products Co., Ltd. ("the Company"), and thereby enhance the supervisory role of the Company's board of directors.
- Article 2. The compilation and revision of these rules, as well as matters related to the board of directors' meeting, shall be coordinated and responsible by the board of directors meeting affairs unit.
- Article 3. All issues related to the Company's board of directors meetings, such as agendas, procedures, minutes recording, and announcements, shall be handled in accordance with standards set forth in these Procedures.
- Article 4. Principles for Convening Board of Directors Meetings
- I. Board of directors meetings shall be convened at least once every quarter.
 - II. When convening a board of directors meeting, the convener shall clearly explain in the meeting notice the purpose of the meeting and shall notify all directors seven days prior to the meeting. However, a board of directors' meeting may be called at any time in the event of an emergency.
 - III. The abovementioned meeting notice, following the agreement of the corresponding person, shall be sent via email.
 - IV. Items under Article 7 of these Procedures shall list the reasons for convening a meeting, and the items may not be raised in the form of an extraordinary motion.
 - V. Board of directors meetings shall be convened within the Company premises during office hours or at another suitable time and at a place deemed convenient for the board of directors.
- Article 5. Principles for the Company's Board of Directors Meeting Materials Operating
- I. The designated department for administering board of directors meeting affairs shall prepare the meeting agenda and provide comprehensive information for the meeting. Such meeting information shall be delivered along with the meeting notice.
 - II. Should they consider the existing information to be insufficient, directors may request the designated department for administering board of directors meeting affairs to provide supplemental information. Directors may resolve to postpone certain agendas if they consider the information presented to them to be inadequate.
- Article 6. Agenda items for the board of directors' meetings of the Company shall include, at a minimum, the following:
- I. Reported items:
 - Minutes of the last meeting and implementation status.
 - Reports on key financial information.
 - Reports on the internal audit progress.
 - Reports on other important issues.
 - II. Discussions:
 - Discussions carried forward from the previous meeting.

Discussions for the current meeting.

III. Extraordinary motions:

- Article 7. The following issues shall be raised for discussion in the Company's board of directors meetings:
- I. The Company's business plans.
 - II. Annual financial report and semi-annual financial report. However, the semi-annual financial report does not need to be audited and certified by an accountant according to laws and regulations, this term does not apply.
 - III. According to Article 14-1 of the Securities and Exchange Act, there shall be an establishment and amendment to the internal control system and an assessment of its effectiveness.
 - IV. According to Article 36-1 of the Securities and Exchange Act, there shall be an establishment and amendment of procedures governing acquisition or disposal of assets, transaction of derivatives, lending funds to third parties, Business mergers, splits, acquisitions or share transfers, endorsements and guarantees, or other provisions for the processing of major financial business activities.
 - V. Public offering, issuance, or private offering of equity securities
 - VI. Election or dismissal of the chairman.
 - VII. Appointment or removal of chief officers of finance, accounting and internal audit.
 - VIII. Donations to related parties or major donations to non-related parties. However, charitable donations for emergency rescues due to major natural disasters must be submitted for subsequent ratification at the next board of directors meeting.
 - IX. Decisions that shall be resolved through a shareholders' meeting or a board of directors meeting according to Article 14-3 of the Securities and Exchange Act, the Articles of Incorporation or other regulations, and any major issues prompted by the competent authority.
- Article 8. The "related parties " mentioned in previous article paragraph 8 of the preceding paragraph refers to the related parties as defined by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The mentioned significant donation to non-related parties refers to a single donation or the accumulation within one year of over NT\$100 million to the same party; or amounted to 1% of the Company's net income; or over 5% of the Company's paid-in capital as calculated according to the most recent CPA certified financial report.
- Article 9. The aforementioned "one year" shall date back one year from the date when the current board of directors meeting was convened. Donations already approved by the board of directors at that time shall be excluded.
- Article 10. Principles for the Board of directors meeting Attendance and Sign-In
- I. At least one independent director shall be in attendance at board of directors meetings; in the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under article 7, all independent directors shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. Any objections or qualified opinions expressed by independent directors shall be recorded in meeting minutes. If an independent director is unable to express objections or qualified opinions personally at the board of directors meeting, the opinion shall be

raised in writing in advance unless there is justifiable reason not to do so. Such opinions shall also be recorded in board of directors meeting minutes.

- II. Directors are required to attend board of directors meetings in person. Those who are unable to attend in person may designate another director as a proxy in accordance with the Company's articles of association. Directors who participate in meetings via video conferencing shall be deemed to have personally attended the meeting.
- III. If a director wishes to seek proxy attendance by another director, a new proxy form shall be issued for each board of directors meeting, and the extent of delegated authority shall be specified for each agenda.
- IV. A director may only act as proxy, as mentioned in the 2 preceding Paragraphs, on behalf of one director at a time.
- V. Before the meeting of the board of directors, a signature book must be prepared for the attendance of directors to sign in and for inspection.

Article 11. Principles for the Chairmanship of The Board of Directors

- I. Board of directors meetings that are convened by the Chairman shall be chaired by the Chairman. The first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected. If there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.
- II. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.
- III. If the Chairman is on leave or unable to perform his duties, the Chairman shall appoint a director to act on his or her behalf. If the Chairman does not appoint a deputy, the remaining directors shall appoint an acting chairperson from among themselves.

Article 12. Principles for Attendance of Board Members

- I. Managers who are not directors of relevant departments or members of subsidiaries may be notified to attend a board of directors meeting depending on the agenda.
- II. Certified public accountants, lawyers, or other professionals may also be invited to participate in board of directors meetings if necessary. However, these professionals need to be dismissed during the discussion and voting stage.

Article 13. Principles for Preservation of Directors Meeting Minutes

- I. The board of directors meeting affairs unit shall prepare relevant material for directors' reviews and checks whenever the board of directors meeting is convened.
- II. The Company shall make audio or video recordings of the entire proceedings of board of directors meetings and retain the recordings for at least five years, in electronic form or otherwise.
- III. If, before the end of the retention period referred to in the preceding paragraph, any litigation arises in connection with a resolution of a board of directors' meeting, the relevant audio or video recordings shall continue to be retained until the litigation is concluded.
- IV. Where meetings are held by way of video conferencing, the recorded video and audio shall be treated as part of the meeting minutes and properly retained during the Company existence.

Article 14. Principles of Board of directors meeting Procedures

- I. Declare a meeting : The chairperson of the meeting may commence the board of directors meeting when it is time to begin and at least half of all directors are present.
- II. Principle of meeting postponement : If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting; a meeting may be postponed a maximum of two times. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting in accordance with Article 4, Paragraph 2.
- III. The term "all directors" mentioned in this procedure shall refer to those who are currently in office.
- IV. Board of directors meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.
- V. The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.
- VI. During the board of directors meeting, if the number of directors present does not reach more than half of the directors present, upon the proposal of the directors present, the chairman shall announce the suspension of the meeting, and the Paragraph 2 of this article shall apply mutatis mutandis.
- VII. When the chairperson at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the end of discussion and bring the matter to vote.
- VIII. When a motion is made to resolve a proposal by board of directors meeting, the matter is deemed approved if the chairperson puts the matter before all directors present at the meeting and none voices an objection. If an objection be expressed by directors upon a query by the chairperson, the agenda shall proceed to the voting process.
- IX. All directors present as mentioned in the preceding paragraph do not include directors who are prohibited from exercising voting rights in accordance with article 16.

Article 15. Voting Principles for Board of Directors' Proposals

- I. Unless otherwise specified in the Securities and Exchange Act and the Company Act, all board resolutions shall be affected with the presence of more than half of the board and the support of more than half of those present at the meeting.
- II. The chairperson may choose to proceed with voting in any of the following methods, but if there is any objection from any attendants, the chairperson shall proceed according to the opinion of the majority:
 - i. Vote by a show of hands or voting machine.
 - ii. Vote by roll call.
 - iii. Ballot votes.
 - iv. Other voting methods determined by the Company.
- III. When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. In the event that one of the cases has already been resolved, however, the other cases shall be considered rejected and no further voting is required.
- IV. If it is necessary to appoint personnel to monitor or count the votes, the chairperson shall make such appointments accordingly. The individuals monitoring the votes, however, shall be the directors of the Company.
- V. The results of each vote shall be announced on the spot and recorded in the meeting

minutes.

Article 16. Principles for Directors Abstain from Board of Directors Proposal Voting

- I. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.
- II. Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, then the said director shall be deemed to be an interested party with respect to that agenda item.
- III. With respect to a resolution of board of directors, where a director is forbidden from exercising his/her voting rights pursuant to the two preceding paragraphs, the provisions of Article 180, Paragraph 2 of the Company Act which applies mutatis mutandis to Article 206, Paragraph 2 of the same Act shall be followed.

Article 17. Principles for Recording and Preserving Minutes of Board of directors meetings

- I. All meetings of the Company board of directors shall be recorded in the meeting minutes, which shall include detailed accounts of the following items:
 - i. The meeting session (or year), time, and location.
 - ii. The name of the chairperson.
 - iii. Director attendance, including the names and number of the directors who are attending, on leave, and absent.
 - iv. The names and titles of the attendees.
 - v. The name of the recorder.
 - vi. Items to report.
 - vii. Discussions: Includes the resolution method and the outcome of the motion, a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; objections or qualified opinions expressed at the meeting that were included in records or stated in writing; and any opinions issued in writing by an independent director under Article 10, Paragraph 1.
 - viii. Extraordinary motions: The name of the proposer, the method of resolution and the result for each motion, a summary of the comments made by directors, supervisors, experts, or other persons. The name of any director that is an interested party as referred to in Paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal. Opinions or qualified opinions expressed at the meeting that were included in records or stated in writing.
 - ix. Other statutory information:
- II. If the board resolution involves any of the following, the details of which shall be addressed in the meeting minutes and reported to the information reporting website designated by the competent authority within two days after the board resolution is made:
 - i. Objections or qualified opinions expressed by independent directors on record or in writing.

- ii. Any matters that are not agreed upon by the Audit Committee but passed by more than two-thirds of the full amount of directors.
- III. The attendance book constitutes part of the board of directors meeting minutes and shall therefore be properly retained for the duration of the Company existence.
- IV. The meeting minutes shall be signed or sealed by the chairperson of the meeting and the recorder, issued to each member within 20 days after the meeting, classified as the Company critical documents, and properly retained during the Company existence.
- V. The preparation and distribution of meeting minutes may be made in electronic form.

Article 18. These Principles shall become effective upon approval by the board of directors and reported in the shareholders meeting.

Yuen Foong Yu Consumer Products Co., Ltd.

Amendment chart of the Board Meeting Procedures

Amended article	Existing Article	Description
<p>Article 4. Principles for Convening Board of Directors Meetings</p> <p>I. Board of directors meetings shall be convened at least once every quarter.</p> <p>II. When convening a board of directors meeting, the convener shall clearly explain in the meeting notice the purpose of the meeting and shall notify all directors seven days prior to the meeting. However, a board of directors' meeting may be called at any time in the event of an emergency.</p> <p>III. The abovementioned meeting notice, following the agreement of the corresponding person, shall be sent via email.</p> <p>IV. Items under Article 7 of these Procedures shall list the reasons for convening a meeting, and the items may not be raised in the form of an extraordinary motion.</p> <p>V. Board of directors meetings shall be convened within the Company premises during office hours or at another suitable time and at a place deemed convenient for the board of directors.</p>	<p>Article 4. Principles for Convening Board of Directors Meetings</p> <p>I. Board of directors meetings shall be convened at least once every quarter.</p> <p>II. When convening a board of directors meeting, the convener shall clearly explain in the meeting notice the purpose of the meeting and shall notify all directors seven days prior to the meeting. However, a board of directors' meeting may be called at any time in the event of an emergency.</p> <p>III. The abovementioned meeting notice, following the agreement of the corresponding person, shall be sent via email.</p> <p>IV. Items under Article 7 of these Procedures shall list the reasons for convening a meeting, except in the case of an emergency or with just cause, and the items may not be raised in the form of an extraordinary motion.</p> <p>V. Board of directors meetings shall be convened within the Company premises during office hours or at another suitable time and at a place deemed convenient for the board of directors.</p>	<p>I. Amend Article 4, paragraph 4, and delete the words "except in the case of an emergency or with just cause".</p> <p>II. Consideration of the important matters related to the company's operation in Article 7 shall be stated in the convening event so that the directors have sufficient information and time to evaluate the proposal before making a decision.</p>
<p>Article 5. Principles for the Company's Board of Directors Meeting Materials Operating</p> <p>I. The designated department for administering board of directors meeting affairs shall prepare the meeting agenda and provide comprehensive information for the meeting. Such meeting information shall be delivered along with the meeting notice.</p> <p>II. Should they consider the existing information to be insufficient, directors may request the designated</p>	<p>Article 5. Principles for the Company's Board of Directors Meeting Materials Operating</p> <p>I. The designated department for administering board of directors meeting affairs shall prepare the meeting agenda and provide comprehensive information for the meeting. Such meeting information shall be delivered along with the meeting notice.</p> <p>II. Should they consider the existing information to be insufficient, directors may request the designated</p>	<p>Amended Article 5, Paragraph 2 to add "Directors may resolve to postpone certain agendas if they consider the information presented to them to be inadequate."</p>

<p>department for administering board of directors meeting affairs to provide supplemental information. <u>Directors may resolve to postpone certain agendas if they consider the information presented to them to be inadequate.</u></p>	<p>department for administering board of directors meeting affairs to provide supplemental information.</p>	
<p>Article 7. The following issues shall be raised for discussion in the Company's board of directors meetings:</p> <p>I. The Company's business plans. II. Annual financial report and semi-annual financial report. However, the semi-annual financial report does not need to be audited and certified by an accountant according to laws and regulations, this term does not apply. III. According to Article 14-1 of the Securities and Exchange Act, there shall be an establishment and amendment to the internal control system and an assessment of its effectiveness. IV. According to Article 36-1 of the Securities and Exchange Act, there shall be an establishment and amendment of procedures governing acquisition or disposal of assets, transaction of derivatives, lending funds to third parties, Business mergers, splits, acquisitions or share transfers, endorsements and guarantees, or other provisions for the processing of major financial business activities. V. Public offering, issuance, or private offering of equity securities <u>VI. Election or dismissal of the chairman.</u> VII. Appointment or removal of chief officers of finance, accounting and internal audit. VIII. Donations to related parties or major donations to non-related parties. However, charitable donations for emergency rescues due to major natural disasters must be submitted for</p>	<p>Article 7. The following issues shall be raised for discussion in the Company's board of directors meetings:</p> <p>I. The Company's business plans. II. Annual financial report and semi-annual financial report. However, the semi-annual financial report does not need to be audited and certified by an accountant according to laws and regulations, this term does not apply. III. According to Article 14-1 of the Securities and Exchange Act, there shall be an establishment and amendment to the internal control system and an assessment of its effectiveness. IV. According to Article 36-1 of the Securities and Exchange Act, there shall be an establishment and amendment of procedures governing acquisition or disposal of assets, transaction of derivatives, lending funds to third parties, Business mergers, splits, acquisitions or share transfers, endorsements and guarantees, or other provisions for the processing of major financial business activities. V. Public offering, issuance, or private offering of equity securities VI. Appointment or removal of chief officers of finance, accounting and internal audit. VII. Donations to related parties or major donations to non-related parties. However, charitable donations for emergency rescues due to major natural disasters must be submitted for subsequent ratification at the next board of directors meeting.</p>	<p>I. Paragraph 6 of this article specifies the election and dismissal of the chairman, and adjusts the Paragraphs. II. Pursuant to Article 208, Paragraphs 1 and 2 of the Company Law, the election of the chairman of the board of directors is the responsibility of the board of directors, and the method of dismissal of the chairman, although not expressly stipulated in the company law, shall still be determined by the originally elected board of directors.</p>

<p>subsequent ratification at the next board of directors meeting.</p> <p>IX. Decisions that shall be resolved through a shareholders' meeting or a board of directors meeting according to Article 14-3 of the Securities and Exchange Act, the Articles of Incorporation or other regulations, and any major issues prompted by the competent authority.</p>	<p>VIII. Decisions that shall be resolved through a shareholders' meeting or a board of directors meeting according to Article 14-3 of the Securities and Exchange Act, the Articles of Incorporation or other regulations, and any major issues prompted by the competent authority.</p>	
<p>Article 8.</p> <p>The "related parties " mentioned in previous article paragraph 8 of the preceding paragraph refers to the related parties as defined by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The mentioned significant donation to non-related parties refers to a single donation or the accumulation within one year of over NT\$100 million to the same party; or amounted to 1% of the Company's net income; or over 5% of the Company's paid-in capital as calculated according to the most recent CPA certified financial report.</p>	<p>Article 8.</p> <p>The "related parties " mentioned in previous article paragraph 7 of the preceding paragraph refers to the related parties as defined by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The mentioned significant donation to non-related parties refers to a single donation or the accumulation within one year of over NT\$100 million to the same party; or amounted to 1% of the Company's net income; or over 5% of the Company's paid-in capital as calculated according to the most recent CPA certified financial report.</p>	<p>In response to the changes in the Paragraphs of Article 7, the Paragraph 7 is amended to the Paragraph 8.</p>
<p>Article 11.</p> <p>Principles for the Chairmanship of The Board of Directors</p> <p>I. Board of directors meetings that are convened by the Chairman shall be chaired by the Chairman. The first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected. If there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.</p> <p>II. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the</p>	<p>Article 11.</p> <p>Principles for the Chairmanship of The Board of Directors</p> <p>I. Board of directors meetings that are convened by the Chairman shall be chaired by the Chairman. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected. If there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.</p> <p>II. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the</p>	<p>Amendment to the words of the paragraph 1 of Article 11.</p>

<p>Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</p> <p>III. If the Chairman is on leave or unable to perform his duties, the Chairman shall appoint a director to act on his or her behalf. If the Chairman does not appoint a deputy, the remaining directors shall appoint an acting chairperson from among themselves.</p>	<p>Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</p> <p>III. If the Chairman is on leave or unable to perform his duties, the Chairman shall appoint a director to act on his or her behalf. If the Chairman does not appoint a deputy, the remaining directors shall appoint an acting chairperson from among themselves.</p>	
<p>Article 14. Principles of Board of directors meeting Procedures</p> <p>I. Declare a meeting : The chairperson of the meeting <u>may</u> commence the board of directors meeting when it is time to begin and at least half of all directors are present.</p> <p>II. Principle of meeting postponement : If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting; a meeting may be postponed a maximum of two times. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting in accordance with Article 4, Paragraph 2.</p> <p>III. The term "all directors" mentioned in this procedure shall refer to those who are currently in office.</p> <p>IV. Board of directors meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, <u>the order</u> may be changed with the approval of a majority of directors present at the meeting.</p> <p>V. The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.</p> <p>VI. During the board of directors meeting, if the number of directors present does not reach more than half of the directors</p>	<p>Article 14. Principles of Board of directors meeting Procedures</p> <p>I. Declare a meeting : The chairperson of the meeting shall commence the board of directors meeting when it is time to begin and at least half of all directors are present.</p> <p>II. Principle of meeting postponement : If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting. A meeting may be postponed a maximum of two times. If a meeting is due to convene but less than half of all directors are present, the chairperson may postpone the meeting in accordance with Article 4, Paragraph 2.</p> <p>III. The term "all directors" mentioned in this procedure shall refer to those who are currently in office.</p> <p>IV. Board of directors meetings shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, it may be changed with the approval of a majority of directors present at the meeting.</p> <p>V. The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.</p> <p>VI. During the board of directors meeting, if the number of directors present does not reach more than half of the directors</p>	<p>Amendments to the words of the paragraphs 1, 2, 4, and 8 of Article 14.</p>

<p>present, upon the proposal of the directors present, the chairman shall announce the suspension of the meeting, and the Paragraph 2 of this article shall apply mutatis mutandis.</p> <p>VII. When the chairperson at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the end of discussion and bring the matter to vote.</p> <p>VIII. When a motion is made to resolve a proposal by board of directors meeting, the matter is deemed approved if the chairperson puts the matter before all directors present at the meeting and none voices an objection. If an objection be expressed <u>by directors</u> upon a query by the chairperson, the agenda shall proceed to the voting process.</p> <p>IX. All directors present as mentioned in the preceding paragraph do not include directors who are prohibited from exercising voting rights in accordance with article 16.</p>	<p>present, upon the proposal of the directors present, the chairman shall announce the suspension of the meeting, and the Paragraph 2 of this article shall apply mutatis mutandis.</p> <p>VII. When the chairperson at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the end of discussion and bring the matter to vote.</p> <p>VIII. When a motion is made to resolve a proposal by board of directors meeting, the matter is deemed approved if the chairperson puts the matter before all directors present at the meeting and none voices an objection. If an objection be expressed upon a query by the chairperson, the agenda shall proceed to the voting process.</p> <p>IX. All directors present as mentioned in the preceding paragraph do not include directors who are prohibited from exercising voting rights in accordance with article 16.</p>	
<p>Article 16. Principles for Directors Abstain from Board of Directors Proposal Voting</p> <p>I. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, <u>the director</u> may not participate in discussion or voting <u>on that agenda item</u>, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>II. Where the spouse or a blood</p>	<p>Article 16. Principles for Directors Abstain from Board of Directors Proposal Voting</p> <p>I. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, <u>he/she</u> may not participate in discussion or voting, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>II. Where the spouse or a blood relative within the second degree</p>	<p>Amendment to the words of the paragraph 1 of Article 16.</p>

<p>relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, then the said director shall be deemed to be an interested party with respect to that agenda item.</p> <p>III. With respect to a resolution of board of directors, where a director is forbidden from exercising his/her voting rights pursuant to the two preceding paragraphs, the provisions of Article 180, Paragraph 2 of the Company Act which applies mutatis mutandis to Article 206, Paragraph 2 of the same Act shall be followed.</p>	<p>of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, then the said director shall be deemed to be an interested party with respect to that agenda item.</p> <p>III. With respect to a resolution of board of directors, where a director is forbidden from exercising his/her voting rights pursuant to the two preceding paragraphs, the provisions of Article 180, Paragraph 2 of the Company Act which applies mutatis mutandis to Article 206, Paragraph 2 of the same Act shall be followed.</p>	
--	--	--

Yuen Foong Yu Consumer Products Co., Ltd.
Candidates of 7 Directors

No	Title	Candidates	Education	Current Position	Experiences	Number of shares
1	Director	YFY Inc. Representative Felix Ho	MBA, MIT Sloan School of Management	Chairman, Yuen Foong Yu Consumer Products Co., Ltd. Director, E Ink Holdings Inc. Chairman, Arizon RFID Technology Co., Ltd. Chairman, Foongtone Technology Co., Ltd. Independent Director, Universal Cement Corporation	Chairman, YFY Inc.	158,004,565
2	Director	YFY Inc. Representative David Lo	Master of Financial Management, S.C. Johnson College of Business, Cornell University, USA	President, YFY Inc. Director, YFY Packaging Inc. Chairman, YFY Development Corp. Director, Fidelis IT Solutions Co., Ltd.	Managing Director, UBS Taiwan Vice President, Shin Kong Bank	158,004,565
3	Director	YFY Development Corp. Representative Ronald Lee	B.S. of International Business, Tunghai University	General Manager, Yuen Foong Yu Consumer Products Co., Ltd. Director, Yuen Foong Shop Co., Ltd. Director, Ever Growing Agriculture Bio-tech Co., Ltd. Chairman, Livebricks Inc.	Sales Director, Yuen Foong Yu Consumer Products Co., Ltd. National Sales Manager, Fonterra Brands (Far East) Ltd., Taiwan Branch (H.K.)	5,136,400

4	Director	YFY Development Corp. Representative Shien Xie	BA, Department of Business Administration, Chinese Culture University	General Manager, YFY Investment Co., Ltd. Director, YFY Family Care (Kunshan) Co., Ltd. Director, YFY Consumer Products (Yangzhou) Co., Ltd.	Vice President, R&D Department, Yuen Foong Yu Consumer Products Co., Ltd.	5,136,400
5	Independent Director	Mei-Li Su	B.S. of Accounting, Tamkang University	CPA, C&S Certified Public Accountant Firm Independent Director, Young Qin International Co., Ltd. Independent Director, Alar Pharmaceuticals Inc. Financial Advisor and Honorary Accountant, Small and Medium Enterprise Administration, Ministry of Economic Affairs	Director, Audit Department, Deloitte & Touche	0
6	Independent Director	Chih-Chien Lin	PhD, Institute of Biotechnology, National Tsing Hua University	Professor and President of Research and Development, Department of Cosmetic Science, Providence University Honorary Chairman, Society of Cosmetic Scientists of Taiwan Director, BlessCare International Co., Ltd. Director, Origin Co., Ltd.	Chairman, Society of Cosmetic Scientists of Taiwan	0

7	Independent Director	Wan-Chuan Hsieh	EMBA of Accounting and Management Strategy, National Taiwan University	Vice President, Good Liver Medical Foundation Director, Tang-Hai, Yang Social Welfare Charity Foundation	Vice President, Liver Disease Prevention & Treatment Research Foundation Vice President, Taiwan Health Foundation	0
---	----------------------	-----------------	--	---	--	---

Yuen Foong Yu Consumer Products Co., Ltd.
PROCEDURES FOR DIRECTOR AND SUPERVISOR ELECTION

Article I Objectives:

These Procedures are duly enacted in accordance with “Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies” to assure that the Company’s directors and supervisors are duly elected through fair, impartial and open procedures.

Article II Applicable scope:

These Procedures are applicable to election of the Company’s directors and supervisors. The Company’s directors and supervisors shall be duly elected exactly in accordance with these Procedures unless otherwise specified in laws and ordinances concerned or the Company’s Articles of Incorporation.

Article III Principles for nomination and elections:

- I. After the Company is listed to public, the directors and supervisors shall be duly elected by the shareholders’ meeting through the candidate’s nomination system and shall be duly elected out of the list of candidates for directors and supervisors into the specified numbers of directorship seats and supervisors exactly in accordance with the Company’s Articles of Incorporation and the numbers of the electees within the respective scopes as resolved by the Board of Directors. In the process to examine the candidates and make sure of their qualification requirements, academic credentials and hands-on career experience backgrounds with or without the facts enumerated under Article 30 of the Company Act, the Company shall not arbitrarily impose additional qualification requirements and require additional supporting certificate(s) and shall submit the outcome of review into the shareholders’ reference so as to duly elect eligible and competent directors and supervisors.
- II. Among the aggregate total of the directorship seats, those in such relationship as spouse(s) or blood relative(s) within the second degree of kinship shall not be more than a half. The Company’s Board of Directors shall consider and duly adjust the compositions of the Board of Directors exactly according to the outcome or performance evaluation.
- III. The Company’s supervisors shall be duly set up with sound consideration of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the issues regarding their independence. Accordingly, the Company shall elect competent supervisors to enhance risk management and sound control over the Company’s finance and business operation.
- IV. Among supervisors themselves or between the directors and supervisors, those in the relationship as spouse or relationship within blood relatives within the second degree of kinship shall not account for more than one seat.
- V. A supervisor shall not concurrently serve as a director, a managerial officer or other staff member. Among all supervisors, at least one shall have a regular

- domicile domestically so as to demonstrate the supervisory function in real time.
- VI. Whenever a director is discharged out of the directorship seat for whatever reason and, as a result, the total number of directors is less than the minimum of five, the Company shall hold a by-election in the most recent shareholders' meeting. Where the vacancies of directorship seats are up to one-third of the total, the Company shall, nevertheless, convene a special shareholders' meeting to hold the by-election within sixty (60) days from date of occurrence of the fact.
- VII. After the Company is listed to public and sets up an independent director(s), in the event that the number of independent director(s) is below the threshold set forth under Proviso, Paragraph 1, Article 14-2 of the Securities and Exchange Act, the relevant provisions under the Regulations for the Examination Of Securities for Public Listing of the Taiwan Stock Exchange Corporation or Article 10-1 of the Rules Governing the Review of Securities for Trading on the Business Premises of Securities Dealers (TPEX) promulgated by TPEX, as per Paragraph 8 of "Standards/criteria of Being Not Advisable for OTC Listing," the by-election shall be held in the most recently convened shareholders' meeting. Where all independent directors are discharged in full, nevertheless, a special shareholders' meeting shall be convened for the by-election within sixty (60) days from date of occurrence of the fact.
- VIII. Whenever a supervisor is discharged out of the post for whatever reason and, as a result, the total number of supervisors is less than the minimum threshold set forth under the Articles of Incorporation, the Company shall hold a by-election in the most recent shareholders' meeting. Where the supervisors are discharged in full, nevertheless, the Company shall, convene a special shareholders' meeting to hold the by-election within sixty (60) days from date of occurrence of the fact.
- IX. After the Company is listed to public and sets up independent director(s), the election votes of the independent directors and non-independent directors shall be calculated separately. The candidates for non-independent directors who win more election votes shall be duly elected to the posts in turn. In the event that two or more candidates win the same number of voting votes and such candidates exceed the specified number of electors, those who win the same election votes shall decide the winner(s) through a draw of lots. Where a candidate is absent, the chairperson shall draw the lot on his or her behalf.
- X. The Company's directors and supervisors shall be elected by single-name and cumulative voting method. Each share of the Company is entitled to election votes the same as the numbers of directors and supervisors to be elected and may be either centralized to elect one candidate or allocated to elect several candidates. The Company's Board of Directors shall prepare election votes in the numbers the same as the directors and supervisors to be elected with the number of such voting powers to be duly filled up. Such election votes shall be distributed to shareholders who participate in the shareholders' meeting. The name of a voter may be entered with the participation certificate code printed on the election vote instead.
- XI. As the election process starts, the chairperson shall appoint a number of ballot scrutineer(s) and ballot teller(s) to carry out the respective duties. A ballot scrutineer shall, nevertheless, be appointed out of the shareholders.

- XII. The election ballots shall be prepared by the Board of Directors and be serially numbered based on the codes of the participation certificates and shall be remarked with the number of election powers.
- XIII. The ballot box(es) shall be prepared by the Company and shall be opened to public by the scrutineer(s) before the voting process.
- XIV. An elector who is a shareholder shall remark in the box of the “candidate” on the election vote the name and account number of that candidate. An elector who is not a shareholder shall remark the name and Serial number of ID Card of that candidate on the election vote. Where a candidate is the government or a corporate person, nevertheless, the box of the “candidate” on the election vote shall be entered with the title of the government or the corporate person or may, as well, be entered as the name of the government or the corporate person and the name of the statutory representative thereof. In case of several statutory representatives, the names of all such statutory representatives shall be respectively entered.
- XV. An election ballot shall be null and void if meeting any one among those circumstances enumerated below:
- (I) Not an election ballot under these Regulations.
 - (II) Where a blank election ballot is dropped into the box.
 - (III) Where the election ballot bears illegible wording to identify a candidate or has been tampered with.
 - (IV) Where the candidate entered as a shareholder is found inconsistent with the entry in the register of shareholders in terms of name or account number; where the candidate entered not as a shareholder is found inconsistent in terms of the name and Serial number of ID Card.
 - (V) Where the election ballot is found bearing other wording other than the candidate’s name and account number (Serial number of ID Card) and the allocated number of election powers.
 - (VI) Where the entered candidate is found in the name same as another shareholder’s, without remark of the account number of Serial numbers of ID Card to identify the candidate.
 - (VII) Where an election ballot is found bearing two or more candidates.
- XVI. The election ballots shall be opened to the public on-the-spot as soon as the voting process is completed. The result of the election shall be announced by the chairperson on-the-spot, including the list of the successfully elected directors and supervisors and the election powers they win. The election ballots used for the election process mentioned under the preceding Paragraph shall be tightly sealed up and signed by the ballot scrutinizer(s) before being put into prudential custody for one year minimum but shall be put under such custody until the litigious proceedings are concluded, nevertheless, in the event that a shareholder lodges litigation in accordance with Article 189 of the Company Act.
- XVII. The Board of Directors shall serve the Notices for Being Successfully Elected to all elected directors and supervisors respectively.

Article V This same provision is applicable *mutatis mutandis* to an event of amendment.

The content of the proposal to remove the competition for the Company's directors:

Director or institutional entity they represent	Concurrent position at the Company	Position held	Note
YFY Inc.	YFY Paradigm Investment Co., Ltd. YFY Development Corp. YFY Corporate Advisory & Services Co., Ltd. Effion Eneritech Co., Ltd. Union Paper Corp. Yuen Yan Paper Co., Ltd. Chung Hwa Pulp Corp. China Color Printing Co., Ltd. Fidelis IT Solutions Co., Ltd. Taiwan Genome Sciences Co., Ltd. Shin Foong Specialty and Applied Materials Co., Ltd. San Ying Enterprise Co., Ltd. Sustainable Carbohydrate Innovation Co., Ltd. China Investment and Development Co., Ltd.	Director and Supervisor Director and Supervisor Director and Supervisor Director and Supervisor Director Director Director Director Director and Supervisor Director Director Director and Supervisor Director and Supervisor Director	

	Synmax Biochemical Co., Ltd. Universal Venture Capital Investment Corp. Fu Hwa Enterprise Co., Ltd. Taiwan Creative Industry Development Co., Ltd. Shin Taiwan Kubota Co., Ltd. YFY Japan Co., Ltd. Ensilience Co., Ltd. YFY Packaging Inc. Taiwan Stock Exchange Corporation	Director Director Supervisor Supervisor Supervisor Director and Supervisor Director and Supervisor Director and Supervisor Director	
Felix Ho (YFY Inc. Representative)	Jupiter Prestige Group Holding Limited YFY Jupiter (BVI) Inc. YFY Biopulp Technology Ltd. YFY RFID Co. Limited YFY Investment Co., Ltd. YFY Consumer Products (Yangzhou) Co., Ltd. YFY Family Care (Kunshan) Co., Ltd. Ever Growing Agriculture Bio-tech Co., Ltd. Yuen Foong Shop Co., Ltd. YFY Consumer Products, Co. Livebricks Inc.	Director Chairman Director Director Chairman Chairman Chairman Chairman Chairman Director Director	

	Yuen Foong Yu Consumer Products Investment Ltd.	Director	
	E Ink Holdings Inc.	Director	
	Ecrowd Media Inc.	Director	
	Arizon RFID Technology Co., Ltd.	Chairman	
	Arizon Japan Co., Ltd.	Director	
	Arizon RFID Technology (Cayman) Co., Ltd.	Chairman	
	YFY Japan Co., Ltd.	Director	
	Shin-Yi Enterprise Co., Ltd.	Director	
	Foongtone Technology Co., Ltd.	Chairman	
	Yuen Foong Co., Ltd.	Chairman	
	Fu Hwa Enterprise Co., Ltd.	Director	
	Cheng Yu Co., Ltd.	Director	
	Aidatek Electronics, Inc.	Director	
	Universal Cement Corporation	Independent Director	
	The Eisenhower Fellows Association in the Republic of China	Supervisor	
	Epoch Foundation	Chairman	
	Monte Jade Science & Technology Association of Taiwan	Director	
	Association of Corporate Patent Executives	President	
David Lo (YFY Inc. Representative)	YFY Packaging Inc.	Director	
	Yuen Foong Yu Consumer Products Investment Ltd.	Director	
	YFY Corporate Advisory & Services Co., Ltd.	Chairman	

	<p>YFY Paradigm Investment Co., Ltd.</p> <p>YFY Development Corp.</p> <p>Fidelis IT Solutions Co., Ltd.</p> <p>Taiwan Stock Exchange Corporation</p> <p>YFY International B.V.</p> <p>YFY Global Investment B.V.</p> <p>YFY Mauritius Corporation</p> <p>Arizon RFID Technology (Cayman) Co., Ltd.</p> <p>Ensilience Co., Ltd.</p>	<p>Chairman</p> <p>Chairman</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Supervisor</p>	
<p>YFY Development Corp.</p>	<p>Global Investment Holding</p> <p>Guangyuan Investment Co., Ltd.</p>	<p>Director</p> <p>Director</p>	
<p>Ronald Lee (YFY Development Corp. Representative)</p>	<p>YFY Investment Co., Ltd.</p> <p>Yuen Foong Shop Co., Ltd.</p> <p>Ever Growing Agriculture Bio-tech Co., Ltd.</p> <p>Livebricks Inc.</p> <p>YFY Consumer Products Co.</p>	<p>Director</p> <p>Director</p> <p>Director</p> <p>Chairman</p> <p>Director</p>	
<p>Shien Xie (YFY Development Corp. Representative)</p>	<p>YFY Investment Co., Ltd.</p> <p>YFY Family Care (Kunshan) Co., Ltd.</p> <p>YFY Consumer Products (Yangzhou) Co., Ltd.</p>	<p>Director</p> <p>Director</p> <p>Director</p>	
<p>Mei-Li Su</p>	<p>Young Qin International Co., Ltd.</p> <p>Alar Pharmaceuticals Inc.</p>	<p>Independent Director</p> <p>Independent Director</p>	

Wan-Chuan Hsieh	Tang-Hai, Yang Social Welfare Charity Foundation	Director	
Chih-Chien Lin	BlessCare International Co., Ltd. Origin Co., Ltd.	Director Director	

Yuen Foong Yu Consumer Products Co., Ltd.
Rules of Procedure for Shareholders' Meetings

Article 1. Purpose

The Rules of Procedure were established to provide sound governance over this Corporation's shareholder meetings, and thereby enhancing the supervisory function of shareholders.

Article 2. Applicability

The Rules of Procedure shall apply to shareholders' meetings of this Corporation, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3. Principles of the meeting

- I. This Corporation shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
- II. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- III. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- IV. This Corporation shall provide an attendance log to record attendance of shareholders or proxies thereof (collectively referred to as shareholders below); alternatively, attendance cards may be presented to signify their presence at the meeting.
- V. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Shareholders shall also be given election ballots where election of directors is to take place.
- VI. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

VII. Staff handling administrative affairs of the shareholders' meeting shall wear identification badges or arm-bands.

Article 4. Attendance and voting principles

- I. The attendance and votes of a shareholders' meeting shall be calculated based on the number of shares represented by the shareholders present at the meeting.
- II. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 5. Principles for determining the place and time of a meeting

- I. Shareholders' meetings shall be held at this Corporation or locations that are suitable and convenient for shareholders to attend.
- II. Meetings shall not begin earlier than 9 AM or later than 3 PM.
- III. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6. Principles for preparing the meeting and filing proposals

- I. Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors.
 - (I) This Corporation shall prepare the shareholders' meeting agenda and send them to the shareholders 20 days before the date of the annual general meeting of shareholders or 10 days before the date of the special shareholders' meeting. Physical copies of the shareholders' meeting manual and supplementary information shall also be prepared at least 10 days before the meeting and made accessible to shareholders at any time.
 - (II) This Corporation shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual general meeting of shareholders or 15 days before the date of a special shareholders' meeting. This Corporation shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the annual general meeting of shareholders or before 15 days before the date of the special

shareholders' meeting. In addition, before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

- (III) The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- (IV) Matters pertaining to the election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing the status of the Corporation as a public company, approval of competing with the Corporation by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in each Subparagraph of Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.
- (V) The notices for convening the shareholders' meeting have stated the election of directors and the date on which they assume office. After the re-election is completed, the same meeting cannot change the date of assumption of office through extraordinary motions or other methods.

II. Principles for filing proposals

- (I) Shareholders holding 1 percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at an annual general meeting of shareholders. However, only one matter shall be allowed in each single proposal. If a proposal contains more than one matter, then the said proposal shall not be included in the agenda. A shareholder proposal that urges the Corporation to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the Board of Directors. In addition, when the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the

board of directors may exclude it from the agenda.

- (II) Prior to the book closure date before an annual general meeting of shareholders is held, this Corporation shall publicly announce that it will receive shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- (III) Shareholder-submitted proposals are limited to 300 words. Proposals containing more than 300 words will not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in discussion of the proposal.
- (IV) Prior to the date for issuance of notice of an annual general meeting of shareholders, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. The Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda in the agenda book of the annual general meeting of shareholders.

Article 7. Principles for submitting proxies

- I. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.
- II. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- III. After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person to exercise voting rights or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 8. Principles for designating the chairperson and acting chairperson of the meeting

- I. If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the board. When the Chairman of the board is on leave or for

any reason unable to exercise the powers of the chairperson, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as chairperson, or, if there are no managing directors, one of the directors shall be appointed to act as chairperson. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairperson.

- II. If the meeting is chaired by a managing director or director other than the Chairman, it shall be one who is familiar with the Corporation's business and financial status and that had been appointed more than six months prior. The same shall be true for a representative of a juristic person director that serves as chairperson.
- III. It is advisable that shareholders' meetings convened by the board of directors be chaired by the Chairman of the Board in person, attended by a majority of directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
- IV. If a shareholders' meeting is convened by someone having the right to convene a meeting, but who is not a member of the Board of Directors, the said person shall chair the meeting. If two or more persons have the right to convene the meeting, one shall be elected to chair the meeting.

Article 9. Principles for attending the meeting in a non-voting capacity

Attorneys, certified public accountants, or related persons retained by this Corporation to attend a shareholders' meeting in a non-voting capacity.

Article 10. Principles for preparing comprehensive records of the entire meeting

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recording shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 11. Principles for the number of attendees

- I. The chair shall call the meeting to order at the appointed meeting time, and announce related information including the number of shares without voting rights and the number

of shares in attendance at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned.

- II. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month.
- III. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- IV. On the day of a shareholders' meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

Article 12. Drafting meeting agendas and rules of procedure

- I. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Related discussions (including motions and amendments of original proposals) shall be voted on a case-by-case basis, or deemed passed if the chairperson receives no objections from any attendees. This voting method is as effective as the conventional ballot method. Where there is an objection, it shall be determined with a vote by ballot. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
- II. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.
- III. Unless by the resolution of the shareholders' meeting, the chairperson may not declare the meeting ended until all items on the agenda (including extraordinary motions) arranged in

the preceding two paragraphs have been completed. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

- IV. The shareholders cannot designate any other person as chairperson and continue the meeting in the same or other place after the meeting is adjourned.

Article 13. Principles for shareholders' opinions and procedures

- I. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.
- II. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- III. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.
- IV. Unless otherwise permitted by the chairperson, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding five minutes). However, if the approval of the chairperson is obtained, it may be extended by three minutes (only one extension shall be permitted).
- V. If a shareholder violates the rules outlined in the preceding paragraph or goes beyond the scope of proposals in speaking, the chairperson may stop him/her from speaking.
- VI. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- VII. After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 14. Principles for discussions and voting on proposals (including extraordinary motions)

- I. The chairperson must allow adequate time to explain and discuss the various agenda items, amendments or special motions proposed during the meeting. The chairperson may

announce to discontinue further discussion if the issue in question is considered to have been sufficiently discussed to proceed with the voting.

- II. The voting of the aforementioned agenda item shall be processed in accordance with Article 12, Paragraph 1 of these Rules.
- III. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of this Corporation. The results of each vote shall be announced on the spot and recorded in the meeting minutes.
- IV. Voting at a shareholders' meeting shall be calculated based the number of shares. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
- V. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
- VI. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
- VII. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- VIII. When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- IX. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
- X. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

- XI. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.
- (I) Voting rights can be exercised electronically or in writing during a shareholders' meeting. When this Corporation organizes shareholders' meetings after the public offering of this Corporation's shares, electronic voting shall be included as one of the channels for exercising voting rights. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, the aforesaid shareholders shall also be considered to have forfeited the voting rights on extraordinary motions and resolution amendments.
- (II) A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Corporation 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
- (III) After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.
- (IV) Except as otherwise provided in the Company Act and in the Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When this Corporation organizes shareholders' meetings after the public offering of this Corporation's shares, electronic voting shall be included as one of the channels for exercising voting rights. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of

the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

- (V) When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 15. Principles for the election of directors

- I. The election of directors at a shareholders' meeting shall be held in accordance with the election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the number of votes with which they were elected as well as the names of those not elected as directors and the numbers of votes they received.
- II. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16. Principles for the preparation and distribution of meeting minutes

- I. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
- II. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- III. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including statistical weights). When directors are elected, the number of votes for each candidate should be disclosed. The minutes shall be kept permanently throughout the life of the Corporation.
- IV. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations (Taipei Exchange), this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17. Regulations for the maintenance of order in the meeting

- I. The chairperson may instruct the inspectors (or security personnel) to assist in maintaining order in the meeting venue. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- II. At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chairperson may prevent the shareholder from so doing.
- III. When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the order of the meeting and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18. These Rules, and any amendments hereto, shall be implemented after adoption by the shareholders' meeting.

Articles of Incorporation

Chapter 1. General Provisions

- Article 1. The Company shall be incorporated as a private company limited by shares in accordance with the Company Act and its Chinese name is 永豐餘消費品實業股份有限公司 (English name: Yuen Foong Yu Consumer Products Co., Ltd.).
- Article 2. The Company operates the following businesses:
1. C601050 Housewares and Tissue Paper Manufacturing.
 2. F106020 Wholesale of Articles for Daily Use.
 3. F206020 Retail Sale of Articles for Daily Use.
 4. F102170 Wholesale of Food and Grocery.
 5. F203010 Retail sale of Food and Grocery.
 6. F107030 Wholesale of Cleaning Preparations.
 7. F207030 Retail Sale of Cleaning Preparations.
 8. F106060 Wholesale of pet appliances.
 9. F206050 Retail of pet appliances.
 10. C802100 Cosmetics Manufacturing
 11. F108040 Wholesale of Cosmetics.
 12. F208040 Retail Sale of Cosmetics.
 13. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
 14. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
 15. F107190 Wholesale of Plastic Sheets & Bags.
 16. F207190 Retail Sale of Plastic Sheets & Bags.
 17. F401010 International Trade.
 18. C601020 Paper Manufacturing.
 19. F108021 Wholesale of Drugs and Medicines.
 20. F208021 Retail Sale of Drugs and Medicines.
 21. F108031 Wholesale of Medical Devices.
 22. F208031 Retail sale of Medical Devices.
 23. F208050 Retail Sale of the Class B OTC Drugs.
 24. Other business outside the permitted scope not prohibited or restricted by law.
- Article 3. The Company may provide external guarantees. The Company may not become a shareholder with unlimited liabilities or a partner in a partnership of another company. If the company becomes a shareholder with limited liabilities of another company, it shall be exempt from the restrictions on total investment amount, which shall not

exceed forty percent of the paid-up capital. However, where the company makes external guarantees or investments, it shall be determined by the Board of Directors by approval of more than half of directors present at the meeting, where more than two thirds of the directors are present, before implementation.

Article 4. The head office of the company is established in Taipei City and the company may, subject to business requirement, set up branch office(s) at other appropriate locations, either locally or abroad based on a resolution of a meeting of the Board of Directors attended by more than half of the Directors adopted by more than half of the directors in attendance.

Article 5. Public announcements of the company shall be made in accordance with the company Act and related regulations.

Chapter 2. Shares

Article 6. The Company's total capital is NT\$3.5 billion divided into 350 million shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in separate tranches.

The total capital specified in the preceding paragraph may, with a range of NT\$100 million, be provided for the issuance of employee subscription warrants , preferred stocks with subscription rights, corporate bonds with warrants, or new restricted employee shares, totaling 10 million shares. The Board of Directors is authorized to issue the shares as mentioned above with business requirements in separate tranches.

Article 6-1. After the public offering of the company, the subscription price for the issuance of employee warrants may be exempt from restrictions in related regulations, provided that the approval of two thirds of the votes represented by the attending shareholders during a shareholders' meeting where the attending shareholders represent over half of the total number of issued shares. The shares may be issued in separate tranches within one year after it is approved in the shareholders' meeting.

The transfer of shares to employees at a price lower than which the shares were repurchased shall require the approval of two thirds of the votes represented by the attending shareholders during a shareholders' meeting where the attending shareholders represent over half of the total number of issued shares.

Article 6-2. Treasury stocks purchased by the company shall be distributed to recipients including employees of parents or subsidiaries of the company meeting certain specific requirements.

The Company's employee warrants shall be distributed to recipients including employees of parents or subsidiaries of the company meeting certain specific requirements.

When the company issues new shares, the employees eligible for share subscription shall include employees of parents or subsidiaries of the company meeting certain specific requirements.

The recipients of new restricted employee shares issued by the company include employees of parents or subsidiaries of the company meeting certain specific requirements.

- Article 7. The Company's stocks shall be registered.
When issuing stocks, the company may print the share certificates and deliver them physically or through bank transfer.
In case the delivery is through printed share certificates, they shall be numbered and affixed with the signature or seal of the director representing the company, and shall be legally authenticated before issuance.
In case the delivery is through bank transfer, there is no need to physically print the share certificates for the stock issuance. However, the company shall contact the centralized securities depository enterprise for the registration of the share certificates and process the delivery in accordance with the relevant regulations prescribed the centralized securities depository enterprise.
- Article 8. Unless otherwise specified in laws and regulations on securities, the company's shareholder services after the public offering of the company's shares shall be processed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".
- Article 9. The entries in the shareholders' roster shall not be altered within 30 days prior to the convening date of a regular shareholders' meeting, or within 15 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.
After shares are issued to the public, the entries in its shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter 3. Shareholders Meeting

- Article 10. Shareholders' meeting shall be of the following two kinds:
Regular meeting of shareholders and Special meeting of shareholders.
The regular meeting of shareholders shall be held by Board of Directors at least once every year and convened within six months after close of each fiscal year, and the special meeting shall be held when necessary.
- Article 11. A notice to convene a regular meeting or special meeting of shareholders shall be processed in accordance with Article 172 of the Company Act. The notices for the shareholders' meeting prescribed in the preceding paragraph may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

- Article 12. A shareholder, if unable to attend the shareholders' meeting, may appoint a proxy to attend on his/her behalf by executing a power of attorney that is properly signed or sealed, stating therein the scope of power authorized to the proxy.
The regulations governing proxy attendance after the public offering of the company's shares shall be pursuant to the regulations in related legislation and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.
- Article 13. A shareholders' meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors ,and the Chairman of Board shall act as the chairman of meeting. In case the Chairman of Board is on leave or unable to exercise his/her functional duties for any reason, a director shall be designated to act in his/her behalf; and if no representative is so designated, the representative shall be elected by the directors from among themselves. where as for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
- Article 14. Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares..
- Article 15. Each shareholder of the company shall have one vote per share, unless otherwise provided by Article 179 of the Company Act.
After the public offering of the company's shares, the company shall adopt the electronic transmission as one of the methods for exercising the voting power. The method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting power by correspondence or electronic means will be deemed to have attended the meeting in person. Related matters shall be processed in accordance with laws and regulations.
- Article 16. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting, and the preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.
With regard to a company offering its shares to the public, the distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of a public notice..

Chapter 4. Directors and Supervisors

- Article 17. The Company shall have five to seven directors and two supervisors elected based on capacity during the shareholders' meeting. The term of office for directors and supervisors of the company shall be three years with eligibility for subsequent

re-election.

After the public offering of the company's shares, the number of independent directors among the directors specified in the preceding paragraph shall be based on the regulations in the Securities and Exchange Act and shall be not less than two in number and not less than one-fifth of the total number of directors. The Company shall adopt a candidate nomination system for elections. Independent directors shall be elected from among the nominees in the shareholders' meeting. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority.

After the public offering of the company's shares, the percentage of shareholdings of all the directors and supervisors shall be prescribed by regulations of the competent authority of securities.

After the public offering of the company's shares, the candidates nomination system is adopted for election of the directors of the company, and the shareholders' meeting shall elect the directors from among the nominees listed in the roster of director candidates.

The Company may establish functional committees under the Board of Directors and the establishment and duties of related committees shall be processed in accordance with regulations prescribed by the competent authority.

Article 18. The directors shall organize the board meeting. The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman represents the company externally and serves as the chairperson of the shareholder's meeting and the Board of Directors. Where the Chairman is on leave or unable to perform his duties, the Chairman shall appoint a director to act on his or her behalf. If the Chairman does not appoint a deputy, the remaining directors shall appoint an acting chairperson from among themselves.

Article 19. Notifications of board meetings may be delivered in written format, by fax, or electronically. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only..

In case a board meeting is proceeded via visual communication network, the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 20. Unless otherwise prescribed in related regulations, the resolutions made by the Board

of Directors shall be passed by a majority vote at a meeting of the Board of Directors attended by more than half of all directors on the Board. Unless otherwise provided by the company Act, the company's board meetings shall be convened by the chairman. The reason for convening board meetings shall be specified, and directors and supervisors shall be notified seven days in advance. However, a board meeting may be called at any time in the event of an emergency.

The abovementioned meeting notice, following the agreement of the corresponding person, shall be sent via email.

Article 21. The Company shall, regardless of profit and loss, pay remuneration to the directors and directors for carrying out their duties in the company. The Board of Directors shall be authorized to determine and approve said remuneration based on participation in management of the company and contribution as well as industry remuneration.

Article 22. After the public offering of the company's shares, the company may establish the Audit Committee in accordance with related regulations of the Securities and Exchange Act. The duties of the Audit Committee and other matters for compliance shall be processed in accordance with the company Act, Securities and Exchange Act, other related laws and regulations, and company bylaws. The Company shall, on the date of the establishment of the Audit Committee, abolish the supervisor system and regulations in the Articles of Incorporation regarding supervisors shall be voided immediately.

Chapter 5. Managerial Officers

Article 23. A company may have one or more managerial personnel in accordance with its Articles of Incorporation. Appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with the Company Act and related regulations..

Chapter 6. Accounting

Article 24. The Company's fiscal year begins on January 1 and ends on December 31.

Article 25. At the end of a fiscal year, the Board of Directors shall prepare the following documents and submit them to the supervisors for review in accordance with regulatory procedures. The supervisor shall prepare a report after reviewing the documents and submit the report to the regular shareholders' meeting for ratification.

1. Business Report.
2. Financial statements.
3. The surplus earning distribution or loss off-setting proposals..

Article 26. If the company sustains profit every year, 1% or more of the income shall be set aside as remunerations to employees, and 2% or less shall be distributed as director and supervisor remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.

Directors and supervisors' remuneration may be distributed by way of cash dividends, and employees' remuneration may be distributed by way of cash dividends or stock dividends. The Board of Director shall be authorized to define the qualification requirements of employees entitled to receive shares or cash, including the employees of parent or subsidiary companies of the company that meet certain specific requirements. The distribution ratio of directors and supervisors' remuneration, and the method of distribution and ratio of employees' remuneration shall be resolved by a majority vote at a board meeting attended by more than two thirds of the directors, and shall be reported at the shareholders' meeting.

Article 27. If the company has any surplus at the end of a year, it shall first be applied to pay income taxes according to the law and cover losses from the previous years. Then 10% of the balance will be allocated to a statutory surplus reserve, and a special surplus reserve shall be allocated or reserved according to the law. A special surplus reserve or retained earnings are set aside if needed. Any remaining balance plus accumulated undistributed earnings of previous years and undistributed earnings adjustments of the current year may be distributed as dividends to shareholders, for which the Board of Directors shall propose a surplus allocation plan to be submitted to the shareholders' meeting for distribution.

Article 28. In consideration of external factors and the objectives of long term financial planning and in the interest of stable business growth, the company's dividend policy measures future cash flows based on the capital budget and uses retained earnings to meet the cash flow requirements. The Company shall set aside no less than 30% of the profits available for distribution as shareholders' dividends each year. The dividends may be distributed in cash or shares and the cash dividends shall be at least 20% of the dividends. However, for the purpose of meeting other capital expenditure requirements, the company may distribute the aforementioned shareholder dividends in the form of share dividends only.

Chapter 7. Supplemental Provisions

Article 29. If there are any issues not covered in the Articles of Incorporation, the company shall follow the provisions prescribed in the Company Act and other regulations.

Article 30. The Articles of Incorporation were established on October 8, 1986 and were implemented after approval in accordance with regulations.

The 1st amendment was on December 13, 1988.

The 2nd amendment was on May 10, 1989.

The 3rd amendment was on July 20, 1991.

The 4th amendment was on August 22, 1991.

The 5th amendment was on August 22, 1991.

The 6th amendment was on November 20, 1992.

The 7th amendment was on March 10, 2003.

The 8th amendment was on March 10, 2003.
The 9th amendment was on April 30, 2003.
The 10th amendment was on December 29, 2003.
The 11th amendment was on June 22, 2005.
The 12th amendment was on August 23, 2005.
The 13th amendment was on March 30, 2006.
The 14th amendment was on June 28, 2007.
The 15th amendment was on September 2, 2008.
The 16th amendment was on May 15, 2009.
The 17th amendment was on October 5, 2009.
The 18th amendment was on June 14, 2010.
The 19th amendment was on November 25, 2010.
The 20th amendment was on January 5, 2011.
The 21st amendment was on March 13, 2012.
The 22nd amendment was on March 22, 2012.
The 23rd amendment was on March 21, 2013.
The 24th amendment was on May 14, 2014.
The 25th amendment was on March 24, 2015.
The 26th amendment was on May 13, 2016.
The 27th amendment was on May 13, 2019.
The 28th amendment was on June 11, 2020.

Yuen Foong Yu Consumer Products Co., Ltd.

Chairman: Felix Ho

Yuen Foong Yu Consumer Products Co., Ltd. Shareholding of All Directors

The shareholdings of all directors as recorded in the shareholder register up until the book closure date (April 30, 2023) of the current shareholders' meeting:

Title		Name	Date of appointment	Shares held when elected			Number of shares held as recorded in the shareholder register as of April 30, 2023		
				Type	Number of shares	Shareholding ratio	Type	Number of shares	Shareholding ratio
Chairman	Representative of YFY Inc.	Yi-Da Ho	2020/9/24	Ordinary shares	178,905,565	73.05	Ordinary shares	158,004,565	59.15
Director		David Lo	2020/9/24						
Director		Zong-Chun Li	2020/9/24						
Director	Representative of YFY Development Corp.	Shien Xie	2022/6/15	Ordinary shares	5,136,400	1.92	Ordinary shares	5,136,400	1.92
Independent Director	Mei-Li Su		2020/9/24	Ordinary shares	0	0.00	Ordinary shares	0	0.00
Independent Director	Chih-Chien Lin		2020/9/24	Ordinary shares	0	0.00	Ordinary shares	0	0.00
Independent Director	Wan-Chuan Hsieh		2020/9/24	Ordinary shares	0	0.00	Ordinary shares	0	0.00
		Total			184,041,965	74.97		163,140,965	61.07

- The Company's paid-in capital was NT\$2,671,290,210, and the total number of issued shares was 267,129,021. As of 2020/9/24, the total number of issued shares was 244,906,021. As of 2022/6/15, the total number of issued shares was 267,129,021.
- Number of shares that must be held by all directors according to Article 26 of the Securities and Exchange Act: 12,000,000 shares. Actual number of shares held (shares held by independent directors are not included in the number of shares held by directors): 163,140,965 shares. The number of shares has reached the legally required percentage.
- The Company has set up an Audit Committee and therefore the provisions on the minimum percentage requirements for the shareholding of supervisors shall not apply.