



**Yuen Foong Yu Consumer Products Co., Ltd.**

## **2024 Annual General Meeting of Shareholders**

### **Meeting Handbook**

**Date: June 25, 2024**

Note: This is a translation of the meeting handbook of 2024 Annual General Meeting of Shareholders of Yuen Foong Yu Consumer Products Co., Ltd. (the “Company” or “YFYCPG”). The translation is intended for reference only and nothing else, the Company hereby 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 .....	1
I. Items to Report .....	2
II. Ratifications .....	5
III. Matters for Discussion .....	7
IV. Extraordinary Motions .....	9
Appendixes	
I. Business Report .....	10
II. Consolidated Financial Statements .....	13
III. Individual Financial Statements .....	19
IV. Earning Distribution Table .....	25
V. CPA's Audit Report .....	26
VI. Audit Committee's Review Report .....	34
VII. The Company's "Rules of Procedure for the Board of Directors' Meetings" and Revision Comparison Table .....	35
VIII. The Company's "Articles of Incorporation" and Revision Comparison Table ..	46
IX. The Company's "Rules of Procedure for Shareholders' Meetings" and Revision Comparison Table .....	65
X. The Company's " Rules of Procedure for the Election of Directors" and Revision Comparison Table .....	105
XI. Rules of Procedure for Shareholders' Meetings .....	116
XII. Articles of Incorporation .....	127
XIII. Current Shareholdings of Directors .....	135

(For the complete Financial Statements, please visit: <http://mops.twse.com.tw>)

# **Yuen Foong Yu Consumer Products Co., Ltd.**

## **2024 Annual Shareholders' Meeting Agenda**

Time and Date: 9 AM, June 25, 2024 (Tuesday)

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

Method for convening: Physical

Chairperson: Felix Ho, Chairman

Meeting Procedure:

I. Meeting Called to Order

II. Chairperson's Remarks

III. Items to Report

(I) YFYCPG's 2023 Business Report is presented for review.

(II) Audit Committee's Review of 2023 Financial Statements are presented for review.

(III) YFYCPG's 2023 Distribution of Remuneration to Employees and Directors is presented for review.

(IV) Report on the amendment of "Rules of Procedure for the Board of Directors' Meetings".

IV. Ratifications

(I) YFYCPG's 2023 Financial Statements are presented for ratification.

(II) YFYCPG's 2023 Earnings Distribution Proposal is presented for ratification.

V. Matters for Discussion

(I) The amendment of "Articles of Incorporation" is presented for approval.

(II) The amendment of "Rules of Procedure for Shareholders' Meetings" is presented for approval.

(III) The amendment of "Rules of Procedure for the Election of Directors and Supervisors" is presented for approval.

VI. Extraordinary Motions

VII. Meeting Adjourned

## Items to Report

- I. YFYCPG's 2023 Business Report is presented for review.

(Proposed by the Board of Directors)

### Description:

- (I) YFYCPG's 2023 consolidated net sales was reported at NT\$10,264,803 thousand (currency is assumed to be New Taiwan Dollars (NT\$) hereunder), gross profit from sales at NT\$2,623,345 thousand, net profit before tax at NT\$1,206,976 thousand, net profit for the current year at NT\$971,601 thousand, of which NT\$965,992 thousand was attributed to the owners of the Company; the earnings per share was NT\$3.62.
- (II) The Business Report can be found in Appendix 1 of the Handbook. (please refer to page 10)
- (III) Please review.

- II. Audit Committee's Review of 2023 Financial Statements are presented for review.

(Proposed by the Audit Committee)

### Description:

- (I) The Company's 2023 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 to 6. (please refer to pages 26 to 34)
- (II) The Audit Committee's convener is requested to read out the review reports.
- (III) Please review.

III. YFYCPG's 2023 Distribution of Remuneration to Employees and Directors is presented for review.

(Proposed by the Board of Directors)

Description:

- (I) According to Article 26 of the Company's Articles of Incorporation: "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...". In accordance with the above provisions of the Articles of Incorporation, the Company set aside NT\$11,850,000 as employee remuneration and NT\$12,150,000 as director compensation in 2023.
- (II) This proposal was reviewed and passed by the 3rd Remuneration Committee through its 3rd meeting convened on March 13, 2024 and was resolved by the 16th Board of Directors through its 4th meeting convened on March 13, 2024.
- (III) Please review.

IV. Report on the amendment of "Rules of Procedure for the Board of Directors' Meetings".

(Proposed by the Board of Directors)

Description:

- (I) In accordance with FSC-Zheng-Fa-Zi No. 1120383996 for amending the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" with respect to the provisions on the method of selecting agents when the Board of Directors postpones the meeting, the Chairman is unable to preside over the meeting for some reason, or the meeting is not dismissed as required, it is proposed that the Company's "Rules of Procedure for the Board of Directors' Meetings" be partially amended.

- (II) This proposal was reviewed and passed by the 2nd Audit Committee through its 3rd meeting convened on March 13, 2024 and was resolved by the 16th Board of Directors through its 4th meeting convened on March 13, 2024.
- (III) Attached in Appendix 7 are the amended "Rules of Procedure for the Board of Directors' Meetings" and Revision Comparison Table. (please refer to pages 35 to 45)
- (IV) Please review.

## **Ratifications**

- I. YFYCPG's 2023 Financial Statements are presented for ratification.

(Proposed by the Board of Directors)

Description:

- (I) The Company's 2023 consolidated and individual financial statements have been audited by CPAs, and, along with the Business Report, have been reviewed and approved by the Audit Committee with no discrepancies found. Related files (including the Business Report as well as consolidated and individual financial statements) can be found in Appendixes 1-3. (please refer to pages 10 to 24)
- (II) Please ratify.

Resolution:

- II. YFYCPG's 2023 Earnings Distribution Proposal is presented for ratification.

(Proposed by the Board of Directors)

Description:

- (I) The Company's 2023 net income after taxes were reported at NT\$965,992,135; accumulated surplus in terms of undistributed earnings from the previous year was reported at NT\$419,780,016; remeasurement of defined benefit plans (after tax) was reported at NT\$2,854,400. The total of NT\$1,382,917,751 was available for distribution. Excluding NT\$96,313,774 which must be allocated as legal reserve and NT\$36,679,103 as special earnings reserve as required by law, the distribution of ordinary stock cash dividend was NT\$3 per share, amounting to NT\$801,387,063. The remaining NT\$448,537,811 was reserved for distribution in the following year.
- (II) Following the passing of ordinary share cash dividends in the annual shareholders' meeting, the Company proposed the record date to be set on July 20 of the present year.

(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 Employee Welfare Committee.

(IV) This proposal was reviewed and passed by the 2nd Audit Committee through its 3rd meeting convened on March 13, 2024 and was resolved by the 16th Board of Directors through its 4th meeting convened on March 13, 2024. The 2023 Earnings Distribution Table is attached in Appendix 4 (please refer to page 25) of the Handbook.

(V) Please ratify.

Resolution:



## **Matters for Discussion**

- I. The amendment of "Articles of Incorporation" is presented for approval.

(Proposed by the Board of Directors)

Description:

- (I) According to partial amendments to the provisions of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” announced in Tai-Zheng-Zhi-Li No. 1120004167, the regulations on the convening of shareholders' meetings by video conference have been added. Therefore, the relevant text for convening shareholders' meetings by video conference should also be added in the Articles of Incorporation in accordance with the law. Some text has been revised based on practical operations and current conditions, such as "after public offering", "after initial public offering of shares", "supervisor", etc.
- (II) This proposal was resolved by the 16th Board of Directors through its 4th meeting convened on March 13, 2024. Attached in Appendix 8 are the amended "Articles of Incorporation" and Revision Comparison Table. (please refer to pages 46 to 64)
- (III) For your discussion and resolution.

Resolution:

- II. The amendment of "Rules of Procedure for Shareholders' Meetings" is presented for approval.

(Proposed by the Board of Directors)

Description:

- (I) According to partial amendments to the provisions of the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” announced in Tai-Zheng-Zhi-Li No. 1120004167 and No. 1110004250, relevant regulations on the convening of shareholders' meetings by video conference have been added, and some provisions have been amended based on practical operations.

(II) This proposal was resolved by the 16th Board of Directors through its 4th meeting convened on March 13, 2024. Attached in Appendix 9 are the amended "Rules of Procedure for Shareholders' Meetings" and Revision Comparison Table. (please refer to pages 65 to 104)

(III) For your discussion and resolution.

Resolution:

III. The amendment of "Rules of Procedure for the Election of Directors and Supervisors" is presented for approval.

(Proposed by the Board of Directors)

Description:

(I) In accordance with the regulations on the establishment of independent directors and the candidate nomination system under FSC-Zheng-Jiao-Zi No. 1080311451 and No. 1070345233, and the Company's establishment of the Audit Committee in place of the supervisor system, it is proposed to adjust the name of these Procedures to the "Rules of Procedure for the Election of Directors". Some provisions have been amended based on practical operations and current conditions, such as the deletion of "after issuance" and "supervisors".

(II) This proposal was resolved by the 16th Board of Directors through its 4th meeting convened on March 13, 2024. Attached in Appendix 10 are the amended " Rules of Procedure for the Election of Directors" and Revision Comparison Table. (please refer to pages 105 to 115)

(III) For your discussion and resolution.

Resolution:

## **Extraordinary Motions**

# Yuen Foong Yu Consumer Products Co., Ltd.

## Business Report

In 2023, the global economy faced a number of challenges and changes, affecting the development of various countries and industries. The instability of U.S.-China trade relations, the ongoing Russia-Ukraine war, the outbreak of the Israeli-Palestinian conflict, and the difficulty of economic recovery after the pandemic in mainland China have all posed challenges to overall economic growth. Due to weak foreign terminal demand and poor export performance, economic growth was mainly supported by domestic consumption. However, price increase has affected people's spending power and caused selecting conservative consumption. On the other hand, the frequent occurrence of abnormal droughts or floods caused by global climate change have increased consumers' concern regarding their health and safety at home and increased their awareness of the importance of protecting the Earth's environment.

Competition in Taiwan's household paper market is fierce. After "Mayflower Interfold tissue–Boldly Thick" successfully became the leading brand in the top market, the management team responded to consumers' demand for high requirements in terms of cleanliness during the pandemic, launched boxed paper towels for convenient one-handed dispensing, and introduced two-layer toilet papers that deliver three-layer quality with the use of innovative embossing to upgrade user experience, thereby continuously attracting new users and increasing market share. The new paper machines with an investment of NT\$1 billion were put into mass production as scheduled at the end of last year, and the production capacity was estimated to increase by 20%. Upon completion of new paper machines and processing equipment, we have improved our product upgrades and the ability to introduce new products, which are conducive to a further increase in market share. In terms of cleaning products, we continue to launch high-quality products that put consumers' minds at ease. In response to green business opportunities and consumers' emphasis on health, "Orange House" launched the industry's first green laundry capsules in order to extend the concept of safeguarding the health of an individual and his/her families to environmental protection and caring for the earth, starting from the formula to packaging, anti-virus and anti-bacteria effects as well as 91% plastic reduction for green packaging. We will strengthen the brand positioning of cleaning products this year. Orange House is the industry's only natural and healthy home cleaning brand. The entire series of products focus on health, and the new detergent can effectively remove odors with upgraded anti-bacteria, anti-virus and low-allergen formula without the use of chemical fragrance. We will continue the expansion of laundry capsules and launch natural odor removal products in an attempt to extend new customer groups and achieve sales growth. The consolidated revenue for 2023 totaled NT\$10.26 billion with operating profit of NT\$1.13 billion, net profit attributable to owners of the company of NT\$970 million and earnings per share of NT\$3.62.

The management team uses innovative technologies to develop more products that meet consumer needs. New product development is integrated with ESG to accelerate the launch of green products, promote the equity of green brand image assets and drive sales growth (all-paper packaging, carbon footprint labels, improved recyclability of laundry detergent battles,

mono-material products, new concentrated dishwashing tablets). We will actively expand overseas and mainland China markets, plan to integrate local production and sales, and broaden the markets of cleaning products and paper products leveraging on more competitive production costs and comprehensive online and offline channel cooperation. These efforts are expected to gradually contribute to operating momentum in the second half of this year.

In 2023, mainland China faced deflation, sluggish consumption, and a surge in youth unemployment. At the same time, it also faced a number of structural problems, such as a declining labor force, a weak housing market, bubble burst, rising debt, the withdrawal of foreign investment, and trade barriers. The overall economic recovery was not as strong as expected, with collapsing old economic model. The Chinese government adopted loose monetary policies in order to stimulate consumption and facilitate business development. However, the lagging impact of the pandemic still exists, resulting in more conservative and stratified consumption behavior. The number of consumers of infant and feminine hygiene products is expected continually to decrease, and the businesses of the hygiene product industry are facing the pressure of severe overcapacity. Despite the impact of various adverse factors, the management team has actively adjusted its product portfolio and business strategies, strengthened its high-end new product portfolio, and steadily promoted the development of high-quality products by innovation to drive growth. We have developed the export raw paper market and strengthened the business model of brand cooperation with strategic customers. Through the expansion of differentiated new products, omni-channel deployment and consumer communication and marketing, we hope to break through the current market dilemma of overcapacity and sluggish consumption.

Yuen Foong Yu Consumer Products adheres to the concept of creating "a healthy, carefree and beautiful life", continues to be committed to sustainable development, and implements environmental, social and corporate governance (ESG). The excellent brand image and corporate vision help cultivate talent and create diversified innovation. The team continues to innovate and upgrade products, successfully operates channels, achieves a number of industry breakthroughs, optimizes the production and sales structure, improves the efficiency of various investments, and continues to optimize costs for the supply chain. At the same time, we continue to develop innovative products based on our insights into consumer needs and future market trends. In order to launch better products, we will continue to invest in automation and green energy and carbon reduction equipment to improve production efficiency and product quality, thereby meeting the needs of the consumer market and continuously driving future growth momentum. Looking forward to 2024, geopolitical risks, climate change, and other factors affecting the supply, demand and price of energy and raw materials will bring uncertainties to the pace of global economic recovery despite the easing of global inflation and the end of interest rate hike cycle of central banks around the world. The recent rise in prices in Taiwan has been felt, and the possible increase in utilities will make people more cautious in their consumption, which may inhibit the growth of consumption. Under the backdrop of uneven global economic recovery, many development uncertainties such as unstable supply of raw materials and energy, fluctuations in pulp prices, etc. may lead to rising prices, which may in turn exert an impact on people's consumption power and choice of conservative spending. The management team will respond to these issues in a cautious and flexible manner, seek further

breakthroughs, and continue to create reasonable investment value for shareholders.

Chairman: Felix Ho

Managerial Officers: Zong-Chun Li

Accounting Chief Officer: Pei-Wen Chen

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

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022 (After Restatement)	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,290,191	26	\$ 1,932,617	23
Financial assets at amortized cost - current (Notes 4, 7 and 24)	28,000	1	6,271	-
Notes and accounts receivable (Notes 4, 5, 8 and 16)	1,175,871	13	1,301,510	16
Accounts receivable from related parties (Notes 4, 16 and 23)	7,341	-	6,103	-
Inventories (Notes 4 and 9)	1,079,707	12	1,313,054	16
Other current assets (Note 23)	284,467	3	275,847	3
Total current assets	<u>4,865,577</u>	<u>55</u>	<u>4,835,402</u>	<u>58</u>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment (Notes 4, 11, 17 and 23)	3,662,552	41	3,040,224	37
Right-of-use assets (Notes 4, 12 and 17)	292,941	3	326,666	4
Deferred tax assets (Notes 4 and 18)	12,132	-	17,293	-
Net defined benefit assets (Notes 4 and 14)	6,037	-	-	-
Other non-current assets	55,813	1	55,490	1
Total non-current assets	<u>4,029,475</u>	<u>45</u>	<u>3,439,673</u>	<u>42</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,895,052</u>	<u>100</u>	<u>\$ 8,275,075</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 13)	\$ -	-	\$ 268,000	3
Notes and accounts payable	546,993	6	659,405	8
Accounts payable to related parties (Note 23)	144,051	2	267,732	3
Other payables	1,176,789	13	899,057	11
Other payables to related parties (Note 23)	34,530	-	44,379	-
Current tax liabilities (Notes 4 and 18)	161,133	2	150,355	2
Lease liabilities - current (Notes 4, 12 and 23)	63,180	1	58,672	1
Other current liabilities (Note 16)	87,973	1	84,523	1
Total current liabilities	<u>2,214,649</u>	<u>25</u>	<u>2,432,123</u>	<u>29</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 13)	760,330	8	198,620	3
Deferred tax liabilities (Notes 4 and 18)	62,548	1	57,133	1
Lease liabilities - non-current (Notes 4, 12 and 23)	156,860	2	190,176	2
Net defined benefit liabilities (Notes 4 and 14)	-	-	940	-
Other non-current liabilities	21,400	-	25,732	-
Total non-current liabilities	<u>1,001,138</u>	<u>11</u>	<u>472,601</u>	<u>6</u>
Total liabilities	<u>3,215,787</u>	<u>36</u>	<u>2,904,724</u>	<u>35</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 15)</b>				
Share capital				
Ordinary shares	2,671,290	30	2,671,290	32
Capital surplus	1,214,116	14	1,214,116	15
Retained earnings				
Legal reserve	400,456	4	331,631	4
Special reserve	102,683	1	241,756	3
Unappropriated earnings	1,382,919	16	963,930	11
Total retained earnings	1,886,058	21	1,537,317	18
Other equity	(139,362)	(2)	(102,683)	(1)
Total equity attributable to owners of the Company	<u>5,632,102</u>	<u>63</u>	<u>5,320,040</u>	<u>64</u>
<b>EQUITY ATTRIBUTABLE TO FORMER OWNER OF BUSINESS COMBINATION UNDER COMMON CONTROL (Notes 4, 15 and 20)</b>				
	-	-	1,920	-
<b>NON-CONTROLLING INTERESTS</b>				
	47,163	1	48,391	1
Total equity	<u>5,679,265</u>	<u>64</u>	<u>5,370,351</u>	<u>65</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 8,895,052</u>	<u>100</u>	<u>\$ 8,275,075</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2024)

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

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022 (After Restatement)	
	Amount	%	Amount	%
NET SALES (Notes 4, 16 and 23)	\$ 10,264,803	100	\$ 10,124,793	100
COST OF GOODS SOLD (Notes 4, 9, 14, 17 and 23)	<u>(7,641,458)</u>	<u>(74)</u>	<u>(7,913,263)</u>	<u>(78)</u>
GROSS PROFIT	<u>2,623,345</u>	<u>26</u>	<u>2,211,530</u>	<u>22</u>
OPERATING EXPENSES (Notes 4, 14, 17 and 23)				
Selling and marketing	(1,066,046)	(10)	(935,336)	(9)
General and administrative	(384,798)	(4)	(336,982)	(3)
Research and development	<u>(42,563)</u>	<u>(1)</u>	<u>(42,982)</u>	<u>(1)</u>
Total operating expenses	<u>(1,493,407)</u>	<u>(15)</u>	<u>(1,315,300)</u>	<u>(13)</u>
PROFIT FROM OPERATIONS	<u>1,129,938</u>	<u>11</u>	<u>896,230</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 4, 17 and 23)	(9,404)	-	(8,679)	-
Interest income (Note 4)	69,075	1	33,745	-
Other income (Note 23)	17,065	-	36,121	-
Gain on disposal of property, plant and equipment (Note 4)	795	-	729	-
Other expenses	(1,281)	-	(1,028)	-
Foreign exchange (loss) gain (Notes 4 and 25)	<u>788</u>	<u>-</u>	<u>(44,651)</u>	<u>-</u>
Total non-operating income and expenses	<u>77,038</u>	<u>1</u>	<u>16,237</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,206,976	12	912,467	9
INCOME TAX EXPENSE (Notes 4 and 18)	<u>(235,375)</u>	<u>(3)</u>	<u>(222,903)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>971,601</u>	<u>9</u>	<u>689,564</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 14)	(3,568)	-	7,917	-
Tax effect of items that will not be reclassified (Notes 4 and 18)	<u>714</u>	<u>-</u>	<u>(1,583)</u>	<u>-</u>
	<u>(2,854)</u>	<u>-</u>	<u>6,334</u>	<u>-</u>

(Continued)



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

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022 (After Restatement)	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	\$ (36,679)	-	\$ 139,073	1
Other comprehensive (loss) income for the year, net of income tax	<u>(39,533)</u>	-	<u>145,407</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 932,068</u>	<u>9</u>	<u>\$ 834,971</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 965,992	9	\$ 681,920	7
Equity attributable to former owner of business combination under common control (Notes 4, 11, 15 and 20)	(41)	-	57	-
Non-controlling interests (Note 15)	<u>5,650</u>	-	<u>7,587</u>	-
	<u>\$ 971,601</u>	<u>9</u>	<u>\$ 689,564</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 926,459	9	\$ 827,327	8
Equity attributable to former owner of business combination under common control (Notes 4, 11, 15 and 20)	(41)	-	57	-
Non-controlling interests (Note 15)	<u>5,650</u>	-	<u>7,587</u>	-
	<u>\$ 932,068</u>	<u>9</u>	<u>\$ 834,971</u>	<u>8</u>
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$ 3.62</u>		<u>\$ 2.55</u>	
Diluted	<u>\$ 3.61</u>		<u>\$ 2.55</u>	

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

(With Deloitte & Touche auditors' report dated March 13, 2024)

(Concluded)

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company (Notes 4 and 15)								Other Equity Exchange Differences on Translation of Foreign Financial Statements	Total	Equity Attributable to Former Owner of Business Combination Under Common Control (Notes 4, 15 and 20)	Non-controlling Interests (Notes 15)	Total Equity
	Share Capital		Capital Surplus	Retained Earnings									
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE AT JANUARY 1, 2022	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	
Retrospective adjustments of equity attributable to former owner due to business combination under common control	-	-	-	-	-	-	-	-	-	1,863	-	1,863	
BALANCE AT JANUARY 1, 2022, AS RESTATED	267,129	2,671,290	1,214,116	225,589	203,863	1,220,998	1,650,450	(241,756)	5,294,100	1,863	48,487	5,344,450	
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	57	7,587	689,564	
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	57	7,587	834,971	
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	1,920	48,391	5,370,351	
Appropriation of 2022 earnings													
Legal reserve	-	-	-	68,825	-	(68,825)	-	-	-	-	-	-	
Special reserve	-	-	-	-	(139,073)	139,073	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	(614,397)	(614,397)	-	(614,397)	-	-	(614,397)	
Net income (loss) for the year ended December 31, 2023	-	-	-	-	-	965,992	965,992	-	965,992	(41)	5,650	971,601	
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	-	(2,854)	(2,854)	(36,679)	(39,533)	-	-	(39,533)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	963,138	963,138	(36,679)	926,459	(41)	5,650	932,068	
Business combination under common control	-	-	-	-	-	-	-	-	-	(1,879)	-	(1,879)	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,878)	(6,878)	
BALANCE AT DECEMBER 31, 2023	267,129	\$ 2,671,290	\$ 1,214,116	\$ 400,456	\$ 102,683	\$ 1,382,919	\$ 1,886,058	\$ (139,362)	\$ 5,632,102	\$ -	\$ 47,163	\$ 5,679,265	

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

(With Deloitte & Touche audit report dated March 13, 2024)

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

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (After Restatement)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,206,976	\$ 912,467
Adjustments for:		
Depreciation expense	454,435	432,672
Amortization expense	212	458
Expected credit loss recognized (reversed)	(28)	2,185
Finance costs	9,404	8,679
Interest income	(69,075)	(33,745)
Gain on disposal of property, plant and equipment	(795)	(729)
Reversal of write-downs of inventories	(40,041)	(8,858)
Unrealized (gain) loss on foreign currency exchange	(540)	31
Gain from lease modification	(2)	-
Changes in operating assets and liabilities		
Notes and accounts receivable	120,843	(27,767)
Accounts receivable from related parties	(1,302)	(2,717)
Inventories	263,552	(195,468)
Other current assets	(7,006)	(46,224)
Notes and accounts payable	(109,452)	166,209
Accounts payable to related parties	(123,483)	29,688
Other payables	62,925	(77,001)
Other payables to related parties	(10,967)	(4,462)
Other current liabilities	4,134	(15,424)
Net defined benefit liabilities	(10,545)	(7,822)
Cash generated from operations	1,749,245	1,132,172
Interest received	65,843	31,768
Interest paid	(9,183)	(8,461)
Income tax paid	(213,336)	(216,737)
Net cash generated from operating activities	<u>1,592,569</u>	<u>938,742</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal (acquisition) of financial assets at amortized cost	(21,273)	105,626
Net cash outflow from acquisition of subsidiary under common control	(1,879)	-
Payments for property, plant and equipment	(802,904)	(292,394)
Proceeds from disposal of property, plant and equipment	2,251	3,158
(Increase) decrease in other non-current assets	(4,116)	85,338
Net cash used in investing activities	<u>(827,921)</u>	<u>(98,272)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	(268,000)	231,000
Decrease in short-term bills payable	-	(150,000)
Proceeds from long-term borrowings	561,710	140,720

(Continued)

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

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	<b>2023</b>	<b>2022 (After Restatement)</b>
Repayment of the principal portion of lease liabilities	\$ (62,879)	\$ (55,796)
Decrease in other non-current liabilities	(4,297)	(12,504)
Distribution of cash dividends	(614,397)	(801,387)
Changes in non-controlling interests	<u>(6,878)</u>	<u>(7,683)</u>
Net cash used in financing activities	<u>(394,741)</u>	<u>(655,650)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(12,333)</u>	<u>101,209</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	357,574	286,029
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,932,617</u>	<u>1,646,588</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,290,191</u>	<u>\$ 1,932,617</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2024)

(Concluded)

**YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.****PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

ASSETS	2023		2022 (After Restatement)	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 387,753	5	\$ 235,375	3
Notes and accounts receivable (Notes 4, 7 and 15)	816,455	10	874,197	12
Accounts receivable from related parties (Notes 4, 15 and 21)	148,599	2	154,703	2
Inventories (Notes 4 and 8)	385,533	4	489,427	6
Other current assets (Note 21)	<u>128,602</u>	<u>1</u>	<u>140,983</u>	<u>2</u>
Total current assets	<u>1,866,942</u>	<u>22</u>	<u>1,894,685</u>	<u>25</u>
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using equity method (Notes 4 and 9)	3,566,612	43	3,570,888	47
Property, plant and equipment (Notes 4, 10 and 21)	2,659,604	32	1,862,522	25
Right-of-use assets (Notes 4 and 11)	181,132	2	198,507	3
Deferred tax assets (Notes 4 and 17)	1,388	-	9,964	-
Net defined benefit assets - non-current (Notes 4 and 13)	6,037	-	-	-
Other non-current assets	<u>43,710</u>	<u>1</u>	<u>42,529</u>	<u>-</u>
Total non-current assets	<u>6,458,483</u>	<u>78</u>	<u>5,684,410</u>	<u>75</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,325,425</u>	<u>100</u>	<u>\$ 7,579,095</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 12)	\$ -	-	\$ 248,000	3
Notes and accounts payable	298,479	4	314,952	4
Accounts payable to related parties (Note 21)	236,046	3	368,542	5
Other payables	945,030	11	672,321	9
Other payables to related parties (Note 21)	8,091	-	4,745	-
Current tax liabilities (Notes 4 and 17)	152,052	2	130,015	2
Lease liabilities - current (Notes 4 and 11)	51,122	1	46,837	1
Other current liabilities (Note 15)	<u>32,084</u>	<u>-</u>	<u>36,656</u>	<u>-</u>
Total current liabilities	<u>1,722,904</u>	<u>21</u>	<u>1,822,068</u>	<u>24</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 12)	760,330	9	198,620	3
Deferred tax liabilities (Notes 4 and 17)	58,347	1	57,133	1
Lease liabilities - non-current (Notes 4 and 11)	133,172	1	154,197	2
Net defined benefit liabilities (Notes 4 and 13)	-	-	940	-
Other non-current liabilities	<u>18,570</u>	<u>-</u>	<u>24,177</u>	<u>-</u>
Total non-current liabilities	<u>970,419</u>	<u>11</u>	<u>435,067</u>	<u>6</u>
Total liabilities	<u>2,693,323</u>	<u>32</u>	<u>2,257,135</u>	<u>30</u>
<b>EQUITY (Notes 4, 9 and 14)</b>				
Share capital				
Ordinary shares	<u>2,671,290</u>	<u>32</u>	<u>2,671,290</u>	<u>35</u>
Capital surplus	<u>1,214,116</u>	<u>15</u>	<u>1,214,116</u>	<u>16</u>
Retained earnings				
Legal reserve	400,456	5	331,631	4
Special reserve	102,683	1	241,756	3
Unappropriated earnings	<u>1,382,919</u>	<u>17</u>	<u>963,930</u>	<u>13</u>
Total retained earnings	<u>1,886,058</u>	<u>23</u>	<u>1,537,317</u>	<u>20</u>
Other equity	<u>(139,362)</u>	<u>(2)</u>	<u>(102,683)</u>	<u>(1)</u>
Equity attributable to former owner of business combination under common control	-	-	1,920	-
Total equity	<u>5,632,102</u>	<u>68</u>	<u>5,321,960</u>	<u>70</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 8,325,425</u>	<u>100</u>	<u>\$ 7,579,095</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2024)

## YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022 (After Restatement)	
	Amount	%	Amount	%
NET SALES (Notes 4, 15 and 21)	\$ 6,638,892	100	\$ 6,513,546	100
COST OF GOODS SOLD (Notes 4, 8, 13, 16 and 21)	<u>(4,501,766)</u>	<u>(68)</u>	<u>(4,728,392)</u>	<u>(73)</u>
GROSS PROFIT	<u>2,137,126</u>	<u>32</u>	<u>1,785,154</u>	<u>27</u>
OPERATING EXPENSES (Notes 4, 13, 16 and 21)				
Selling and marketing	(801,881)	(12)	(670,280)	(10)
General and administrative	(267,165)	(4)	(221,687)	(3)
Research and development	<u>(31,428)</u>	<u>-</u>	<u>(29,793)</u>	<u>(1)</u>
Total operating expenses	<u>(1,100,474)</u>	<u>(16)</u>	<u>(921,760)</u>	<u>(14)</u>
PROFIT FROM OPERATIONS	<u>1,036,652</u>	<u>16</u>	<u>863,394</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 4 and 16)	(8,317)	-	(5,821)	-
Share of profit (loss) of subsidiaries (Notes 4 and 9)	114,824	2	(22,971)	-
Interest income (Note 4)	2,524	-	1,376	-
Other income (Note 21)	14,224	-	20,889	-
Gain on disposal of property, plant and equipment (Note 4)	1,337	-	1,087	-
Foreign exchange gain (loss) (Notes 4 and 22)	359	-	249	-
Other expenses	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>124,851</u>	<u>2</u>	<u>(5,191)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,161,503	18	858,203	13
INCOME TAX EXPENSE (Notes 4 and 17)	<u>(195,552)</u>	<u>(3)</u>	<u>(176,226)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>965,951</u>	<u>15</u>	<u>681,977</u>	<u>11</u>

(Continued)

## YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022 (After Restatement)	
	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)	\$ (3,568)	-	\$ 7,917	-
Tax effect of items that will not be reclassified (Notes 4 and 17)	714	-	(1,583)	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries	<u>(36,679)</u>	<u>(1)</u>	<u>139,073</u>	<u>2</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(39,533)</u>	<u>(1)</u>	<u>145,407</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 926,418</u>	<u>14</u>	<u>\$ 827,384</u>	<u>13</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 965,992	15	\$ 681,920	11
Equity attributable to former owner of business combination under common control (Notes 4, 9 and 14)	<u>(41)</u>	<u>-</u>	<u>57</u>	<u>-</u>
	<u>\$ 965,951</u>	<u>15</u>	<u>\$ 681,977</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 926,459	14	\$ 827,327	13
Equity attributable to former owner of business combination under common control (Notes 4, 9 and 14)	<u>(41)</u>	<u>-</u>	<u>57</u>	<u>-</u>
	<u>\$ 926,418</u>	<u>14</u>	<u>\$ 827,384</u>	<u>13</u>
EARNINGS PER SHARE (Note 18)				
Basic	<u>\$ 3.62</u>		<u>\$ 2.55</u>	
Diluted	<u>\$ 3.61</u>		<u>\$ 2.55</u>	

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

(With Deloitte & Touche auditors' report dated March 13, 2024)

(Concluded)

**YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Share Capital (Note 14)		Capital Surplus (Notes 4 and 14)	Retained Earnings (Note 14)			Total	Other Equity Exchange Differences on Translation of Foreign Financial Statements (Note 4)	Equity Attributable to Former Owner of Business Combination Under Common Control (Notes 4 and 10)	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2022	267,129	\$ 2,671,290	\$ 1,214,116	\$ 225,589	\$ 203,863	\$ 1,220,998	\$ 1,650,450	\$ (241,756)	\$ -	\$ 5,294,100
Retrospective adjustments of equity attributable to former owner due to business combination under common control	-	-	-	-	-	-	-	-	1,863	1,863
BALANCE AT JANUARY 1, 2022, AS RESTATED	267,129	2,671,290	1,214,116	225,589	203,863	1,220,998	1,650,450	(241,756)	1,863	5,295,963
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 profit for the year ended December 31, 2022	-	-	-	-	-	681,920	681,920	-	57	681,977
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	57	827,384
BALANCE AT DECEMBER 31, 2022	267,129	2,671,290	1,214,116	331,631	241,756	963,930	1,537,317	(102,683)	1,920	5,321,960
Appropriation of 2022 earnings										
Legal reserve	-	-	-	68,825	-	(68,825)	-	-	-	-
Special reserve	-	-	-	-	(139,073)	139,073	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(614,397)	(614,397)	-	-	(614,397)
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	-	965,992	965,992	-	(41)	965,951
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	-	(2,854)	(2,854)	(36,679)	-	(39,533)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	963,138	963,138	(36,679)	(41)	926,418
Business combination under common control	-	-	-	-	-	-	-	-	(1,879)	(1,879)
BALANCE AT DECEMBER 31, 2023	267,129	\$ 2,671,290	\$ 1,214,116	\$ 400,456	\$ 102,683	\$ 1,382,919	\$ 1,886,058	\$ (139,362)	\$ -	\$ 5,632,102

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

(With Deloitte & Touche auditors' report dated March 13, 2024)



# YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022 (After Restatement)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,161,503	\$ 858,203
Adjustments for:		
Depreciation expense	228,911	209,093
Finance costs	8,317	5,821
Interest income	(2,524)	(1,376)
Share of loss (profit) of subsidiaries	(114,824)	22,971
Gain on disposal of property, plant and equipment	(1,337)	(1,087)
Reversal of write-downs of inventories	(41,553)	(678)
Unrealized gain on foreign currency exchange	93	(103)
Gain from lease modification	(2)	-
Changes in operating assets and liabilities		
Notes and accounts receivable	57,824	(93,966)
Accounts receivable from related parties	6,104	36,510
Inventories	145,447	(105,418)
Other current assets	10,552	(64,704)
Notes and accounts payable	(16,633)	27,990
Accounts payable to related parties	(132,496)	60,191
Other payables	53,503	(31,094)
Other payables to related parties	1,776	494
Other current liabilities	(4,572)	(3,781)
Net defined benefit liabilities	(10,545)	(7,822)
Cash generated from operations	1,349,544	911,244
Interest received	2,620	1,256
Dividends received	80,172	83,689
Interest paid	(8,095)	(5,599)
Income tax paid	(163,011)	(172,524)
Net cash generated from operating activities	<u>1,261,230</u>	<u>818,066</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(751,906)	(257,800)
Proceeds from disposal of property, plant and equipment	2,063	1,087
(Increase) decrease in other non-current assets	(1,664)	693
Net cash used in investing activities	<u>(751,507)</u>	<u>(256,020)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term borrowings	(248,000)	248,000
Decrease in short-term bills payable	-	(150,000)
Proceeds from long-term borrowings	561,710	140,720

(Continued)

## YUEN FOONG YU CONSUMER PRODUCTS CO., LTD.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

---

	2023	2022 (After Restatement)
Decrease in other non-current liabilities	\$ (5,607)	\$ (11,985)
Repayment of the principal portion of lease liabilities	(51,051)	(44,825)
Distribution of cash dividends	<u>(614,397)</u>	<u>(801,387)</u>
Net cash used in financing activities	<u>(357,345)</u>	<u>(619,477)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	152,378	(57,431)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>235,375</u>	<u>292,806</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 387,753</u>	<u>\$ 235,375</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2024)

(Concluded)

## Yuen Foong Yu Consumer Products Co., Ltd 2023 Statement of Earnings Distribution

Unit: NT\$

	Item	Amount
Distributable Retained Earnings		
A	Unappropriated earnings at beginning of the fiscal year	419,780,016
B	Net profit for the year ended Dec 31,2023	965,992,135
C	Re-measurement of defined benefit plans	(2,854,400)
Total		1,382,917,751
Distribution Items		
1	Legal Reserve((B~C)*10%)	96,313,774
2	Special reserve	36,679,103
3	Cash Dividend(NT\$3 per share)	801,387,063
4	Unappropriated Retained Earnings	448,537,811
Total		1,382,917,751

Chairman: Felix 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, 2023 and 2022, 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, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, 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 Financial Statement Auditing and Attestation of 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 based on our audits and the report of other auditors.

### **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, 2023. 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, 2023 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 did not audit the financial statements for the year ended December 31, 2023 of Livebricks Inc., a subsidiary included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Therefore, in our expression of an opinion on the above-mentioned consolidated financial statements, the amounts listed in the financial statements of the company are based on the audit reports of other accountants. The total assets of the company as at December 31, 2023 were NT\$14,501 thousand, representing 0.16% of consolidated total assets. The total liabilities of the company as at December 31, 2023 were NT\$1,095 thousand, representing 0.03% of consolidated total liabilities. For the year ended December 31, the profits and losses amounted to NT\$(2,011) thousand, representing (0.22%) of total comprehensive income.

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, 2023 and 2022 on which we have issued an unmodified opinion with other matter and emphasis matter section and unmodified opinion, respectively.

#### **Emphasis of Matter**

As disclosed in Notes 10 and 20 to the accompanying consolidated financial statements, Yuen Foong Shop Company, Ltd. acquired 100% equity of Livebricks Inc. from a fellow subsidiary of YFY Inc. group in the first quarter of 2023. In compliance with the "Comments on IFRS" and Interpretation 2012-301 issued by the Accounting Research and Development Foundation, the acquisition resulted in a joint control restructuring. In the preparation of comparative consolidated financial statements, the acquisition is disclosed as if it had occurred before January 1, 2022 and the Group's consolidated financial statements for the previous year are restated. Therefore, our audit result is not modified in respect of this matter.

## **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, 2023, 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-Jiuan Ye and Shio-Ming Shue.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2024

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 parent company only financial statements of Yuen Foong Yu Consumer Products Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagement of 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 based on our audits and the report of other auditors.

### **Key Audit Matter**

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. The matter was addressed in the context of our audit of the parent company only 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 parent company only financial statements for the year ended December 31, 2023 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 parent company only 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**

Among the investments accounted for using the equity method in the Company's parent company only financial statements, we have not audited the financial statements for the year ended December 31, 2023 of Livebricks Inc. and it has instead been audited by other accountants. Therefore, in our expression of an opinion on the above-mentioned parent company only financial statements, the amounts listed in the financial statements are based on the audit reports of other accountants. The investment amounts accounted for using the equity method and audited by other accountants as at December 31, 2023 were NT\$15,231 thousand, representing 0.2% of total assets. For the year ended December 31, the share of profits and losses from subsidiaries accounted for using the equity method amounted to NT\$13,313 thousand, representing 1.4% of total comprehensive income.

#### **Emphasis of Matter**

As disclosed in Notes 4 and 9 to the accompanying financial statements, Yuen Foong Shop Company, Ltd. acquired 100% equity of Livebricks Inc. from a fellow subsidiary of YFY Inc. group in the first quarter of 2023. In compliance with the "Comments on IFRS" and Interpretation 2012-301 issued by the Accounting Research and Development Foundation, the acquisition resulted in a joint control restructuring. In the preparation of comparative parent company only financial statements, the acquisition is disclosed as if it had occurred before January 1, 2022 and the Company's parent company only financial statements for the previous year are restated. Our audit result is not modified in respect of this matter.

## **Responsibilities of Management and Those Charged with Governance for the Parent Company Only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only 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 parent company only financial statements for the year ended December 31, 2023, 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-Jiuan Ye and Shio-Ming Shue.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2024

Notice to Readers

*The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.*

## **Yuen Foong Yu Consumer Products Co., Ltd**

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

March 13, 2024

The Board of Directors has prepared the Company's 2023 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.

2024 Annual General Shareholders' Meeting

Chairman of the Audit Committee: Mei-Li Su

*Mei Li Su*

**Yuen Foong Yu Consumer Products Co., Ltd.**  
**Rules of Procedure for the Board of Directors' Meetings**

Article 1 These Procedures are established in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies to provide guidance over board of directors meetings, and thereby enhance the supervisory and managerial roles of the Company's board of directors.

Article 2 The compilation and revision of these Procedures, as well as matters related to the board meetings, shall be coordinated and responsible by the board of directors meetings affairs unit.

Article 3 All issues related to the board meetings, such as agendas, procedures, minutes recording, announcements, and other compliance matters, shall be handled in accordance with standards set forth in these Procedures.

Article 4 Principles for Convening Board of Directors Meetings

- I. The board meeting shall be convened at least once every quarter.
- II. Directors shall be notified of board meetings seven days prior to the meeting with the reason indicated. However, a board meeting may be called at any time in the event of an emergency.
- III. The notice for convening a board meeting may be effected by means of electronic transmission with the prior consent of the recipients.
- IV. All matters set forth under Article 7 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.
- V. A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 5 Operating Principles for the Company's Board of Directors Meeting Materials

- I. The designated department shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.
- II. A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. The Board of Directors may resolve to postpone certain agendas if they consider the information presented

to them to be inadequate.

Article 6 Agenda items for regular board meetings of the Company shall include at least the following:

- I. Items to Report
  - (I) Minutes of the last meeting and implementation status.
  - (II) Important financial and business reports.
  - (III) Internal audit progress reports.
  - (IV) Other important matters to be reported.
- II. Matters for discussion
  - (I) Items for continued discussion from the last meeting.
  - (II) Items for discussion at this meeting.
- III. Extraordinary Motions

Article 7 The following issues shall be raised for discussion in the Company's board meetings:

- I. The Company's business plans.
- II. Annual financial reports and semi-annual financial reports. This, however, shall not include the semi-annual financial reports that, according to law, do not need to be audited by a CPA.
- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system.
- IV. Implementation or amendment of guidelines for major financial operations including asset acquisition and disposal, trading derivatives, fund loans to other parties, business mergers, splits, acquisitions or share transfers, and making of endorsement and guarantees for other parties in accordance with Article 36-1 of the Securities and Exchange Act.
- V. Public offering, issuance, or private offering of equity securities
- VI. The election or discharge of the chairperson.
- 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 meeting.
- IX. Decisions that require a resolution of the shareholders' meeting or the board of directors according to Article 14-3 of the Securities and Exchange Act, other laws, or the Articles of Incorporation or other important matters specified by the competent authorities.

Article 8 The “related parties” mentioned in paragraph 8 of the preceding article refer to the related parties as defined by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

Article 9 The term "within a 1-year period" in the preceding article means a period of 1 year calculated retroactively from the date on which the current board meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

Article 10 Principles for the Board of Directors Meeting Attendance and Sign-in

- I. If the Company has independent directors, at least one independent director shall be in attendance at board 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. If independent directors have dissenting or qualified opinions, it shall be specified in the Board of Directors meeting minutes. If an independent director is unable to express objections or qualified opinions personally at the board 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 meeting minutes.
- II. Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by video conferencing shall be deemed attendance in person.
- III. A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.
- IV. The proxy referred to in paragraph 2 may be the appointed proxy of only one person.
- V. Before a board meeting is held, an attendance book shall be prepared for signing-in by attending directors, which shall be made available for future reference.

Article 11 Principles for the Chairmanship of the Board of Directors Meeting

- I. Board meetings of the Company shall be convened and chaired by the Chairman of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.
- II. Where a board meeting 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. In case the Chairman is on leave or unable to exercise his/her functional duties for any reason, a director shall be designated by the Chairman to act in his/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 meeting depending on the agenda.
- II. When necessary, CPAs, attorneys, or other professionals may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 13 Principles for Preservation of Board Meeting Minutes

- I. When a board meeting is called, the board of directors meeting affairs unit shall have the relevant information ready at hand for the reference of the attending directors.
- II. The company shall make audio or video recordings of the entire proceedings of board meetings and retain the recordings for at least five years and may be effected by means of electronic transmission.
- III. If any litigation arises with respect to a resolution of a board meeting before the end of the retention period referred to in the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.
- IV. Where a board meeting is held by video conference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained properly for the duration of the existence of the Company.



Article 14 Principles of Board of Directors Meeting Procedures

- I. Meeting Called to Order: The chairperson of the meeting may call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.
- II. Principles of meeting postponement: If one-half of all the directors are not in attendance, the chairperson may announce postponement of the meeting time on the day, provided that no more than two such postponements may be made. If after two postponements the number of directors present is still insufficient, the chairperson may reconvene the meeting by following the procedure under article 4, paragraph 2.
- III. The term "all directors" in these Procedures shall be counted as the number of members actually in office at the given time.
- IV. A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.
- V. The chairperson may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.
- VI. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case paragraph 2 of this article shall apply mutatis mutandis.
- VII. If the chairman of the board is unable to preside over the meeting for some reason or fails to declare the adjournment of the meeting in accordance with the provisions of paragraph 5, the provisions of article 11 paragraph 3 shall apply mutatis mutandis to the selection and appointment of his/her agent.
- VIII. When the chairperson at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call a vote.
- IX. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chairperson, the proposal will be deemed approved. If an objection be expressed by directors upon a query by the chairperson, the agenda shall proceed to the voting process.
- X. "Attending directors," as used in the preceding paragraph, does not include directors that may not exercise voting rights pursuant to article 16.

Article 15 Voting Principles for Board of Directors' Proposals

- I. Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a meeting attended by a majority of all directors.
- 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. But, when any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- IV. If a vote on a proposal requires monitoring and counting personnel, the chairperson shall appoint such personnel, provided that all monitoring personnel shall be directors.
- V. The results of each vote shall be announced on the spot and recorded in the meeting minutes.

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

- I. If a director or a juristic person that the director represents is an interested party in relation to an 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 interest of the Company, that director may offer his/her opinion and answer related questions but may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.
- II. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.
- III. Where a director is prohibited by the two preceding paragraphs from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, Paragraph 2 of the Company Act shall apply mutatis mutandis in accordance with Article

206, Paragraph 2 of the same Act.

Article 17 Principles for Recording and Preserving Minutes of Board of Directors Meetings

- I. Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:
  - (I) The number (or year), time and location of a meeting.
  - (II) The name of the chairperson.
  - (III) The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
  - (IV) The names and titles of those attending the meeting as non-voting participants.
  - (V) The name of the minute taker.
  - (VI) Items to report.
  - (VII) Matters for discussion: the method of resolution and the result for each proposal; 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; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to article 10, paragraph 1.
  - (VIII) Extraordinary Motions: the name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; 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; and their objections or reservations and any recorded or written statements.
  - (IX) Other details required to be recorded in the meeting minutes.
- 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 all directors.

- III. The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.
- IV. The minutes of a board meeting shall bear the signature or seal of both the chairperson and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.
- V. The meeting minutes may be produced and distributed in electronic form.

Article 18 These Procedures shall become effective upon approval by the board of directors and reported in the shareholders' meeting. If there are any amendments in the future, the board of directors may be authorized to make a resolution.

**Yuen Foong Yu Consumer Products Co., Ltd.**  
Board of Directors Meeting Procedures Revision Comparison Table

Amended Article	Existing Article	Description
<p>Article 14 Principles of Board of Directors Meeting Procedures</p> <p>I. Meeting Called to Order: The chairperson of the meeting may call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.</p> <p>II. Principles of meeting postponement: If one-half of all the directors are not in attendance, the chairperson may announce postponement of the meeting time <b><u>on the day</u></b>, provided that no more than two such postponements may be made. If after two postponements the number of directors present is still insufficient, the chairperson may reconvene the meeting by following the procedure under article 4, paragraph 2.</p> <p>III. The term "all directors" in these Procedures shall be counted as the number of members actually in office at the given time.</p> <p>IV. A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>V. The chairperson may not declare the meeting closed</p>	<p>Article 14 Principles of Board of Directors Meeting Procedures</p> <p>I. Meeting Called to Order: The chairperson of the meeting may call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.</p> <p>II. Principles of meeting postponement: If one-half of all the directors are not in attendance, the chairperson may announce postponement of the meeting time, provided that no more than two such postponements may be made. If after two postponements the number of directors present is still insufficient, the chairperson may reconvene the meeting by following the procedure under article 4, paragraph 2.</p> <p>III. The term "all directors" in these Procedures shall be counted as the number of members actually in office at the given time.</p> <p>IV. A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>V. The chairperson may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>VI. At any time during the course of</p>	<p>In accordance with FSC-Zheng-Fa-Zi No. 1120383996 dated January 11, 2024 for amending the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with respect to the provisions on the method of selecting agents when the Board of Directors postpones the meeting, the Chairman is unable to preside over the meeting for some reason, or the meeting is not dismissed as required, it is proposed to amend paragraph 2 of this article, add the regulations of paragraph 7 and amend the item numbering in sequence in line with paragraph 7.</p>

<p>without the approval of a majority of the directors in attendance at the meeting.</p> <p><b>VI.</b> At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case paragraph 2 of this article shall apply mutatis mutandis.</p> <p><b><u>VII. If the chairman of the board is unable to preside over the meeting for some reason or fails to declare the adjournment of the meeting in accordance with the provisions of paragraph 5, the provisions of article 11 paragraph 3 shall apply mutatis mutandis to the selection and appointment of his/her agent.</u></b></p> <p><b><u>VIII.</u></b> When the chairperson at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call a vote.</p> <p><b><u>IX.</u></b> When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chairperson, the proposal will be deemed approved. If an objection be expressed by</p>	<p>a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case paragraph 2 of this article shall apply mutatis mutandis.</p> <p><b>VII.</b> When the chairperson at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call a vote.</p> <p><b>VIII.</b> When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chairperson, the proposal will be deemed approved. If an objection be expressed by directors upon a query by the chairperson, the agenda shall proceed to the voting process.</p> <p><b>IX.</b> "Attending directors," as used in the preceding paragraph, does not include directors that may not exercise voting rights pursuant to article 16.</p>	
---	---	--

directors upon a query by the chairperson, the agenda shall proceed to the voting process.

X. "Attending directors," as used in the preceding paragraph, does not include directors that may not exercise voting rights pursuant to article 16.

## **Yuen Foong Yu Consumer Products Co., Ltd.**

### **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 The subscription price for the issuance of the Company's 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 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. The Company's 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.

When the Company's shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.

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 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. here 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.

When the Company convenes a shareholders' meeting, voting rights shall be exercised electronically or in writing during a shareholders' meeting. 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 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. The distribution of the meeting minutes mentioned in the preceding paragraph may be effected by way of public announcement on the Market Observation Post System.

## Chapter 4 Director

- Article 17 The Company shall have five to seven independent directors elected based on capacity during the shareholders' meeting. The term of office for directors of the company shall be three years with eligibility for subsequent re-election.
- The number of directors to be elected in the preceding paragraph shall be determined by the board of directors meeting, of which the number of independent directors shall not be less than three and shall not be less than one fifth of the board. 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.
- The percentage of shareholdings of all the Company's directors shall be based on the regulations of competent authority in charge of the securities industry.
- 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 The Company's notifications of board meetings may be delivered in written format, by fax, or electronically. If a director is unable to attend a meeting, he/she may appoint another director as proxy to attend the meeting by completing a proxy forms for each meeting, specifying the scope of delegation. The proxy specified above can represent the attendance of only one other director.
- 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 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 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 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.

## Chapter 5 Managers

- 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 regular shareholders' meeting for ratification in accordance with regulatory procedures.
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 remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.
- Directors' 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' 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 shareholders' 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 June 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.  
The 29th amendment was on June 25, 2024.

Yuen Foong Yu Consumer Products Co., Ltd.

Chairman: Felix Ho

**Yuen Foong Yu Consumer Products Co., Ltd.**  
Articles of Incorporation Revision Comparison Table

Amended article	Existing Article	Description
<p>Article 6-1</p> <p>The subscription price for the issuance of the Company's 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.</p> <p>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.</p>	<p>Article 6-1</p> <p><del>After the public offering of</del> 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.</p> <p>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.</p>	<p>The Company has become a public offering company, and the text has been revised accordingly.</p>
<p>Article 8</p> <p>Unless otherwise specified in laws and regulations on securities, the company's shareholder services shall be <b>processed</b> in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".</p>	<p>Article 8</p> <p>Unless otherwise specified in laws and regulations on securities, the company's shareholder services <del>after the public offering of the company's shares</del> shall be processed in accordance with the "Regulations Governing the Administration of Shareholder</p>	<p>The Company has become a public offering company, and the text has been revised accordingly.</p>



	Services of Public Companies".	
<p>Article 9</p> <p>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.</p> <p>The Company's 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.</p>	<p>Article 9</p> <p>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.</p> <p><del>After shares are issued to the public,</del> the Company's 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.</p>	<p>The Company has become a public offering company, and the text has been revised accordingly.</p>

<p>Article 11</p> <p>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.</p> <p><b><u>When the Company's shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.</u></b></p>	<p>Article 11</p> <p>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.</p>	<p>This paragraph has been added in line with the addition of relevant regulations for video conferencing in the sample template of the Rules of Procedure for Shareholders' Meeting.</p>
<p>Article 12</p> <p>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.</p> <p>The regulations governing proxy attendance 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.</p>	<p>Article 12</p> <p>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.</p> <p>The regulations governing proxy attendance <del>after the public offering</del> 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.</p>	<p>The Company has become a public offering company, and the text has been revised accordingly.</p>

<p>Article 15</p> <p>Each shareholder of the company shall have one vote per share, unless otherwise provided by Article 179 of the Company Act.</p> <p>When the Company <u>convenes a shareholders' meeting, voting rights</u> shall be <u>exercised</u> electronically or <u>in writing</u> during a shareholders' meeting. <u>When voting rights are exercised by correspondence or electronic means</u>, 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.</p>	<p>Article 15</p> <p>Each shareholder of the company shall have one vote per share, unless otherwise provided by Article 179 of the Company Act.</p> <p><del>After the public offering of the company's shares,</del> the company <del>shall adopt</del> the electronic transmission <del>as one of the methods for exercising the voting power.</del></p> <p>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.</p>	<p>The Company has been listed, and the text of this paragraph has been revised accordingly.</p>
<p>Article 16</p> <p>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. The distribution of the meeting minutes <u>mentioned</u> in the preceding paragraph may be effected by way</p>	<p>Article 16</p> <p>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. <u>With regard to a company offering its shares to the public,</u> the distribution of the minutes of</p>	<p>The Company has issued its share to the public, and the text of this article has been revised accordingly.</p>

<p>of public announcement on the <b>Market Observation Post System.</b></p>	<p>shareholders' meeting as required in the preceding <b>Paragraph</b> may be effected by means of a public notice.</p>	
<p>Chapter 4 Director Article 17 The Company shall have five to seven <b>independent directors</b> elected based on capacity during the shareholders' meeting. The term of office for directors of the company shall be three years with eligibility for subsequent re-election. The <b>number of directors to be elected in the preceding paragraph shall be determined by the board of directors, of which</b> the number of independent directors shall not be less than <b>three</b> and shall not be less than one fifth of the board. 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</p>	<p>Chapter 4 Directors <del>and Supervisors</del> Article 17 The Company shall have five to seven directors <del>and two supervisors</del> elected based on capacity during the shareholders' meeting. The term of office for directors of the company shall be three years with eligibility for subsequent re-election. <del>After the public offering of the company's shares,</del> the number of independent directors among the directors specified in the preceding paragraph <del>shall be based on the regulations in the Securities and Exchange Act and</del> shall be not less than <b>two</b> 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,</p>	<p>1. According to the proviso of Article 14-4, Paragraph 1 of the Securities and Exchange Act and FSC-Zheng-Fa-Zi No. 10703452331, the Company shall have three or more independent directors. The regulations on the number of directors and independent director in paragraphs 1 and 2 have been amended. 2. The Company has become a public offering company, and the text of paragraph 3 has been revised accordingly in line with practical operations. 3. The Company has been listed, and the text of paragraph 4 has been revised accordingly.</p>

<p>Authority.</p> <p>The percentage of shareholdings of all the Company's directors shall be based on the regulations of competent authority in charge of the securities industry.</p> <p>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.</p> <p>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.</p>	<p>method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority.</p> <p><del>After the public offering of the company's shares,</del> the percentage of shareholdings of all the Company's directors <del>and supervisors</del> shall be based on the regulations of competent authority in charge of the securities industry.</p> <p><del>After the public offering of the company's shares,</del> 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.</p> <p>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.</p>	
--	---	--

<p>Article 20</p> <p>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 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.</p>	<p>Article 20</p> <p>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 <del>and supervisors</del> 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.</p>	<p>The text has been revised accordingly in line with practical operations.</p>
<p>Article 21</p> <p>The Company shall, regardless of profit and loss, pay remuneration to the 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.</p>	<p>Article 21</p> <p>The Company shall, regardless of profit and loss, pay remuneration to the directors <del>and supervisors</del> 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.</p>	<p>The text has been revised accordingly in line with practical operations.</p>

<p>Article 22</p> <p>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.</p>	<p>Article 22</p> <p><del>After the public offering of the company's shares,</del> 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. <del>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.</del></p>	<p>The text has been revised accordingly in line with practical operations.</p>
<p>Article 25</p> <p>At the end of a fiscal year, the Board of Directors shall prepare the following documents and submit them to the regular shareholders' meeting for ratification in accordance with regulatory procedures.</p> <ol style="list-style-type: none"> <li>1. Business Report.</li> <li>2. Financial statements.</li> <li>3. The surplus earning distribution or loss off-setting proposals.</li> </ol>	<p>Article 25</p> <p>At the end of a fiscal year, the Board of Directors shall prepare the following documents and submit them to <del>the supervisors for review in accordance with regulatory procedures. The supervisor shall prepare a report after reviewing the documents and submit the report to</del> the regular shareholders' meeting for ratification.</p> <ol style="list-style-type: none"> <li>1. Business Report.</li> <li>2. Financial statements.</li> <li>3. The surplus earning distribution or loss off-setting proposals.</li> </ol>	<p>The text has been revised accordingly in line with practical operations.</p>

<p>Article 26</p> <p>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 remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.</p> <p>Directors' 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' 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.</p>	<p>Article 26</p> <p>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 <del>and supervisor</del> remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.</p> <p>Directors<del> and supervisors</del>' 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<del> and supervisors</del>' 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.</p>	<p>The text has been revised accordingly in line with practical operations.</p>
---	---	---



<p>Article 30</p> <p>The Articles of Incorporation were established on October 8, 1986 and were implemented after approval in accordance with regulations.</p> <p>The 1st amendment was on December 13, 1988.</p> <p>The 2nd amendment was on May 10, 1989.</p> <p>The 3rd amendment was on July 20, 1991.</p> <p>The 4th amendment was on August 22, 1991.</p> <p>The 5th amendment was on August 22, 1991.</p> <p>The 6th amendment was on November 20, 1992.</p> <p>The 7th amendment was on March 10, 2003.</p> <p>The 8th amendment was on March 10, 2003.</p> <p>The 9th amendment was on April 30, 2003.</p> <p>The 10th amendment was on December 29, 2003.</p> <p>The 11th amendment was on June 22, 2005.</p> <p>The 12th amendment was on August 23, 2005.</p> <p>The 13th amendment was on March 30, 2006.</p> <p>The 14th amendment was on June 28, 2007.</p> <p>The 15th amendment was on September 2, 2008.</p> <p>The 16th amendment was on May 15, 2009.</p> <p>The 17th amendment was on October 5, 2009.</p> <p>The 18th amendment was on June</p>	<p>Article 30</p> <p>The Articles of Incorporation were established on October 8, 1986 and were implemented after approval in accordance with regulations.</p> <p>The 1st amendment was on December 13, 1988.</p> <p>The 2nd amendment was on May 10, 1989.</p> <p>The 3rd amendment was on July 20, 1991.</p> <p>The 4th amendment was on August 22, 1991.</p> <p>The 5th amendment was on August 22, 1991.</p> <p>The 6th amendment was on November 20, 1992.</p> <p>The 7th amendment was on March 10, 2003.</p> <p>The 8th amendment was on March 10, 2003.</p> <p>The 9th amendment was on April 30, 2003.</p> <p>The 10th amendment was on December 29, 2003.</p> <p>The 11th amendment was on June 22, 2005.</p> <p>The 12th amendment was on August 23, 2005.</p> <p>The 13th amendment was on March 30, 2006.</p> <p>The 14th amendment was on June 28, 2007.</p> <p>The 15th amendment was on September 2, 2008.</p> <p>The 16th amendment was on May 15, 2009.</p> <p>The 17th amendment was on October 5, 2009.</p> <p>The 18th amendment was on June</p>	<p>It is intended to be listed based on the actual date of adoption of the amendments.</p>
---	---	--

<p>14, 2010.</p> <p>The 19th amendment was on November 25, 2010.</p> <p>The 20th amendment was on January 5, 2011.</p> <p>The 21st amendment was on March 13, 2012.</p> <p>The 22nd amendment was on June 22, 2012.</p> <p>The 23rd amendment was on March 21, 2013.</p> <p>The 24th amendment was on May 14, 2014.</p> <p>The 25th amendment was on March 24, 2015.</p> <p>The 26th amendment was on May 13, 2016.</p> <p>The 27th amendment was on May 13, 2019.</p> <p>The 28th amendment was on June 11, 2020.</p> <p><b><u>The 29th amendment was on June 25, 2024.</u></b></p>	<p>14, 2010.</p> <p>The 19th amendment was on November 25, 2010.</p> <p>The 20th amendment was on January 5, 2011.</p> <p>The 21st amendment was on March 13, 2012.</p> <p>The 22nd amendment was on June 22, 2012.</p> <p>The 23rd amendment was on March 21, 2013.</p> <p>The 24th amendment was on May 14, 2014.</p> <p>The 25th amendment was on March 24, 2015.</p> <p>The 26th amendment was on May 13, 2016.</p> <p>The 27th amendment was on May 13, 2019.</p> <p>The 28th amendment was on June 11, 2020.</p>	
--	--	--

**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. The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively "shareholders") 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. Registration for a video-conference shareholders' meeting should be accepted on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed registration are deemed to have attended the shareholders' meeting in person.
- III. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company 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.

- VIII. If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall register with the Company two days before the shareholders' meeting.
- IX. In the event of a video conference shareholders' meeting, the Company shall upload the meeting manual, annual report, and other pertinent materials to the dedicated platform at least 30 minutes prior to the commencement of the meeting and continue to disclose them until the end of the meeting.
- X. When the Company holds a video-conference shareholders' meeting, the following matters shall be stated in the shareholders' meeting notice:
- (I) Shareholders' participation in video conferences and methods for exercising shareholder rights.
- (II) In the event of impediment to participation on the video conference platform or by video due to a natural disaster, incident, or other force majeure, methods for handling such matters should include at least the following:
1. To what time the meeting is postponed or from what time the meeting will resume if the above impediment continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  2. Shareholders who have not registered to participate in the original shareholders' meeting by video may not participate in the postponed or reconvened meeting.
  3. When holding a video-assisted shareholders' meeting, if it is not possible to continue the video conference and if the total number of shares present reaches the statutory quota for the shareholders' meeting after the number of shares present at the shareholders' meeting by video is deducted, the shareholders' meeting shall be reconvened. The number of shares represented by shareholders participating in the shareholders' meeting by video shall be included in the total number of shares of shareholders present; the shareholders shall be deemed to have abstained from voting in all motions of the shareholders' meeting.
  4. The handling method in the event that all motions have declared results and no extraordinary motion has been made.
- (III) When a video-conference shareholders' meeting is held, appropriate alternatives must be specified for shareholders who have difficulty participating in the video-conference. In addition to the conditions stated in the Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection equipment and necessary assistance, and the period during which shareholders may submit a request to the Company and other relevant issues shall be specified.

#### 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 represented during the meeting is calculated based on the total amount registered in the attendance log or the attendance cards collected and the shareholders registered on the video conference platform plus the amount of shares where voting rights are exercised in writing or through electronic means.

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.
- IV. When the Company convenes a shareholders' meeting by video-conference, it is not subject to the restriction of venue as described in the first and third paragraphs.

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) The hosting of video conference shareholders' meetings by the Company shall be regulated otherwise in Regulations Governing the Administration of Shareholder Services of Public Companies, clearly stated in the Articles of Incorporation, and approved by the Board of Directors. The video conference shareholders' meeting shall also be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.
  - (II) Changes to the method of convening the shareholders' meetings of the Company shall be subject to a resolution of the Board of Directors that shall be made no later than before the shareholders' meeting notice is sent.
  - (III) 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, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.
  - (IV) The Company shall make the meeting handbook and supplemental meeting materials in the preceding subparagraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

1. When a physical shareholders' meeting is held, materials are to be distributed at the venue of the shareholders' meeting.
  2. When a video-assisted shareholders' meeting is held, materials are to be distributed both at the venue of the shareholders' meeting and sent to the video-conferencing platform in electronic form.
  3. When a video-conferencing shareholders' meeting is held, materials are to be sent to the video-conferencing platform in electronic form.
- (V) 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.
- (VI) 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 Company as a public company, approval of competing with the Company 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.
- (VII) 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 Company 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 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.
- IV. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by video conference, a written notice of proxy cancellation must be submitted to the Company 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

- I. 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.
- II. In the event of a video conference shareholders' meeting, the Company shall keep records of the shareholders' registration, enrollment, check-in, questions and voting and the Company's vote counting results, and shall continuously and uninterruptedly record and videotape the entire video conference.
- III. The Company shall keep the aforementioned information and audio and video recordings safe throughout the life of the Company, and shall give the audio and video recordings to the person entrusted with the video conference for retention.
- IV. If the shareholders' meeting is held by video conference, it is advised that the Company record (audio and video) the backend operation interface of the video conference platform.

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. In the event of a shareholders' meeting held by video conference, the Company shall announce the adjournment of the meeting on the video conference platform.

- 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; If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 3.
- 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, the Company 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 as well as the number of shares of shareholders whose voting rights are exercised in writing or through electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting; In the event of a video conference shareholders' meeting, the Company shall upload the materials of the preceding paragraph to the dedicated platform at least 30 minutes prior to the commencement of the meeting and continue to disclose them until the end of the meeting.
- V. If the Company convenes a shareholders' meeting by video conference, at commencement of the meeting, the total shares represented by the shareholders present must be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of the shareholders present at the meeting are otherwise counted.

## 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.
- VIII. In the event of a video conference shareholders' meeting, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the commencement of the meeting and before the meeting is adjourned. The maximum number of questions for each motion is two, and each question is limited to 200 words. Paragraphs 1 through 6 will not apply.
- IX. If the questions described in the preceding paragraph do not violate the rules or exceeds the scope of the agenda item, it is advisable to disclose such questions on the video conference platform of the shareholders' meeting for public knowledge.

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 the Company, 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 shall be exercised electronically or in writing during a shareholders' meeting. 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 or by video conference, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, 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.

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.
- (VI) In the event that the Company convenes a video conference shareholders' meeting, shareholders participating by video shall vote on each motion and election motion through the video conference platform after the chairman announces the commencement of the meeting, and shall complete the voting before the chairman announces the close of the voting. After this period, the shareholders shall be deemed to have abstained from voting.

- (VII) In the event that the Company convenes a video conference shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.
- (VIII) When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with the provisions of Article 3 who then intend to attend the shareholders' meeting in person shall cancel the registration using the same means two business days before the date of the shareholders' meeting. Those who cancel after the time limit may only attend the shareholders' meeting by video conferencing.
- (IX) Those who exercise their voting rights in writing or through electronic means without revoking their intentions and participate in the shareholders' meeting by video conferencing may not exercise their voting rights on existing agenda items or propose amendments to those agenda items or exercise voting rights for amendments to those agenda items; however, this does not apply to extraordinary motions.

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 the Company, 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. When a shareholders' meeting is held by video conference, in addition to the matters required to be recorded in the preceding paragraph, the minutes of the meeting shall record the start

and end time of the shareholders' meeting, the method of holding the meeting, the name of the chairperson and the recorder, and the handling method and handling situation in the event of an impediment to participation on the video conference platform or by video due to a natural disaster, incident, or other force majeure.

- V. If the Company holds the shareholders' meeting by video conference, in addition to the provisions of the preceding paragraph, it shall also specify in the meeting minutes alternative measures available to shareholders who have difficulty participating in the video-conference.
- VI. 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 proctors (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 Principles of the video conference

- I. If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results of various resolutions and election results on the video conference platform of the shareholders' meeting in accordance with regulations; and it shall continue to disclose the preceding for at least fifteen minutes after the chairperson announces the adjournment of the meeting.
- II. When the Company convenes a shareholders' meeting by video conference, the chairperson and the recorder shall be at the same place in Taiwan, and the chairperson shall announce the address of that place at the time of the convening the meeting.
- III. Handling of video conference interruptions
  - (I) If the shareholders' meeting is held by video conference, the Company may provide a simple connectivity test for shareholders before the meeting and provide relevant services immediately before and during the meeting to assist in handling technical communication issues.
  - (II) In the event of a video conference shareholders' meeting, when commencing the meeting, the chairman shall separately announce, except for the cases in which there is no need to postpone or reconvene the meeting as stipulated in Article 44-20, Paragraph 4 of the

Regulations Governing the Administration of Shareholder Services of Public Companies, if, prior to the close of the meeting announced by the chairman, there is an impediment to participation on the video conference platform or by video for a period of 30 minutes or more due to a natural disaster, incident or other force majeure, the meeting shall be postponed for not more than, or reconvened within, five days. The provisions of Article 182 of the Company Act shall not apply.

- (III) In the event of a postponed or reconvened meeting as described in the preceding subparagraph, shareholders who have not registered to participate in the original shareholders' meeting by video may not participate in the postponed or reconvened meeting.
- (IV) In the event of an adjourned or reconvened meeting in accordance with the provisions of Subparagraph 2 of this Paragraph, if shareholders who have registered to attend the original shareholders' meeting by video and have completed check-in for the meeting do not attend the adjourned or reconvened meeting, the number of their shares present and the voting and election rights they exercised at the original shareholders' meeting shall be included in the total number of shares, voting rights and election rights of the shareholders present at the adjourned or reconvened meeting.
- (V) When a postponed or reconvened shareholders' meeting is held in accordance with the provisions of Subparagraph 2 of this Paragraph, it is not required to re-discuss and resolve on motions for which voting and counting of votes have been completed and the voting results or the names of the directors elected have been announced.
- (VI) When the Company convenes a video-assisted shareholders' meeting and the reconvened video conference cannot be conducted as described in Subparagraph 2 of this Paragraph, if the total number of shares present reaches the statutory quota for the shareholders' meeting after the number of shares present at the shareholders' meeting by video is deducted, the shareholders' meeting shall be continued without any postponement or reconvention as provided in Subparagraph 2 of this Paragraph.
- (VII) In the event that a meeting shall be continued as described in the preceding Subparagraph, the number of shares represented by shareholders participating in the shareholders' meeting by video shall be included in the total number of shares of shareholders present. However, the shareholders shall be deemed to have abstained from voting in all motions of the shareholders' meeting.
- (VIII) Where the Company postpones or reconvenes the shareholders' meeting as provided in Subparagraph 2 of this Paragraph, it shall proceed with respective pre-operations according to the date of the original shareholders' meeting and the provisions of the content stipulated in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
- (IX) For periods set forth in Article 12, second half, and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17,

Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the Subparagraph 2 of this Paragraph.

- IV. When a video-conference shareholders' meeting is held, appropriate alternatives must be provided for shareholders who have difficulty attending the video-conference. In addition to the conditions stated in the Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection equipment and necessary assistance, and the period during which shareholders may submit a request to the Company and other relevant issues shall be specified.

Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by the shareholders' meeting.



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

Amended article	Existing Article	Description
<p>Article 3 Principles of the meeting</p> <p>I. The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, <b><u>solicitors, and proxies (collectively "shareholders")</u></b> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>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. <b><u>Registration for a video-conference shareholders' meeting should be accepted on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed registration are deemed to have attended the shareholders' meeting in person.</u></b></p> <p>III. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to</p>	<p>Article 3 Principles of the meeting</p> <p>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.</p> <p>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.</p> <p>III. <del><b><u>Shareholders and their proxies (collectively, "shareholders")</u></b></del> shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company 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.</p> <p>IV. This Corporation shall provide an attendance log to record attendance of shareholders or proxies thereof (collectively referred to as shareholders below); alternatively,</p>	<p>In response to Tai-Zheng-Zhi-Li No. 1110004250, which revised the relevant regulations on convening shareholders' meetings by video conference, this article has been added to regulate the preparation of procedures manual, annual report, meeting notice and other materials and related attendance procedures for convening shareholders' meetings via video conference, in order to practice shareholder activism.</p>

<p>attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>VII. Staff handling administrative affairs of the shareholders' meeting shall wear identification badges or arm-bands.</p> <p><b><u>VIII. If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall register with the Company two days before the shareholders' meeting.</u></b></p>	<p>attendance cards may be presented to signify their presence at the meeting.</p> <p>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.</p> <p>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.</p> <p>VII. Staff handling administrative affairs of the shareholders' meeting shall wear identification badges or arm-bands.</p>	
--	---	--

<p><b><u>IX. In the event of a video conference shareholders' meeting, the Company shall upload the meeting manual, annual report, and other pertinent materials to the dedicated platform at least 30 minutes prior to the commencement of the meeting and continue to disclose them until the end of the meeting.</u></b></p> <p><b><u>X. When the Company holds a video-conference shareholders' meeting, the following matters shall be stated in the shareholders' meeting notice:</u></b></p> <p><b><u>(I) Shareholders' participation in video conferences and methods for exercising shareholder rights.</u></b></p> <p><b><u>(II) In the event of impediment to participation on the video conference platform or by video due to a natural disaster, incident, or other force majeure, methods for handling such matters should include at least the following:</u></b></p> <p><b><u>1. To what time the meeting is postponed or from what time the meeting will resume if the above impediment continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></b></p> <p><b><u>2. Shareholders who have not registered to participate in the original shareholders' meeting by video may not participate in the postponed or reconvened meeting.</u></b></p> <p><b><u>3. When holding a video-assisted shareholders' meeting, if it is not</u></b></p>		
---	--	--

possible to continue the video conference and if the total number of shares present reaches the statutory quota for the shareholders' meeting after the number of shares present at the shareholders' meeting by video is deducted, the shareholders' meeting shall be reconvened. The number of shares represented by shareholders participating in the shareholders' meeting by video shall be included in the total number of shares of shareholders present; the shareholders shall be deemed to have abstained from voting in all motions of the shareholders' meeting.

4. The handling method in the event that all motions have declared results and no extraordinary motion has been made.

(III) When a video-conference shareholders' meeting is held, appropriate alternatives must be specified for shareholders who have difficulty participating in the video-conference. In addition to the conditions stated in the Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection equipment and necessary assistance, and the period during which shareholders may submit a request to the Company and other relevant issues shall be

<b><u>specified.</u></b>		
<p>Article 4 Attendance and voting principles</p> <p>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.</p> <p>II. The number of shares represented during the meeting is calculated based on the total amount registered in the attendance log or the attendance cards collected <b><u>and the shareholders registered on the video conference platform</u></b> plus the amount of shares where voting rights are exercised in writing or through electronic means.</p>	<p>Article 4 Attendance and voting principles</p> <p>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.</p> <p>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.</p>	<p>In compliance Tai-Zheng-Zhi-Li No. 1110004250, which revised the relevant regulations on convening shareholders' meetings by video conference, this article has been amended to regulate the range of number of shares that shall be calculated as the number of shares in attendance.</p>
<p>Article 5 Principles for determining the place and time of a meeting</p> <p>I. Shareholders' meetings shall be held at this Corporation or locations that are suitable and convenient for shareholders to attend.</p> <p>II. Meetings shall not begin earlier than 9 AM or later than 3 PM.</p> <p>III. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><b><u>IV. When the Company convenes a shareholders' meeting by video-conference, it is not subject to the restriction of venue as described</u></b></p>	<p>Article 5 Principles for determining the place and time of a meeting</p> <p>I. Shareholders' meetings shall be held at this Corporation or locations that are suitable and convenient for shareholders to attend.</p> <p>II. Meetings shall not begin earlier than 9 AM or later than 3 PM.</p> <p>III. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<p>In compliance with the provisions of Tai-Zheng-Zhi-Li No. 1110004250 on the place of shareholders' meetings held via video conference, paragraph 4 has been added.</p>

<p><b><u>in the first and third paragraphs.</u></b></p>		
<p>Article 6 Principles for preparing the meeting and filing proposals</p> <p>I. Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors.</p> <p>(I) <b><u>The hosting of video conference shareholders' meetings by the Company shall be regulated otherwise in Regulations Governing the Administration of Shareholder Services of Public Companies, clearly stated in the Articles of Incorporation, and approved by the Board of Directors. The video conference shareholders' meeting shall also be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.</u></b></p> <p>(II) <b><u>Changes to the method of convening the shareholders' meetings of the Company shall be subject to a resolution of the Board of Directors that shall be made no later than before the shareholders' meeting notice is sent.</u></b></p> <p>(III) 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</p>	<p>Article 6 Principles for preparing the meeting and filing proposals</p> <p>I. Unless otherwise provided by law or regulation, this Corporation's shareholders' meetings shall be convened by the board of directors.</p> <p>(I) <del><b><u>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.</u></b></del></p> <p>(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</p>	<p>In compliance with Tai-Zheng-Zhi-Li No. 1110004250 and Tai-Zheng-Zhi-Li No. 1120004167, which added regulations on the convening procedures and preparation for attendance book and other documents for convening shareholders' meetings via video conference, paragraph 1 of this article has been amended.</p>

<p>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, the Company shall also have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.</p> <p><b><u>(IV) The Company shall make the meeting handbook and supplemental meeting materials in the preceding subparagraph available to shareholders for review in the following manner on the date of the shareholders' meeting:</u></b></p> <p><b><u>1. When a physical shareholders'</u></b></p>	<p>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, the Company 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 the Company and the professional shareholder services agent designated thereby <del>as well as being distributed on site at the meeting place.</del></p> <p>(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.</p> <p>(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 Company as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the</p>	
---	---	--

<p><b><u>meeting is held, materials are to be distributed at the venue of the shareholders' meeting.</u></b></p>		
<p><b><u>2. When a video-assisted shareholders' meeting is held, materials are to be distributed both at the venue of the shareholders' meeting and sent to the video-conferencing platform in electronic form.</u></b></p>	<p>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.</p>	
<p><b><u>3. When a video-conferencing shareholders' meeting is held, materials are to be sent to the video-conferencing platform in electronic form.</u></b></p>		
<p><b><u>(V)</u></b> 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.</p>	<p>(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.</p>	
<p><b><u>(VI)</u></b> 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 Company as a public company, approval of competing with the Company 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</p>	<p>(The following is omitted)</p>	



<p>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.</p> <p><b>(VII)</b> 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.</p> <p>(The following is omitted)</p>		
<p>Article 7 Principles for submitting proxies</p> <p>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.</p> <p>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.</p> <p>III. After a proxy form has been</p>	<p>Article 7 Principles for submitting proxies</p> <p>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.</p> <p>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.</p> <p>III. After a proxy form has been</p>	<p>In compliance with the provisions of Tai-Zheng-Zhi-Li No. 1110004250, which added regulations on the procedures of attending shareholders' meetings via video conference after appointing a proxy by a shareholder, paragraph 4 of this article has been added.</p>

<p>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.</p> <p><b><u>IV. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by video conference, a written notice of proxy cancellation must be submitted to the Company 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.</u></b></p>	<p>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.</p>	
<p>Article 10 Principles for preparing comprehensive records of the entire meeting</p> <p><b><u>I.</u></b> 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</p>	<p>Article 10 Principles for preparing comprehensive records of the entire meeting</p> <p>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</p>	<p>In compliance with Tai-Zheng-Zhi-Li No. 1110004250 on the regulations of audio and video recording operations of the shareholders' meetings held via video conference, paragraphs 2 to 4 of this article have been added.</p>

<p>the Company Act, the ballots shall be retained until the conclusion of the litigation.</p> <p><b>II. In the event of a video conference shareholders' meeting, the Company shall keep records of the shareholders' registration, enrollment, check-in, questions and voting and the Company's vote counting results, and shall continuously and uninterruptedly record and videotape the entire video conference.</b></p> <p><b>III. The Company shall keep the aforementioned information and audio and video recordings safe throughout the life of the Company, and shall give the audio and video recordings to the person entrusted with the video conference for retention.</b></p> <p><b>IV. If the shareholders' meeting is held by video conference, it is advised that the Company record (audio and video) the backend operation interface of the video conference platform.</b></p>	<p>conclusion of the litigation.</p>	
<p>Article 11 Principles for the number of attendees</p> <p>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</p>	<p>Article 11 Principles for the number of attendees</p> <p>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</p>	<p>In compliance with Tai-Zheng-Zhi-Li No. 1110004250, which added the regulations on the change to convene shareholders' meetings via video conference by shareholders and the disclosure of the number of shares obtained by solicitors through solicitation, the number of shares represented by</p>

<p>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. <b><u>In the event of a shareholders' meeting held by video conference, the Company shall announce the adjournment of the meeting on the video conference platform.</u></b></p>	<p>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.</p>	<p>proxies, the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and the total number of shares in attendance of the shareholders' meeting, paragraph 1, paragraph 2 and paragraph 4 of this article have been amended and paragraph 5 of this article has been added.</p>
<p>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; <b><u>If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 3.</u></b></p>	<p>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.</p> <p>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.</p>	
<p>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</p>	<p>IV. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation <del>and</del> the number of shares represented by proxies, and shall make an express</p>	

<p>tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p> <p>IV. On the day of a shareholders' meeting, the Company 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 <u>as well as the number of shares of shareholders whose voting rights are exercised in writing or through electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders' meeting; <u>In the event of a video conference shareholders' meeting, the Company shall upload the materials of the preceding paragraph to the dedicated platform at least 30 minutes prior to the commencement of the meeting and continue to disclose them until the end of the meeting.</u></p> <p>V. <u>If the Company convenes a shareholders' meeting by video conference, at commencement of the meeting, the total shares represented by the shareholders present must be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of the shareholders present at the meeting are otherwise counted.</u></p>	<p>disclosure of the same at the place of the shareholders' meeting.</p>	
---	--	--

<p>Article 13 Principles for shareholders' opinions and procedures</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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).</p> <p>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.</p>	<p>Article 13 Principles for shareholders' opinions and procedures</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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).</p> <p>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.</p>	<p>In compliance with the provisions of Tai-Zheng-Zhi-Li No. 1110004250, which added the principle of speech of shareholders who attend shareholders' meeting via video conference, paragraphs 8 and 9 of this article have been added.</p>
---	---	---

<p>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.</p> <p>VII. After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.</p>	<p>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.</p> <p>VII. After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.</p>	
<p><b><u>VIII. In the event of a video conference shareholders' meeting, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the commencement of the meeting and before the meeting is adjourned. The maximum number of questions for each motion is two, and each question is limited to 200 words. Paragraphs 1 through 6 will not apply.</u></b></p>		
<p><b><u>IX. If the questions described in the preceding paragraph do not violate the rules or exceeds the scope of the agenda item, it is advisable to disclose such questions on the video conference platform of the shareholders' meeting for public knowledge.</u></b></p>		
<p>Article 14 Principles for discussions and voting on proposals (including extraordinary motions) (Above omitted)</p> <p>XI. A shareholder shall be entitled to</p>	<p>Article 14 Principles for discussions and voting on proposals (including extraordinary motions) (Above omitted)</p> <p>XI. A shareholder shall be entitled to</p>	<p>In compliance with the provisions of Tai-Zheng-Zhi-Li No. 1110004250, which added the regulations on voting operations of</p>

<p>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.</p> <p>(I) Voting rights <b><u>shall be exercised</u></b> electronically or in writing during a shareholders' meeting. 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.</p> <p>(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.</p> <p>(III) After a shareholder has exercised voting rights by</p>	<p>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.</p> <p>(I) When the Company holds a shareholders meeting, it <b><u>may</u></b> allow the shareholders to exercise voting rights in writing <del>or</del> electronic means. <del><b><u>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,</u></b></del> 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.</p> <p>(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</p>	<p>shareholders' meeting held via video conference, subparagraphs 6 to 9 of paragraph 11 have been added and the text of subparagraphs 1 and 4 of the same paragraph have been revised accordingly in line with practical operations.</p>
---	---	---



<p>correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or by video conference, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, 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.</p>	<p>earlier declaration of intent.</p> <p>(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.</p>	
<p>(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. 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</p>	<p>(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. <del>When the Company organizes shareholders' meetings after the public offering of the Company's shares, electronic voting shall be included as one of the channels for exercising voting rights.</del> At the</p>	

<p>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.</p> <p>(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.</p>	<p>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.</p>	
<p><b><u>(VI) In the event that the Company convenes a video conference shareholders' meeting, shareholders participating by video shall vote on each motion and election motion through the video conference platform after the chairman announces the commencement of the meeting, and shall complete the voting before the chairman announces the close of the voting. After this period, the shareholders shall be deemed to have abstained from voting.</u></b></p>	<p>(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.</p>	
<p><b><u>(VII) In the event that the Company convenes a video conference shareholders' meeting, votes</u></b></p>		

shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

**(VIII)** When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with the provisions of Article 3 who then intend to attend the shareholders' meeting in person shall cancel the registration using the same means two business days before the date of the shareholders' meeting. Those who cancel after the time limit may only attend the shareholders' meeting by video conferencing.

**(IX)** Those who exercise their voting rights in writing or through electronic means without revoking their intentions and participate in the shareholders' meeting by video conferencing may not exercise their voting rights on existing agenda items or propose amendments to those agenda items or exercise voting rights for amendments to those agenda items; however, this does not apply to extraordinary motions.

<p>Article 16 Principles for the preparation and distribution of meeting minutes</p> <p>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.</p> <p>II. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>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.</p> <p>IV. <b><u>When a shareholders' meeting is held by video conference, in addition to the matters required to be recorded in the preceding paragraph, the minutes of the meeting shall record the start and end time of the shareholders' meeting, the method of holding</u></b></p>	<p>Article 16 Principles for the preparation and distribution of meeting minutes</p> <p>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.</p> <p>II. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>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.</p> <p>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</p>	<p>In compliance with Taiwan Zheng-Zhi-Li No. 1110004250, which added regulations on the financial contents of meeting minutes of shareholders' meetings video conference, paragraphs 4 to 5 have been added.</p>
--	--	---

<p><b><u>the meeting, the name of the chairperson and the recorder, and the handling method and handling situation in the event of an impediment to participation on the video conference platform or by video due to a natural disaster, incident, or other force majeure.</u></b></p>	<p>upload the content of such resolution to the MOPS within the prescribed time period.</p>	
<p><b><u>V. If the Company holds the shareholders' meeting by video conference, in addition to the provisions of the preceding paragraph, it shall also specify in the meeting minutes alternative measures available to shareholders who have difficulty participating in the video-conference.</u></b></p>		
<p><b><u>VI.</u></b> 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.</p>		
<p><b><u>Article 18 Principles of the video conference</u></b>  <b><u>I. If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results of various resolutions and election results on the video conference platform of the shareholders' meeting in accordance with</u></b></p>		<p>In compliance with Tai-Zheng-Zhi-Li No. 1110004250 and Tai-Zheng-Zhi-Li No. 1120004167, which added regulations on information disclosure of the location of the chairperson and other personnel, handling operations in the event of interruptions, equipment</p>

<p><u>regulations; and it shall continue to disclose the preceding for at least fifteen minutes after the chairperson announces the adjournment of the meeting.</u></p> <p><u>II. When the Company convenes a shareholders' meeting by video conference, the chairperson and the recorder shall be at the same place in Taiwan, and the chairperson shall announce the address of that place at the time of the convening the meeting.</u></p> <p><u>III. Handling of video conference interruptions</u></p> <p><u>(I) If the shareholders' meeting is held by video conference, the Company may provide a simple connectivity test for shareholders before the meeting and provide relevant services immediately before and during the meeting to assist in handling technical communication issues.</u></p> <p><u>(II) In the event of a video conference shareholders' meeting, when commencing the meeting, the chairman shall separately announce, except for the cases in which there is no need to postpone or reconvene the meeting as stipulated in Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if, prior to the close of the meeting announced by the chairman, there is an</u></p>		<p>supporting measures of shareholders' meeting via video conference, this article has been added.</p>
---	--	--

impediment to participation on the video conference platform or by video for a period of 30 minutes or more due to a natural disaster, incident or other force majeure, the meeting shall be postponed for not more than, or reconvened within, five days. The provisions of Article 182 of the Company Act shall not apply.

(III) In the event of a postponed or reconvened meeting as described in the preceding subparagraph, shareholders who have not registered to participate in the original shareholders' meeting by video may not participate in the postponed or reconvened meeting.

(IV) In the event of an adjourned or reconvened meeting in accordance with the provisions of Subparagraph 2 of this Paragraph, if shareholders who have registered to attend the original shareholders' meeting by video and have completed check-in for the meeting do not attend the adjourned or reconvened meeting, the number of their shares present and the voting and election rights they exercised at the original shareholders' meeting shall be included in the total number of shares, voting rights and election rights of the shareholders present at the

<p><u>adjourned or reconvened meeting.</u></p>		
<p><b>(V)</b> <u>When a postponed or reconvened shareholders' meeting is held in accordance with the provisions of Subparagraph 2 of this Paragraph, it is not required to re-discuss and resolve on motions for which voting and counting of votes have been completed and the voting results or the names of the directors elected have been announced.</u></p>		
<p><b>(VI)</b> <u>When the Company convenes a video-assisted shareholders' meeting and the reconvened video conference cannot be conducted as described in Subparagraph 2 of this Paragraph, if the total number of shares present reaches the statutory quota for the shareholders' meeting after the number of shares present at the shareholders' meeting by video is deducted, the shareholders' meeting shall be continued without any postponement or reconvention as provided in Subparagraph 2 of this Paragraph.</u></p>		
<p><b>(VII)</b> <u>In the event that a meeting shall be continued as described in the preceding Subparagraph, the number of shares represented by shareholders participating in the shareholders' meeting by video shall be included in the</u></p>		



total number of shares of shareholders present. However, the shareholders shall be deemed to have abstained from voting in all motions of the shareholders' meeting.

(VIII) Where the Company postpones or reconvenes the shareholders' meeting as provided in Subparagraph 2 of this Paragraph, it shall proceed with respective pre-operations according to the date of the original shareholders' meeting and the provisions of the content stipulated in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

(IX) For periods set forth in Article 12, second half, and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the Subparagraph 2 of this Paragraph.

IV. When a video-conference shareholders' meeting is held,

<p><u>appropriate alternatives must be provided for shareholders who have difficulty attending the video-conference. In addition to the conditions stated in the Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection equipment and necessary assistance, and the period during which shareholders may submit a request to the Company and other relevant issues shall be specified.</u></p>		
<p>Article 19 These Rules, and any amendments hereto, shall be implemented after adoption by the shareholders' meeting.</p>	<p>Article 18 These Rules, and any amendments hereto, shall be implemented after adoption by the shareholders' meeting.</p>	<p>Amendments to the number of articles.</p>

## **Yuen Foong Yu Consumer Products Co., Ltd.**

### **Rules of Procedure for the Election of Directors**

#### Article 1 Purpose

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

#### Article 2 Applicability

Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

#### Article 3 Principles for Nomination and Elections

- I. 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. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.
- III. The qualifications and selection of independent directors shall be handled in accordance with the provisions of the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and relevant laws and regulations.
- IV. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- V. In the event that the number of independent directors is below the threshold set forth under the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, the by-election shall be held in the most recently convened shareholders’ meeting. When the independent directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- VI. The number of directors will be as specified in the Company's articles of incorporation and the board meetings, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.
- VII. The disclosed cumulative voting system shall be used for the election of directors. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- VIII. Before the election begins, the chairperson shall appoint a certain number of persons to perform the respective duties of vote monitoring and vote tallying, provided that all monitoring personnel shall be shareholders. YFYCPG shall prepare the ballot box which shall, before the election begins, be opened for inspection by the vote monitoring personnel.
- IX. A ballot shall become invalid under any of the following circumstances:
  - (I) The ballot prepared by a party with the power to convene is not used.
  - (II) The ballot has been cast into the ballot box as a blank ballot.
  - (III) The writing is unclear and indecipherable or has been altered.
  - (IV) Where the candidate entered is found inconsistent with the list of director candidates.
  - (V) Where the election ballot is found bearing other wording other than the allocated number of election powers.
  - (VI) Other violations of laws, regulations and relevant regulations.
- X. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairperson onsite. 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.
- XI. Newly-elected directors shall be notified respectively of their appointment by the board of directors.

Article 5 These Procedures, and any amendments hereto, shall be implemented after adoption by the shareholders' meeting.

## Yuen Foong Yu Consumer Products Co., Ltd.

### Comparison Table of Procedures for Election of Directors and Supervisors Before and After Revision

Amended article	Existing Article	Description
Procedure for the Election of Directors	Procedures for the Election of Directors <del>and Supervisors</del>	The Company has set up an Audit Committee in place of the supervisor system. The name of these Procedures are hereby adjusted.
Article 1 Purpose These Procedures are duly enacted in accordance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to assure that the Company’s directors are duly elected through fair, impartial and open procedures.	Article 1 Purpose These Procedures are duly enacted in accordance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to assure that the Company’s directors <del>and supervisors</del> are duly elected through fair, impartial and open procedures.	The Company has set up an Audit Committee in place of the supervisor system. The regulations on supervisors in this article have been deleted.
Article 2 Applicability Except as otherwise provided by law and regulation or by the <u>Company's</u> articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.	Article 2 Applicability Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors <del>and supervisors shall</del> be conducted in accordance with these Procedures.	The Company has set up an Audit Committee in place of the supervisor system. The regulations on supervisors in this article have been deleted, and the text has been revised accordingly.
Article 3 Principles for Nomination and Elections I. The candidates nomination system is adopted for <u>election of</u> the directors of the company, and the <u>shareholders' meeting</u> shall elect the directors from among the nominees listed in the roster of director candidates. II. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The board of directors of the Company shall consider	Article 3 Principles for Nomination and Elections I. After the Company is <del>listed to public</del> , the directors <del>and supervisors shall be duly elected by the shareholders' meeting</del> through the candidate’s nomination system and shall be duly elected out of the list of candidates for directors <del>and supervisors</del> into the specified numbers of directorship seats and supervisors exactly <del>in accordance with the Company’s articles of incorporation and the numbers of the electees within the</del>	1. In compliance with the amendments to Article 192-1 of the Company Act to simplify the operating procedures for nominating directors, and the Company’s establishment of the Audit Committee in place of the supervisor system, the contents of paragraph 1 of this article has been amended and paragraphs 1, 3, 4, 5, 8, 10, 14, 16 and 17 of this article on the regulations of supervisors have been

<p>adjusting its composition based on the results of performance evaluation.</p> <p>III. The <b><u>qualifications and selection of independent directors</u></b> shall be handled in accordance with the provisions of the <b><u>Securities and Exchange Act</u></b>, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, <b><u>the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and relevant laws and regulations.</u></b></p> <p>IV. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p>V. In the event that the number of independent directors is below the threshold set forth under the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, the by-election shall be held in the most recently convened shareholders' meeting. When the independent directors are dismissed en masse, a special</p>	<p><del>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.</del></p> <p>II. More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.</p> <p>III. The Company's <b><u>supervisors</u></b> shall be duly <del>set up</del> with <b><u>sound consideration of</u></b> the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies <del>and the issues regarding their independence.</del> <b><u>Accordingly, the Company shall elect competent supervisors to enhance risk management and sound control over the</u></b></p>	<p>deleted, together with the adjustments of subsequent items.</p> <p>2. In compliance with the requirements of FSC-Zheng-Fa-Zi No. 1070345233 on the establishment of independent directors, paragraphs 3 and 7 have been amended.</p> <p>3. The text of paragraph 9 has been revised in accordance with the Articles of Association and the Company Act.</p> <p>4. The text of paragraph 11 has been revised and paragraph 13 has been incorporated into this paragraph based on actual operating procedures.</p> <p>5. In compliance with FSC-Zheng-Jiao-Zi No. 1080311451, paragraph 14 has been deleted and the provisions of paragraph 15 have been adjusted.</p>
---	---	---

<p>shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p><b>VI.</b> The number of directors <u>will be as specified in the Company's articles of incorporation and the board meetings</u>, with voting rights separately calculated for independent and non-independent director positions. Those <u>receiving ballots representing</u> the highest numbers of voting rights will be elected sequentially according to their <u>respective</u> numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.</p> <p><b>VII.</b> The disclosed cumulative voting <u>system</u> shall be used for the election of directors. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the</p>	<p><del><u>Company's finance and business operation:</u></del></p> <p><del><b>IV.</b> 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.</del></p> <p><del><b>V.</b> 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.</del></p> <p><b>VI.</b> When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p><b>VII.</b> <del><u>After the Company is listed to public and sets up an independent director(s).</u></del> in the event that the number of independent directors is below the threshold set forth under the proviso of Article 14-2, Paragraph</p>	
---	---	--



<p>ballots may be used instead of recording the names of voting shareholders.</p> <p><b>VIII. Before</b> the election begins, the chairperson shall appoint a certain number of persons to perform the respective duties of vote monitoring and vote tallying, provided that all monitoring personnel shall be shareholders. YFYCPG shall prepare the ballot box which shall, before the election begins, be opened for inspection by the vote monitoring personnel.</p> <p><b>IX.</b> A ballot shall become invalid under any of the following circumstances:</p> <p>(I) The ballot <b><u>prepared by a party with the power to convene</u></b> is not used.</p> <p>(II) The ballot has been cast into the ballot box as a blank ballot.</p> <p>(III) The writing is unclear and indecipherable or has been altered.</p> <p>(IV) Where the candidate entered is found inconsistent with the <b><u>list of director candidates</u></b>.</p> <p>(V) Where the election ballot is found bearing other wording other than the allocated number of election powers.</p> <p>(VI) <b><u>Other violations of laws, regulations and relevant regulations.</u></b></p> <p><b>X.</b> The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the</p>	<p>1 of the Securities and Exchange Act, <del>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,”</del> the by-election shall be held in the most recently convened shareholders’ meeting. When the independent directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p> <p><del>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.</del></p>	
--	---	--

<p>numbers of votes with which they were elected, shall be announced by the chairperson onsite. 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.</p> <p><b>XI.</b> Newly-elected directors shall be notified respectively of their appointment by the board of directors.</p>	<p>IX. <del>After</del> the Company is <del>listed to public and sets up independent</del> directors, the voting rights <del>shall</del> be separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When <del>two or</del> more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.</p> <p>X. The disclosed cumulative voting <del>method</del> shall be used for the election of directors <del>and supervisors</del>. Each share shall have voting rights in number equal to the directors <del>or supervisors</del> to be elected, and may be cast for a single candidate or split among multiple candidates. The board of directors <del>of the Company</del> shall prepare separate ballots for directors <del>and supervisors</del> in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting</p>	
---	---	--

shareholders.

XI. **When** the election begins, the chairperson shall appoint a certain number of persons to perform the respective duties of vote monitoring and vote tallying.

~~XII. The board of directors shall prepare ballots for the election of directors, numbering them by order of attendance pass number and determining the election weight.~~

XIII. YFYCPG shall prepare the ballot box which shall, before the election begins, be opened for inspection by the vote monitoring personnel.

~~XIV. If the candidate is a shareholder, the voter must fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot; If the candidate is not a shareholder, the voter must fill in the candidate's full name and National ID number. If the candidate is the government or an institution, the name of the government or institution shall be provided in the column of the "candidate" on the ballot; the name of the government or institution along with that of its representative may also be provided. In cases of several representatives, names of all the additional representatives shall be provided.~~

XV. A ballot shall become invalid under any of the following circumstances:

- (I) It is not a ballot **specified** under **these Rules**.
- (II) The ballot has been cast into the ballot box as a blank ballot.
- (III) The writing is unclear and indecipherable or has been altered.
- (IV) When the candidate ~~is a shareholder, the stated account name and shareholder account number do not match information on the shareholders' list; When the candidate is not a shareholder, the stated full name and National ID number~~ do not match after verification.
- (V) Where the election ballot is found bearing other wording other than the ~~candidate's account name and shareholder's account number (National ID number) and~~ the allocated number of election powers.
- ~~(VI) When the candidate's name is similar to that of another shareholder and the following are not marked for the purpose of further identification: shareholder's account number or National ID number.~~
- (VII) ~~Two or more candidates are specified on a single ballot.~~
- XVI. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors **and**

	<p><u>supervisors</u> and the numbers of votes with which they were elected, shall be announced by the chairperson onsite. 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, <u>however</u>, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p> <p>XVII. Newly-elected directors <u>and supervisors</u> shall be notified respectively of their appointment by the board of directors.</p>	
--	---	--

[Amendment effective as of the shareholders' meeting on July 26, 2021]

## **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.



[Amendment effective as of the shareholders' meeting on June 11, 2020]

**Yuen Foong Yu Consumer Products Co., Ltd.**  
**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 27, 2024) 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 27, 2024		
				Type	Number of shares	Shareholding ratio	Type	Number of shares	Shareholding ratio
Chairman	Representative of YFY Inc.	Felix Ho	2023/6/28	Ordinary shares	158,004,565	59.15	Ordinary shares	158,004,565	59.15
Director		David Lo	2023/6/28						
Director	Representative of YFY Development Corp.	Zong-Chun Li	2023/6/28	Ordinary shares	5,136,400	1.92	Ordinary shares	5,136,400	1.92
Director		Shien Xie	2023/6/28						
Independent Director	Mei-Li Su		2023/6/28	Ordinary shares	0	0	Ordinary shares	0	0
Independent Director	Chih-Chien Lin		2023/6/28	Ordinary shares	0	0	Ordinary shares	0	0
Independent Director	Wan-Chuan Hsieh		2023/6/28	Ordinary shares	0	0	Ordinary shares	0	0
		Total			163,140,965	61.07		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.
- 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.