

2024

ANNUAL REPORT



1. Spokesperson and Contacts:

- **CFO, Daphne Chen** | TEL : (02)2192-1022#623 | E-mail : ir.cpg@yfycpg.com

2. Headquarters, branch offices and plants:

- **Headquarter:** 16F, No. 51, Chongqing S. Road Sec. 2, Taipei | TEL: +886-2-2192-1022
- **Yangmei plant:** No. 70, Ln. 668, Sec. 2, Meigao Rd., Yangmei Dist., Taoyuan City | TEL: +886-3-490-2840
- **Qingshui plant:** No. 258, Jiuzhuang Rd., Qingshui Dist., Taichung City | TEL: +886-4-26201200
- **Yangzhou plant:** No. 168, Chuen Jiang Rd., Economic Development Park, Yangzhou, Jiangsu | TEL: +86-514-8268-6452
- **Kunshan plant:** No. 999, YFY Rd., Yu Shan Town, Kunshan, Jiangsu | TEL: +86-512-3660-5112
- **Taoyuan plant of Ever Growing Agriculture Bio-tech Co., Ltd.:**
No. 1078-1, Sec. 3, Fuguo Rd., Luzhu Dist., Taoyuan City | TEL: +886-3-321-0783

3. Stock Administration:

- **SinoPac Securities – Share Registration Services Department**
3F, No. 17, Boai Road, Zhongzheng District, Taipei, Taiwan | TEL: (02)2381-6288 | <https://agencyaffairs.sinotrade.com.tw>

4. Auditor:

- **CPA: Shu-Chuan Yeh and Hsiu-Ming Hsu, Deloitte and Touche**
20F, No. 100, Songren Rd., Xinyi Dist., Taipei, 11073, Taiwan | TEL: (02)2725-9988 | <http://www.deloitte.com>

5. Overseas Securities Exchange: None

6. Company Website: <https://www.yfycpg.com>

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Letter to Shareholders

Dear Shareholders,

The global economy continued to experience significant volatility in 2024, due to persistent inflationary and geopolitical uncertainty. Economic recovery varied widely by region, with heightened global concern over shifts in U.S. interest rate policy, weaker-than-expected recovery in China, and ongoing volatility in energy prices combined with geopolitical instability in Europe. Ongoing disruptions in global supply chains further intensified these regional economic challenges.

Taiwan's economic growth remained anchored by the semiconductor industry. During the first half of 2024, growth exceeded expectations due to strong AI demand and a recovery in global trade. However, economic growth slowed in the second half of the year as global economic expansion moderated and inflation pressure persisted. These factors affected consumer confidence and had a negative impact on the retail, hospitality, and tourism sectors.

In 2024, YFY Consumer Products demonstrated strong financial performance with consolidated revenues amounting to NT\$10.9 billion, operating profits of NT\$920 million, net income attributable to shareholders of NT\$740 million, and earnings per share of NT\$2.78. These results underscore the management team's prudent approach and commitment to innovation, supported by strategic risk taking, along with the dedication of our employees who adeptly navigated market trends and swiftly addressed to consumer needs.

● **Innovation and Leadership in the Tissue Market**

1. **Product Innovation** : In celebration of YFY Group's centennial, our Mayflower brand launched Taiwan's first fully recyclable paper packaged interfold toilet paper. This innovation reflects our continued commitment to environmental sustainability and builds on our legacy of firsts, such as introducing the world's first interfold toilet paper to Taiwanese consumers, enhancing their consumer experiences through convenient, eco-friendly innovations.
2. **Market Leadership** : Our Mayflower and Delight brands expanded market presence with user-friendly interfold kitchen towels. These new products make kitchen and cleaning tasks easier by enabling one-handed use, reinforcing our leadership in both the household paper market and the kitchen towel segment.

● **Growing Our Cleaning Products**

1. **Brand and Product Enhancements** : Adhering to Orange House's principles of zero fragrance, zero optical brightener, and zero harmful chemical residues, we repositioned the brand to meet growing consumer demand for health-conscious products. Improved brand communication and expanded distribution increased consumer engagement, leading to robust sales growth in dishwashing detergents and laundry capsules.
2. **Commitment to Sustainability** : Orange House continues to lead Taiwan's natural cleaning product market by adopting single-material packaging for both bottles and refills. This change not only simplifies the recycling process but also aligns the health benefits of our products with our commitment to environmental sustainability.

● **Sustainable Growth**

1. **Energy Transition** : At our primary manufacturing site in Qingshui, we initiated a two-phase project to replace coal-based energy with new natural gas boilers, significantly reducing our carbon footprint.
2. **Efficiency Improvements** : Our continued investments in modern, energy-efficient equipment have enabled us to phase out less efficient machinery. This has resulted in improved production efficiency and a reduction in greenhouse gas emissions, lowering per-unit product energy intensity.
3. **Commitment to Employees and Social Responsibility** : We have been honored for the fourth consecutive year by HR Asia as one of "Asia's Best Employers" and in 2024, was also recognized with the Sustainable Workplace Award, highlighting our dedication to employee welfare and responsible corporate citizenship.
4. **Sustainability** : Our sustainability initiatives were recognized at the 17th Taiwan Corporate Sustainability Awards (TCSA), where we achieved Gold Class distinction in the Sustainability Report category and were named one of Taiwan's "Top 100 Sustainable Enterprises."

Looking Ahead

The second Trump administration is taking "America First" principles to the next level, including threat of high tariffs and a strong emphasis on reshoring. Amid the impact of US policies across the world and uncertainties in China's economy, along with shifting policy priorities in Beijing, YFY Consumer Products remains dedicated to our mission of improving consumer quality of life through innovation and excellence. We will undertake strategic initiatives to strengthen supply chain resilience and ensure our operations adapt effectively to global changes. While we consistently innovate and improve our products to meet consumer demands, our unwavering commitment to sustainability continues to be a fundamental aspect of our approach, driving us to fulfill our Environmental, Social, and Governance (ESG) responsibilities.

● Sustainable Growth

1. Reducing Our Environmental Impact : We are substantially increasing our utilization of natural gas to mitigate emissions, while continuously upgrading our production technologies and equipment to further minimize our carbon footprint.
2. Expanding Eco-Friendly Product Offerings : We are dedicated to progressively introducing eco-friendly products to enhance brand value and build consumer trust. Despite challenges, we are embarking on a journey towards recyclable and biodegradable packaging to reduce our environmental footprint and promote circular economy thinking, making YFY Consumer Products a leader in sustainable solutions for consumers and their daily lives.

● New Products and New Markets

1. Meeting Consumer Demand for Healthier and Sustainable Products : We are committed to bring consumers enhanced functionality and superior user experience. By leveraging our strengths and brand equity, we aim to serve diverse consumer demographics through products that meet the growing demand for health-conscious and environmentally sustainable options.
2. International Markets Expansion : We currently operate primarily in Taiwan and Mainland China. We aim to extend our reach beyond the Taiwan Strait, targeting other regions in Asia as well as developed markets such as Japan and the United States. To achieve this expansion, we are investing in test marketing at various locations to better understand local consumer preferences and requirements. This approach will enable us to develop localized products when the time is right to increase our investment in selected markets.

● Leveraging Digital Transformation

1. E-commerce and Digital Marketing : As consumers increasingly shift to diverse platforms, we aim to grow our e-commerce presence by adapting to moving market trends and integrating online-to-offline experiences. By evolving our digital marketing strategies, we aim to stay attuned to the ever-changing digital presence of our consumers, ensuring that our brand remains relevant and accessible.
2. Harnessing AI and Digital Technologies : We intend to integrate new technologies, including recent advancements in AI, to propel our digital transformation. As a data-intensive organization with process-heavy operations, our objective is to leverage rapidly evolving IT and AI innovations to streamline processes. This will enable our teams to concentrate on tasks where human expertise and relationship building is paramount, while delegating routine tasks to technology.

We would like to extend our heartfelt appreciation for your unwavering support and trust in YFY Consumer Products. Our mission is to improve health, safety, and quality of life for consumers. Innovation and sustainability are crucial to our growth as we aim to meet consumer needs, uphold social and environmental responsibilities, and create sustained, long-term value for our shareholders.

Wishing all shareholders tranquility,
good health, and enduring prosperity.



Felix Ho
Chairman of the Board
Yuen Foong Yu Consumer Products, Co., Ltd.



PAPER 紙品

Launch all paper packaging tissue

1st in Taiwan

We focus on innovation and environmental protection, and design high-quality and safe products based on consumer needs. We use the exclusive patented anti-break paper material and coating technology to launch all paper packaging Mayflower thick interfold tissue that is 100% recyclable to create a new environmentally friendly and sustainable life.



100% recyclable



Anti-break paper material



Heat seal technology



Mayflower thick interfold tissue

Recyclable package

We demonstrate our environmental commitment everywhere from reducing the usage of printing ink on the bundle bag, using 30% recycled plastic materials of packaging innovation, using FSC-certified raw materials and low-carbon processes to making all paper packaging of 100% recyclable.



100% recyclable



Low carbon process



30% recycled-plastics bundle bag



FSC certified

Low Carbon · Low Energy · De-Fossil

All new upgraded product to create
a new environmentally friendly and sustainable life

Create a good home life

Lanch Mayflower and Delight
interfold kitchen towel.



CPG maintains its position as the No.1 household paper brand

It accurately responds to consumers' needs for
one-handed operation convenience and makes
cooking and cleaning easier and more efficient.



DETERGE

Brand and product upgrade

Through the upgraded positioning of the Orange House, we adhere to the consistent principles of no fragrance, no fluorescent agent and no harmful chemical residue to echo consumers' emphasis on health. On the basis of the existing good foundation, we continue to work hard and expand new channels to increase consumer preference and loyalty, and achieve competitive growth in dishwashing liquid and laundry pads.



Orange House

Truly clean
upgrade with the times

We start from the natural essence, wash out a clean and healthy appearance and realize the imagination of a good life.



NT

De-Fossil

Safe, healthy and good life

Good Life Goals

Implement SDGs sustainable development in daily life

As a leader of Taiwan's healthy and natural cleaning brand, Orange House continue to lead the sustainable trend, and gradually introduce more recyclable single-material packaging from bottles to refill packs. We start from protecting the health of family members to extending to caring for the earth's environment and make every choice in life together. Practice sustainable living easily!

Replace plastic with paper

We launch Orange House laundry pods as the goal of sustainable environmental protection and hope to create green laundry products that are friendly to the earth from production and distribution to consumer usage. Therefore, we develop super-concentrated technology to break through the water usage limits of traditional laundry detergent production, reducing water usage in the production process by 94.7%. In addition, the paper package design can reduce plastic usage by 91% compared to ordinary laundry detergent bottles.

Paper box packaging improves storage and transportation space utilization, facilitates transportation and distribution, and reduces carbon emissions of from transportation.

Reduce plastic percentage of package in 91%

Reduce water usage of production process in 94.7%

Bottle recycling 2.0

Expand to the majority source of white and transparent No. 2 recycling symbol bottles



Increased about **6.8 times** in recycling volume

After professional processing, the bottles become the raw materials for the recycled ones of Orange House color-changing hand washing mousse.



Energy Transformation Environment Protection

Launch two-stage fuel substitution
to implement low-carbon manufacturing

The 1st stage

Since 2024, Qingshui Plant, the main production base, uses LPG and biomass fuels.

The 2nd stage

The natural gas boiler will be completed and put into use in 2025Q1, replacing the existing coal boiler to supply steam, greatly reducing the carbon emissions of the process.



Complete installation
of the natural gas boiler
in 2025Q1.



Continuously invest in the new paper machine

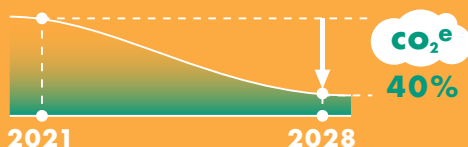
PM11

Implement advanced technologies to reduce energy consumption from the pulp preparation, forming, dehydration and drying systems in the process, significantly reduce steam consumption of paper per ton, and set a new standard for low-carbon processes in the industry.

Environmental management performance

Carbon mangement

Through fuel conversion and integration of efficient equipment, we expect to reduce carbon emissions by 40% by 2028.



Energy transformation results by 2024

Continuously convert approximately 17,685 tonnes of coal into clean, low-carbon energy to reduce approximately **33,509** ton-CO₂e.

Carbon reduction results

Greenhouse gas emission density

All products ↓ 8%

Main tissue products in Taiwan ↓ 9%

Water management



Reache **90%** of the process water reuse rate



Achieve a target of less than **10MT** of water usage of 1 MT paper

Reduction of key air pollutants



Nitrogen oxides **↓ 34%**

Sulfur oxides **↓ 51%**

Particulate matter **↓ 7%**

Volatile organic compounds **Zero Emissions**



Chapter 2. Corporate Governance Report

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Corporate Governance Report

I. Profiles of Directors, Independent Directors, President, Executive VP, VPs, and Managers

(i) Profiles of Directors and Independent Directors

December 31, 2024; Unit: 1,000 shares; %

Title	Nationality or place of registration	Name	Gender/Ag e			Date elected	Term (year)	First elected	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Positions concurrently held at the Company or other companies	Spouse or relatives within second degree of kinship who also act as directors, supervisors, or other department heads			Notes
			4 0 5 0	5 1 - 6 0	6 1 - 7 0				Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage						
																			Title	Name	Relatio n	
Chairman	Republic of China	YFY Inc. Representative Felix Ho	Male	2020/09/24	3	2006/03/15	158,005	59.15	158,005	59.15	-	-	-	-	• MBA, MIT Sloan School of Management • Chief Executive Officer, YFY Inc. • General Manager, YFY Consumer Products Co., Ltd. • Executive Deputy General Manager, Consumer Products Division, YFY MFG Co., Ltd. • Assistant Manager, Strategy Integration Center, YFY MFG Co., Ltd.	Note 1	-	-	-	-		
							-	-	16	0.006												
Director	Republic of China	YFY Inc. Representative David Lo	Male	2022/02/07	3	2022/02/07	158,005	59.15	158,005	59.15	-	-	-	-	• MBA, Johnson School of Management, Cornell University • President, YFY Inc.	Note 2	-	-	-	-		
							-	-	-	-												
Director	Republic of China	YFY Development Corp. Representative Ronald Lee	Male	2020/09/24	3	2016/05/13	5,136	1.92	5,136	1.92	-	-	-	-	• B.S. of International Business, Tunghai University • Sales Director, YFY Consumer Products Co., Ltd. • National Sales Manager, Fonterra Brands (Far East) Ltd., Taiwan Branch (H.K.) • Trade Marketing Senior Manager, GSK Far East B.V., Taiwan Branch (Netherlands) • Trade Marketing Manager, Bausch & Lomb Taiwan Ltd. • Trade Marketing Manager, Procter & Gamble Taiwan Ltd., Marketing Manager, Bausch & Lomb Taiwan Ltd. • Product Manager, Procter & Gamble Taiwan Ltd.	Note 3	-	-	-	-		
							585	0.24	-	-												
Director	Republic of China	YFY Development Corp. Representative Shien Xie	Male	2022/06/15	3	2022/06/15	5,136	1.92	5,136	1.92	-	-	-	-	• BA, Department of Business Administration, Chinese Culture University • Vice President, R&D Department, YFY Consumer Products Co., Ltd.	Note 4	-	-	-	-		
							-	-	-	-												

Title	Nationality or place of registration	Name	Gender/Age			Date elected	Term (year)	First elected	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Positions concurrently held at the Company or other companies	Spouse or relatives within second degree of kinship who also act as directors, supervisors, or other department heads			Notes
			4	5	6				Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation	
Independent Director	Republic of	Chih-Chien Lin	Male			2020/09/24	3	2020/09/24	-	-	-	-	-	-	-	-	• PhD, Institute of Biotechnology, National Tsing Hua University	Note 5	-	-	-	-
Independent Director	Republic of	Sherry Hsieh	Female			2020/09/24	3	2020/09/24	-	-	-	-	-	-	-	-	• EMBA of Accounting and Management Strategy, National Taiwan University	Note 6	-	-	-	-
Independent Director	Republic of	Mei-Li Su	Female			2020/09/24	3	2020/09/24	-	-	-	-	-	-	-	-	• B.S. of Accounting, Tamkang University • Director of Audit Department, Deloitte & Touche	Note 7	-	-	-	-

Note 1: Chairman of the Company; Director, Jupiter Prestige Group Holding Limited; Chairman, YFY Jupiter (Cayman Islands) Co., Ltd.; Director, YFY Biopulp Technology Ltd.; Director, YFY RFID Co., Ltd.; Chairman, YFY Investment Co., Ltd.; Chairman, Ever Growing Agriculture Bio-tech Co., Ltd.; Chairman, Yuen Foong Shop Co., Ltd.; Director, YFY Consumer Products, Co.; Director, Livebricks Inc.; Director, YFY Consumer Products Investment Ltd.; Director, eCrowd Media Inc.; Chairman, Arizon RFID Technology Co., Ltd.; Director, Arizon Japan Co., Ltd.; Chairman, Arizon RFID Technology (Cayman) Co., Ltd.; Director, YFY Japan Co., Ltd.; Director, Shin-Yi Enterprise Co., Ltd.; Chairman, Foongtone Technology Co., Ltd.; Chairman, Yuen Foong Co.; Director, Fu Hwa Enterprise Co., Ltd.; Director, Cheng Yu Co.; Supervisor, Aidatek Electronics, Inc.; Independent Director, Universal Cement Corporation; Supervisor, The Eisenhower Fellows Association in the Republic of China; Chairman, Epoch Foundation; Executive Supervisor, Monte Jade Taiwan Science & Tech Association; Chairman, Association of Corporate Patent Executives.

Note 2: Director of the Company; Director and President, YFY Inc.; Director, YFY Packaging Inc.; Director, Yuen Foong Yu Consumer Products Investment Ltd.; Chairman, YFY Corporate Advisory & Services Co., Ltd.; Chairman, YFY Paradigm Investment Co., Ltd.; Chairman, YFY Development Corp.; Director, Fidelis IT Solutions Co., Ltd.; Director, YFY Biotech Management Company; Director, Taiwan Stock Exchange Corporation; Director, YFY International B.V.; Director, YFY Global Investment B.V.; Director, YFY Mauritius Corp.; Director, Arizon RFID Technology (Cayman) Co., Ltd.; Director, Ensilience Co., Ltd.; Director, Taiwan Venture Capital Association.

Note 3: Director and General Manager of the Company; Director, YFY Investment Co., Ltd.; Director, Yuen Foong Shop Co., Ltd.; Director, Ever Growing Agriculture Bio-tech Co., Ltd.; Director, LiVEBRICKS Inc.; Director, YFY Consumer Products Co.; Chairman, YFY Family Care (Kunshan) Co., Ltd.; Chairman, YFY Consumer Products (Yangzhou) Co., Ltd.

Note 4: Director and District General Manager of the Company in Mainland China; Director and General Manager, YFY Investment Co., Ltd.; Director, YFY Family Care (Kunshan) Co., Ltd.; Director, YFY Consumer Products (Yangzhou) Co., Ltd.

Note 5: Independent Director of the Company; Vice President for General Affairs and Professor of Department of Cosmetic Science, Providence University; Honorary Chairman of the Society of Cosmetic Scientists of Taiwan; Director, BlessCare International Co., Ltd.; Director, Yuben Co., Ltd.

Note 6: Independent Director of the Company; Deputy Director of the Liver Disease Prevention & Treatment Research Foundation, Deputy Director of the Taiwan Health Foundation, Deputy Director of the Good Liver Foundation, Director of the Yang Tang-Hai Social Welfare Charity Foundation.

Note 7: Independent Director of the Company; CPA at C&S Certified Public Accountant Firm, Independent Director of Young Qin International Co., Ltd.; Independent Director, Alar Pharmaceuticals Inc.

I. Disclosure of information on the professional qualifications of directors and supervisors and independence of independent directors:

Requirement Name	Professional qualifications and experience	Fulfillment of independence criteria	Number of concurrent posts at other listed companies as independent director
YFY Inc. Representative: Felix Ho	<ul style="list-style-type: none"> More than 20 years of experience in business and work relevant to the Company's operations 	-	1
YFY Inc. Representative: David Lo	<ul style="list-style-type: none"> More than 20 years of experience in business and work relevant to the Company's operations 	-	-
YFY Development Corp. Representative: Ronald Lee	<ul style="list-style-type: none"> More than 20 years of experience in business and work relevant to the Company's operations 	-	-
YFY Development Corp. Representative: Shien Xie	<ul style="list-style-type: none"> More than 20 years of experience in business and work relevant to the Company's operations 	-	-
Chih-Chien Lin	<ul style="list-style-type: none"> Lecturer or a higher post at a public/private university/college in subjects relevant to the Company's operations 	<ul style="list-style-type: none"> The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates The individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) of the Company Not a director, supervisor, or employee of a company that has special relations with the Company Has not received compensation for business, legal, financial, or accounting services provided for the Company or its affiliates in the last two years 	-
Sherry Hsieh	<ul style="list-style-type: none"> More than 5 years of work experience in business 		-
Mei-Li Su	<ul style="list-style-type: none"> More than 20 years of work experience in accounting and audit Professional licenses as a certified public accountant and tax return filing agent 		2

II. Diversity and independence of the Board directors:

The adoption of the Company's *Corporate Governance Best Practice Principles* was approved at the Board meeting on August 14, 2020. The Principles stipulate the diversification policy for the composition of the board in Article 19 under Chapter 3 titled "Composition and

Responsibilities of the Board of Directors".

After the Company is listed on Taiwan Stock Exchange, the candidate nomination system was adopted for the selection of directors. We comply with the *Corporate Governance Best Practice Principles* to ensure the diversity and independence of board members. The directors do not have spouses or relatives within the second degree of kinship between them as regulated by Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act. The independent directors, their spouses, or relatives within the second degree of kinship are not directors, supervisors, or employee of the Company, its affiliates, or companies that have special relationships with the Company, and do not hold shares in the Company. They have not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years. The composition of the Company's Board of Directors is based on professional ability, industry experience and overall operating efficiency. At this stage, there is no limit on the gender ratio, so gender diversity has not yet reached the statutory ratio. In the future, when re-electing directors, we will actively incorporate gender balance considerations and continue to strengthen gender diversity to improve the quality of corporate governance and diverse decision-making perspectives.

Title	Chairman	Director			Independent Director		
Name	Felix Ho	David Lo	Ronald Lee	Shien Xie	Chih-Chien Lin	Sherry Hsieh	Mei-Li Su
Gender	Male	Male	Male	Male	Male	Female	Female
Age	41-50	51-60	51-60	51-60	41-50	51-60	41-50
Also serves as manager			✓	✓			
Professional Background							
Industry Knowledge	✓	✓	✓	✓	✓		
Business	✓	✓	✓	✓		✓	
Accounting		✓					✓
Management	✓	✓	✓	✓	✓	✓	✓
Professional Competence							
Operational Judgments	✓	✓	✓	✓	✓	✓	✓
Business Management	✓	✓	✓	✓	✓	✓	✓
Crisis Management	✓	✓	✓	✓	✓	✓	✓
International Market Insights	✓	✓	✓	✓	✓	✓	✓
Leadership and Decision Making	✓	✓	✓	✓	✓	✓	✓

1. Major Direct and Indirect Institutional Shareholders

(1) Major Direct Institutional Shareholders

December 31, 2024

Name of Institutional Shareholder	Major Direct Institutional Shareholders	Shareholding percentage
YFY Inc.	Ho Tze Yi Enterprise Co., Ltd.	9.92
	Shin-Yi Foundation	5.66
	Shin-Yi Enterprise Co., Ltd.	4.69
	Hsinex International Corp.	3.76
	Cheng-Ting Ho	2.92
	Supervisory Committee of Workers' Pension Reserve Funds, YFY Inc.	2.79
	Ru Yi Enterprise Co., Ltd.	2.69
	Mei-Yu Ho	2.65
	Cheng Yu Co.	2.20
	Felix Ho	2.14
YFY Development Corp.	YFY Inc.	100.00

(2) Major Indirect Institutional Shareholders

December 31, 2024

Name of Institutional Shareholder	Major Indirect Institutional Shareholders	Shareholding percentage
Ho Tze Yi Enterprise Co., Ltd.	Ho Tze Chia Investment Co., Ltd	100.00
Shin-Yi Foundation	Founded in 1971, main donors: Chuan Ho(deceased), Shou-Shan Ho(deceased), S. C. Ho, Lin-Fu-Xiang Ho(deceased), Yeh Sun(deceased), YFY Paper MFG Co., Ltd. (donated prior to becoming a listed company) and Shin-Yi Enterprise Co., Ltd.	
Shin-Yi Enterprise Co., Ltd.	S. C. Ho	27.84
	Jucheng Investment & Management Co., Ltd.	12.50
	BRILLIANT PRIDE LIMITED	12.50
	Gao Da Global Ltd.	12.50
	Mei-Yu Ho	12.50
	Guang Yu Investment Co., Ltd.	5.91
	Hui-Shin Ho Tsai	2.48
	Richard Ho	2.18
	Jin Jie Investment Ltd.	1.52
	Hoss Foundation	1.48
	Hoss Cultural Foundation	1.48
Hsinex International Corp.	S. C. Ho	27.13
	Sing-Ju Chang	26.00
	Yi-Jia Ho	24.48
	Felix Ho	22.28
	Cheng Yu Co.	0.11
Ru Yi Enterprise Co., Ltd.	S. C. Ho	76.00
	Yi-Jia Ho	24.00
Cheng Yu Co.	S. C. Ho	40.75
	Sing-Ju Chang	30.00
	Yi-Jia Ho	22.92
	Felix Ho	6.33

(II) Profiles of General Manager, Deputy General Manager, Assistant Manager, and Managers

December 31, 2023; Unit: thousand shares; %

Title	Name	Gender	Nationality	Date of appointment	Shares held		Shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Positions held at other companies	Manager who is a spouse or relative within second degree of kinship			Exercise of employee stock option plan by managerial officers	Notes
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation		
General Manager	Ronald Lee	Male	Republic of China	2015/7/13	-	-	-	-	-	-	<ul style="list-style-type: none"> B.S. of International Business, Tunghai University Sales Director, YFY Consumer Products Co., Ltd. National Sales Manager, Fonterra Brands (Far East) Ltd., Taiwan Branch (H.K.) Trade Marketing Senior Manager, GSK Far East B.V., Taiwan Branch (Netherlands) Marketing Manager, Bausch & Lomb Taiwan Ltd. Sales Manager, Procter & Gamble Taiwan Ltd. 	Note 1	-	-	-	-	-
CFO	Daphne Chen	Female	Republic of China	2018/1/1	216	0.08	-	-	-	-	<ul style="list-style-type: none"> MBA, National Chengchi University CFO, Interchan Corporation Taxation and Project Director, Unilever Shanghai Accounting Manager, Unilever Taiwan Ltd. 	Note 2	-	-	-	-	-
District General Manager	Shien Xie	Male	Republic of China	2018/8/1	226 (Note 6)	0.08	-	-	-	-	<ul style="list-style-type: none"> BA, Department of Business Administration, Chinese Culture University Vice President, R&D Department, YFY Consumer Products Co., Ltd. 	Note 3	-	-	-	-	-
Deputy General Manager	Carl Chang	Male	Republic of China	2019/7/1	196	0.07	-	-	-	-	<ul style="list-style-type: none"> PhD, Department of Environmental Engineering, Da-Yeh University Vice President, R&D Department, YFY Consumer Products Co., Ltd. Production Manager, Procter & Gamble Taiwan Ltd. Production Director, Long Chen Paper Co., Ltd. 	Note 4	-	-	-	-	-
Deputy General Manager	Ming-Fa Tang	Male	Republic of China	2010/11/1	153 (Note 6)	0.06	-	-	-	-	<ul style="list-style-type: none"> BS in Chemical Engineering, Tamkang University Deputy General Manager, Engineering Technology Center, YFY Consumer Products Co., Ltd. 	Note 5	-	-	-	-	-

Title	Name	Gender	Nationality	Date of appointment	Shares held		Shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Positions held at other companies	Manager who is a spouse or relative within second degree of kinship			Exercise of employee stock option plan by managerial officers	Notes
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relation		
Deputy General Manager	Doris Chen	Female	Republic of China	2023/11/1	-	-	-	-	-	-	<ul style="list-style-type: none"> • MBA, Yuan Ze University • General Manager, Johnson & Johnson Consumer Healthcare Taiwan/Hong Kong • National Sales Manager, YFY Consumer Products Co., Ltd. • Channel Marketing Manager, Bausch & Lomb • Regional Sales Manager, Procter & Gamble Taiwan Ltd. 	-	-	-	-	-	-

Note 1: Director and General Manager of the Company; Director, YFY Investment Co., Ltd.; Director, Yuen Foong Shop Co., Ltd.; Director, Ever Growing Agriculture Bio-tech Co., Ltd.; Director, LIVEBRICKS Inc.; Director, YFY Consumer Products Co.; Chairman, YFY Family Care (Kunshan) Co., Ltd.; Chairman, YFY Consumer Products (Yangzhou) Co., Ltd.

Note 2: Supervisor, Yuen Foong Shop Co., Ltd.; Supervisor, LIVEBRICKS Inc. ; Supervisor, YFY Investment Co., Ltd.; Supervisor, YFY Family Care (Kunshan) Co., Ltd. ; Supervisor, YFY Consumer Products (Yangzhou) Co., Ltd.; Direct, YFY Consumer Products Co.

Note 3: Director and General Manager, YFY Investment Co., Ltd.; Director, YFY Family Care (Kunshan) Co., Ltd.; Director, YFY Consumer Products (Yangzhou) Co., Ltd.

Note 4: Director and General Manager, Ever Growing Agriculture Bio-tech Co., Ltd.

Note 5: Director, YFY Family Care (Kunshan) Co., Ltd.; Director, YFY Consumer Products (Yangzhou) Co., Ltd.

Note 6: All shares entrusted to the trust asset account at Bank SinoPac Co., Ltd.

II. Remuneration to Directors, Independent Directors, President, and Executive VP in the Past Year

(I) Remuneration to Directors and Independent Directors

December 31, 2024 Unit: NT\$1,000

Title	Name	Director remuneration								Amount and ratio of total compensation (A+B+C+D) to after-tax income		Concurrent employee remuneration								Amount and ratio of total compensation (A+B+C+D+E+ F+G) to after-tax income		Compensation from investee companies other than subsidiaries or the parent company
		Compensation (A)		Pension and severance pay (B)		Director's remuneration (C)		Performance compensation (D)				Salaries, incentives and allowances (E)		Severance pay and pension (F)		Employee's remuneration (G)						
		YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG		All companies in the financial statements		YFYCPG	All companies in the financial statements	
																Amount in cash	Amount in stocks	Amount in cash	Amount in stocks			
Chairman	YFY Inc. Representative: Felix Ho	-	-	-	-	6,300	6,300	288	408	6,588 0.89%	6,708 0.90%	23,321	29,414	610	610	14	-	14	-	30,533 4.11%	36,746 4.94%	14,991
Director	YFY Development Corp. Representative: Ronald Lee																					
Director	YFY Inc. Representative: David Lo																					
Director	YFY Development Corp. Representative: Shien Xie																					
Independent Director	Chih-Chien Lin	-	-	-	-	3,150	3,150	348	348	3,498 0.47%	3,498 0.47%	-	-	-	-	-	-	-	-	3,498 0.47%	3,498 0.47%	-
Independent Director	Sherry Hsieh																					
Independent Director	Mei-Li Su																					
1. Please state the policy, system, standards and structure of the remuneration payment for independent directors, and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors consider the Company's operating scale and profitability, The time invested and functions performed by independent directors, as well as the responsibilities and risks they bear.																						
2. Except as disclosed above, remuneration received by directors in the last year for on-balance sheet services (e.g., acting as non-employee consultant) rendered to the Company: N/A																						

Note: Estimated amount of employee compensation approved by the board of directors on March 13, 2025.

Range of remuneration to all directors	Name			
	Total amount for the 4 preceding remunerations (A+B+C+D)		Total amount for the 7 preceding remunerations (A+B+C+D+E+F+G)	
	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements
Less than NT\$1,000,000	-	-	-	-
NT\$1,000,000 (incl.) - NT\$2,000,000	David Lo, Ronald Lee, Shien Xie , Mei-Li Su, Chih-Chien Lin, Sherry Hsieh	David Lo, Ronald Lee, Shien Xie , Mei-Li Su, Chih-Chien Lin, Sherry Hsieh	David Lo, Mei-Li Su, Chih-Chien Lin, Sherry Hsieh	David Lo, Mei-Li Su, Chih-Chien Lin, Sherry Hsieh
NT\$2,000,000 (incl.) - NT\$3,500,000	Felix Ho	Felix Ho	Shien Xie	-
NT\$3,500,000 (incl.) - NT\$5,000,000	-	-	-	-
NT\$5,000,000 (incl.) - NT\$10,000,000	-	-	Ronald Lee	Shien Xie
NT\$10,000,000 (incl.) - NT\$15,000,000	-	-	-	Ronald Lee
NT\$15,000,000 (incl.) - NT\$30,000,000	-	-	Felix Ho	Felix Ho
NT\$30,000,000 (incl.) - NT\$50,000,000	-	-	-	-
NT\$50,000,000 (incl.) - NT\$100,000,000	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	7	7	7	7

(II) Remuneration to supervisors

Since 2020/9/24, supervisors were replaced by the newly established Audit Committee.

(III) Remuneration to the General Manager and Deputy General Manager

December 31, 2024 Unit: NT\$1,000

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee's remuneration (D)				Amount and ratio of total compensation (A+B+C+D) to after-tax income		Compensation from invested enterprises that are not subsidiaries
		YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG		All companies in the financial statements		YFYCPG	All companies in the financial statements	
								Amount in cash	Amount in stocks	Amount in cash	Amount in stocks			
General Manager	Ronald Lee	19,581	27,622	489	597	8,105	9,962	57	-	71	-	28,232 3.80%	38,252 5.15%	-
CFO	Daphne Chen													
District General Manager	Shien Xie													
Deputy General Manager	Carl Chang													
Deputy General Manager	Ming-Fa Tang													
Deputy General Manager	Doris Chen													

Note: Estimated amount of employee compensation approved by the board of directors on March 13, 2025.

Range of remuneration to general manager and deputy general manager	Name of general manager and deputy general manager	
	YFYCPG	All companies in the financial statements
Less than NT\$1,000,000	Carl Chang	-
NT\$1,000,000 (incl.) - NT\$2,000,000	Shien Xie	-
NT\$2,000,000 (incl.) - NT\$3,500,000	Ming-Fa Tang	Ming-Fa Tang
NT\$3,500,000 (incl.) - NT\$5,000,000	Daphne Chen	Daphne Chen, Shien Xie, Carl Chang
NT\$5,000,000 (incl.) - NT\$10,000,000	Ronald Lee	-
NT\$10,000,000 (incl.) - NT\$15,000,000	Doris Chen	Ronald Lee, Doris Chen
NT\$15,000,000 (incl.) - NT\$30,000,000	-	-
NT\$30,000,000 (incl.) - NT\$50,000,000	-	-
NT\$50,000,000 (incl.) - NT\$100,000,000	-	-
More than NT\$100,000,000	-	-
Total	6	6

(IV) Names of managers who distribute employee salaries and distribution status:

December 31, 2024; Unit: NT\$1,000

	Title	Name	Amount in stocks	Amount in cash (Note)	Total	Ratio of total remuneration to net profit after tax (%)
Managerial Officers	General Manager	Ronald Lee	-	57	57	0.01
	CFO	Daphne Chen				
	District General Manager	Shien Xie				
	Deputy General Manager	Carl Chang				
	Deputy General Manager	Ming-Fa Tang				
	Deputy General Manager	Doris Chen				

Note: Estimated amount of employee compensation approved by the board of directors on March 13, 2025.

(V) Detailed ratios of total remuneration of the Company's directors, general manager and deputy general managers to after-tax profit with respect to the individual and consolidated financial statements in the past two years, and description of the remuneration policy, standards and combinations, determination of remuneration, and connection to business performance and future risks

Recipient	Ratio of total remuneration to after-tax profit					
	2024		2023		Difference	
	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements
General Director	0.89%	0.90%	0.87%	0.88%	0.02%	0.02%
Independent Director	0.47%	0.47%	0.46%	0.46%	0.01%	0.01%
General Manager and Deputy General Managers	3.80%	5.15%	2.22%	3.11%	1.58%	2.04%

1. The Company established the "Board of Directors Performance Evaluation Guidelines" to implement corporate governance and improve the functions of the Company's as well as to set performance targets and enhance the operational efficiency of the Board of Directors. According to the Guidelines, the company's board of directors conducts an internal performance evaluation of the board of directors every year, and should conduct an evaluation at least once every three years by an external professional independent agency or a team of external experts and scholars. The scope of the evaluation covers the performance evaluation of the board as a whole, individual directors, and functional committees. The performance evaluation of the Company's managers shall include financial indicators as well as key management indicators necessary for the Company's long-term development such as sustainability and talent development. The Company evaluates the remuneration for Directors at regular intervals in accordance with the "Board of Directors Performance Evaluation Guidelines". The performance evaluation and the reasonableness of the remuneration is reviewed by the Remuneration Committee and the Board of Directors.
2. In terms of the remuneration policy for directors and managers, the Company has established the "Regulations on the Remuneration of Directors, Members of Functional Committees, and Managerial Officers". The remuneration of directors shall be processed in accordance with Article 26 of the Company's Articles of Incorporation. If the Company sustains profit every year, 2% or less shall be distributed as director remuneration. The distribution ratio of director 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. The Company's remuneration for managers shall be based on a suitable salary structure established with reference to the prevailing salary standards of companies in the market with similar business operations or scale as the Company. In addition, if there is a profit in the current year, more than 1% will be appropriated as employee remuneration in accordance with Article 26 of the Company's Articles of Association. The remuneration and compensation for managers shall be reported through each management level to the Chairman for approval, submitted to the Remuneration Committee for review, and implemented with the approval of the Board of Directors.

3. The performance evaluation and the reasonableness of salary and remuneration for directors and managers are reviewed by the Remuneration Committee and the Board of Directors each year. In addition to the personal performance achievement rate and contributions to the Company, the Company reviews the remuneration system in accordance with overall business performance, future risks of the industry, and development trends, as well as actual business operations and related laws. The Company also evaluates the current corporate governance trends for providing reasonable remuneration to maintain a balance between sustainable management and risk management. The actual amounts distributed as remuneration for directors and managers in 2024 were reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.
4. The remuneration of the managers and employees of the Company is determined based on an overall assessment of internal/external factors such as work duties, work experience, the Company's earnings, market growth, price fluctuations, and future risks to fully reflect the work performance and provide competitive remuneration in the market. The performance targets of the Company's managers are in line with the risk management requirements to ensure the management and prevention of risks within the scope of their duties. The Company also grades the results based on their actual performance and connects the results to the human resources as well as the salary and remuneration policies. The important decisions of the Company's management are made based on assessments of various risk factors. The performance of the relevant decisions reflects the profitability of the Company, and the remuneration of management personnel is connected to their risk management performance.

III. Corporate Governance Practice

(I) Board of Directors operating status

The current Board of Directors consists of 7 directors including 3 independent directors, which meet the requirements of the Securities and Futures Bureau of Financial Supervisory Commission regarding independent directors (they account for 42.9% of all directors). Independent directors also maintain their independence during their terms of office. The 7 directors include 2 female directors (they account for 28.6% of all directors). Refer to (I) Profiles of Directors and Independent Directors in Section 2 of the Corporate Governance Report for the academic records and experience, professional qualifications, gender, work experience, and diversity of the directors.

The attendance in meetings of the Board of Directors in 2024 was good with a 97.1% attendance rate. Directors have continued to take courses in fields other than their professional backgrounds and they have attended related courses on corporate governance as well as environmental, social, and governance (ESG) courses. The 2024 board performance evaluation of the Board of Directors was conducted through internal self-assessment. They are explained as follows:

Totally 5 meetings (A) of Board of Directors including 2 in the 15th and 3 in the 16th were held in 2024. Directors' attendance information is shown in the table below.

Title	Name	Attendance in person(B)	Attendance by proxy	Attendance in person rate (B/A) (Note)	Notes
Chairman	YFY Inc. Representative: Felix Ho	5	0	100%	16 th term
Director	YFY Inc. Representative: David Lo	5	0	100%	16 th term
Director	YFY Development Corp. Representative: Ronald Lee	5	0	100%	16 th term
Director	YFY Development Corp. Representative: Shien Xie	4	1	100%	16 th term
Independent Director	Mei-Li Su	5	0	100%	16 th term
Independent Director	Chih-Chien Lin	5	0	100%	16 th term
Independent Director	Sherry Hsieh	5	0	100%	16 th term

Note:

- (1) If a director resigns before the end of the year, the resignation date must be specified in the Remark column. The actual attendance rate (%) shall be calculated based on the number of the Board of Directors meetings held during the period and the number of the meetings that the director has actually attended.
- (2) If an election of the directors is held before the end of the year, the names of the incoming and outgoing directors must be specified and the outgoing, incoming, or reappointment dates shall be specified in the Remark column. The actual attendance rate (%) is calculated based on the number

of meetings held by the Board of Directors and the actual number of meetings attended by the director during his/her term of office.

Other statutory information:

- I. If any of the following circumstances have occurred amid operations of the Board of Directors, the date, period, agenda content, the opinions of all independent directors, and the handling of the opinions of the independent directors by the Company shall be specified:
- (I) Matters prescribed under Article 14-3 of the Securities and Exchange Act:
In 2024 and as of the publication date of the Annual Report, the Company convened 6 meetings of the Board of Directors and the resolutions are specified in page 38 to 39 of the Annual Report. All independent directors approved the items listed under Article 14-3 of the Securities and Exchange Act as proposed
- (II) Aside from the above matters, other resolutions adopted by the Board of Directors with regard to which an independent director had a dissenting or qualified opinion that is on record or stated in a written statement: N/A.
- II. Any directors who had to recuse from a proposal to prevent conflicts of interest:
- (I) In the Board meeting held on March 14, 2024, the Board discussed the 2023 remuneration for general directors and the distribution method. A conflict of interest existed for directors Felix Ho, David Lo, Ronald Lee, and Shien Xie on this matter; therefore, they recused themselves from discussing and voting on this proposal.
- (II) In the Board meeting held on March 14, 2024, the Board discussed the 2023 remuneration for independent directors and the distribution method. A conflict of interest existed for independent directors Mei-Li Su, Chih-Chien Lin, and Sherry Hsieh on this matter; therefore, they recused themselves from discussing and voting on this proposal.
- III. Board of Directors evaluation status: The Company convened the 2nd meeting of the 15th Board of Directors on December 28, 2020 and approved the "Board of Directors Performance Evaluation Guidelines". It has been implemented each year since January 1, 2021. The implementation status of the performance evaluation of the Board of Directors in 2024 is explained below:

Evaluation cycle	The Company completed the performance evaluation of the Board of Directors, individual Board member and functional committees in 2024 through internal self-evaluation.
Evaluation period	From November 1, 2023 to October 31, 2024
Evaluation scope	The scope of the evaluation covers the performance evaluation of the board, individual directors, the Audit Committee, and Remuneration Committee
Evaluation method	Including internal self-evaluation of the Board of Directors, self-evaluation of Directors, internal self-evaluation of the Audit Committee, Remuneration Committee, Information Security Committee and Sustainable Development Committee, etc.
Evaluation contents	(1) Criteria for evaluating the performance of the Board of Directors: 1. Understanding and recommendations for the operation of the Company; 2. Improvement of the quality of the Board of Directors' decision making;

	<ol style="list-style-type: none"> 3. The composition and structure of the Board of Directors. 4. Election and continuing education of the directors; 5. Internal control. <p>(2) Criteria for evaluating the performance of the directors:</p> <ol style="list-style-type: none"> 1. Familiarity with the goals and missions of the Company; 2. Their recognition of Directors' duties. 3. Understanding and recommendations for the operation of the Company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; 6. Internal control. <p>(3) Criteria for evaluating the performance of the functional committees:</p> <ol style="list-style-type: none"> 1. Understanding and recommendations for the operation of the Company; 2. Awareness of the duties of the functional committee; 3. Improvement of the quality of the functional committee's decision making; 4. Functional committee composition and election of members; 5. Internal control.
Evaluation results	<p>The meeting organization of the Board of Directors delivered the self-evaluation questionnaire for the performance evaluation to each Director and member of the Audit Committee, Remuneration Committee, Information Security Committee and Sustainable Development Committee, respectively before January 2, 2025 and recovered the questionnaires before January 30, 2025. According to the evaluation results:</p> <ol style="list-style-type: none"> 1. The self-evaluation results of the Board of Directors, Directors, Audit Committee, Remuneration Committee, Information Security Committee and Sustainable Development Committee were all "excellent". 2. The evaluation results were reported in the meetings of the Audit Committee, Remuneration Committee, Sustainable Development Committee and Board of Directors convened on March 13, 2025 as reference for review and improvement.

IV. Evaluation of targets and performance of the Board's functions for current year and past year:

- (I) Three independent directors form the Company's Audit Committee in substitution of supervisors. Matters prescribed under Article 14-5 of the Securities and Exchange Act are submitted to the Audit Committee for discussion and resolution. The convener of the Audit Committee is responsible for reporting resolutions passed by the Audit Committee to the Board of Directors.
- (II) In addition to disclosing relevant information on the Market Observation Post System, the Company has also set up an investor section on its website to disclose information on corporate governance, financial information, and corporate social responsibility to enhance information transparency and ensure that all stakeholders can access information they care about in a timely manner.

- (III) Advancement of Sustainable development: The Company's approved the "Sustainability and Social Responsibility Guidelines" in the 4th meeting of the 14th Board of Directors (August 14, 2020) and the 2nd extraordinary shareholders meeting (September 24, 2020) to fulfill corporate social responsibility and promote the sustainable development of the economy, society, and environment. We also established the "Sustainability Office" in January 2022 and its main responsibility is the management of sustainability issues for environmental, social, and governance (ESG) issues. It reports directly to the Chairman and regularly reports the development of related issues and implementation plans to the Board of Directors. The reports made by the Sustainability Office to the Board of Directors were as follows:
1. It reported the implementation of phased goals of the greenhouse gas inventory and verification schedule plan to the 4th meeting of the 16th Board of Directors on March 13, 2024.
 2. It reported the implementation of phased goals of the greenhouse gas inventory and verification schedule plan to the 5th meeting of the 16th Board of Directors on May 8, 2024.
 3. At the 7th meeting of the 16th Board of Directors on August 12, 2024, it reported the implementation of phased goals of the greenhouse gas inventory and verification schedule plan and 2023 Sustainability Report, and approved the establishment of the "Sustainable Development Committee" and the formulation of the Company's "Sustainable Development Committee Charter", "Sustainable Development Committee Operation and Management Regulations" and "Risk Management Policies and Procedures".
 4. At the 8th meeting of the 16th Board of Directors on November 12, 2024, it reported the implementation of phased goals of the greenhouse gas inventory and verification schedule plan, the communication with stakeholders in 2024, the promotion of risk management operations in 2024, and approved the formulation of the Company's "Procedures for Handling Sustainability Information".
- (IV) The Company convened the 2nd meeting of the 2nd Information Security Committee on November 12, 2024 to arrange the manager of the IT Department to report on the implementation status of the 2024 information security work and the 2025 information security work plan.
- (V) The Company reported the "2024 Intellectual Property Management Plan and Progress in the Current Year" in the 8th meeting of the 16th Board of Directors on November 12, 2024.
- (VI) In consideration of legal risks faced by directors, the Company and its subsidiaries have purchased director liability insurance for all directors. The insurance amount is US\$5 million.

(II) Operating status of the Audit Committee

The Company's Audit Committee is composed of three independent directors. The Committee's purpose is to verify the fair presentation of the Company's financial statements; hiring or dismissal of CPAs, their independence and performance; effectiveness regarding implementation of the Company's internal control system; compliance with relevant regulations and rules; the Company's control of existing or latent risks; and exercise its powers in accordance with Article 14-5 of the Securities Exchange Act.

4 meetings of the 2nd Audit Committee were held in 2024 as of the publication date of the Report. Key focuses for the year are described below:

1. Review financial reports

The Board of Directors prepared and submitted the 2023 business report, financial statements, and earnings distribution proposal. The financial statements were audited by Deloitte & Touche, and an audit report was submitted. The Company's Audit Committee reviewed the said business report, financial statements, and the earnings distribution proposal and did not find any instances of noncompliance.

2. Assess internal control system effectiveness

The Company's Audit Committee assessed the effectiveness of policies and procedures of the Company's internal control system (including finance, operations, risk management, information security, legal compliance, and other control measures) and audited the Company's Auditing Department and CPA, as well as regular reports by managers, including risk management and compliance.

3. Evaluate the independence and competence of CPAs

The Company's Audit Committee evaluated and found that the Company's CPAs Shu-Wan Lin and Hsiu-Ming Hsu of Deloitte and Touche Taiwan did not have direct or indirect interest in the Company that would compromise their independence; established a suitable method to communicate with the Company and its Audit Committee; and fulfill the independence and competence requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

4. Amendment of the Company's "Rules of Procedure for the Board of Directors' Meetings"

In accordance with FSC-Zheng-Fa-Zi No. 1120383996 for amending the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", it is proposed that the Company's "Rules of Procedure for the Board of Directors' Meetings" be partially amended.

5. The amendment of the Company's "Audit Committee Charter"

In accordance with FSC-Zheng-Fa-Zi No. 1120383996 for amending the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies", it is proposed that the Company's "Audit Committee Charter" be partially amended.

6. Amendment of the Company's "Management Regulations for Preventing Insider Trading"

Amendment of the Company's "Management Regulations for Preventing Insider Trading" in accordance with FSC-Zheng-Fa-Zi No. 1070345233.

7. Formulation of the Company's "Procedures for Handling Sustainability Information"

In accordance with FSC-Zheng-Sheng-Zi No. 1130381962 for amending the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets", it is proposed that the Company's "Procedures for Handling Sustainability Information" be formulated.

Independent directors' attendance to the Audit Committee meetings in 2024 as of the publication date of the Report is described below:

Title	Name	Attendance in person	Attendance by proxy	Attendance in person rate	Notes
Independent Director	Mei-Li Su	4	0	100%	2nd term
Independent Director	Chih-Chien Lin	4	0	100%	2nd term
Independent Director	Sherry Hsieh	4	0	100%	2nd term

Other statutory information:

- I. The date of the meeting of the Audit Committee, the term, contents of the proposals, objections, qualified opinions, and important recommendations of independent directors, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be specified under any of the following circumstances in the operations of the Audit Committee.
- (I) Matters prescribed under Article 14-5 of the Securities and Exchange Act. In 2024 and as of the publication date of the Annual Report, the Company convened 5 meetings of the Audit Committee and the resolutions are specified in the table below. All members of the Audit Committee approved the items listed under Article 14-5 of the Securities and Exchange Act as proposed without objection.

Meeting date	Sessions	Agenda item	Results of resolution	Actions taken by the Company in response to the opinion of the Audit Committee
2024/3/13	2nd term 3rd meeting	(1) The Company's 2023 financial statements proposal. (2) The Company's 2023 earnings distribution proposal. (3) The proposal for remuneration for the Company's CPAs for the 2024 and 2025 fiscal years. (4) Amendment of the Company's "Rules of Procedure for the Board of Directors' Meetings". (5) Amendment of the Company's "Audit Committee Charter". (6) Amendment of the Company's "Management Regulations for Preventing Insider Trading". (7) The Company's 2023 "Statement of Internal Control".	The proposal was approved unanimously by all independent directors in attendance following an inquiry by the chair.	Submitted to the Board of Directors for approval.
2024/5/8	2nd term 4th meeting	(1) The Company's 2024 Q1 financial statements. (2) The Company's intended procurement of 1 parcel of land located at No. 125, Haifeng Section, Qingshui District, Taichung City.	The proposal was approved unanimously by all independent directors in attendance following an inquiry by the chair.	Submitted to the Board of Directors for approval.
2024/8/12	2nd term 5th meeting	(1) The Company's 2024 Q2 financial statements.	The proposal was approved unanimously by all independent directors in attendance following an inquiry by the chair.	Submitted to the Board of Directors for approval.
2024/11/12	2nd term 6th meeting	(1) The Company's 2024 Q3 financial statements. (2) The Company's 2025 annual audit plan. (3) Formulation of the "Procedures for Handling Sustainability Information".	The proposal was approved unanimously by all independent directors in attendance following an inquiry by the chair.	Submitted to the Board of Directors for approval.
2025/3/13	2nd term 7th	(1) The Company's 2024 financial statements proposal.	The proposal was approved unanimously	Submitted to the Board of

	meeting	(2) The Company's 2024 earnings distribution proposal. (3) The compliance of the CPAs' independence and accountability after evaluation as required by the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". (4) The Company's 2024 "Statement of Internal Control". (5) Proposal on major asset transactions.	by all independent directors in attendance following an inquiry by the chair.	Directors for approval.
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(II) In addition to matters above, other resolutions which did not receive the approval of the Audit Committee but were approved by more than two thirds of the entire Board of Directors: N/A.

II. Any independent directors who had to recuse themselves to avoid conflicts of interest: N/A.

III. Communication Between Independent Directors and Internal Auditing Officer and Accountants

1. On a regular basis

Each month, completed *audit reports* are sent via emails to each independent director. If there are questions or instructions, independent directors can contact the auditing officer via emails or the telephone.

Each quarter, the Audit Committee submits an *Audit Progress Report*; it contains audit procedures, findings, and abnormalities which might require improvement for the Company as well as its subsidiaries.

The CPA reports to the Audit Committee to explain the review and audit status, communication issue of relative regulations, CPA report type, key audit items, and financial report analysis.

2. On a non-regular basis

Through telephone calls, emails, and meetings, discussions are held concerning how to increase the Company's audit value and enhance operational efficiency and effectiveness. If any serious violations are discovered, independent directors must be notified according to regulations. There are many open channels of communication for the Company's internal auditing officers to communicate with the independent directors.

In the event of a material or special incident or special requirements in related regulations, the CPA immediately reports to the Audit Committee on a non-regular basis to provide explanation.

Recent communication between independent directors, internal audit managers, and accountants:

Date	Communication Method	Key Points of Communication	Communication Results
2024/3/13	Private meeting of Independent Directors and CPAs	1.The CPA explained related audits of the 2023 financial statements, and discussed the financial conditions and business results.	The Independent Directors did not have objections after reviewing related conditions and discussions.
2024/3/13	Audit Committee	1.The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2023 Q4. 2.The Chief Auditor explained the 2023 Statement on the Internal Control System.	1. Approved and acknowledged. 2. Passed as proposed.
2024/5/8	Private meeting of Independent Directors and CPAs	The CPA explained related review status of the 2024 Q1 financial statements, and discussed the financial conditions and business results.	The Independent Directors did not have objections after inquiring and reviewing related conditions
2024/5/8	Private meeting of Independent Directors and Chief Auditor	1.Reported to the Audit Office for the due diligence report and follow-up of reported cases. 2.Special report on calculation and distribution of business bonus. 3.OEM manufacturer management project report. 4. Environmental, health and safety optimization report of YFY Family Care (Kunshan) Co., Ltd.	No objection.
2024/5/8	Audit Committee	The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2024 Q1.	Approved and acknowledged.

2024/8/12	Private meeting of Independent Directors and CPAs	The CPA explained related review status of the 2024 Q2 financial statements, and discussed the financial conditions and business results.	The Independent Directors did not have objections after inquiring and reviewing related conditions
2024/8/12	Private meeting of Independent Directors and Chief Auditor	1.Reported to the Audit Office for the due diligence report and follow-up of reported cases. 2.Reported the communication regarding the establishment of the 2025 audit plan. 3.Environmental, health and safety optimization report of Yangmei Plant.	No objection.
2024/8/12	Audit Committee	The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2024 Q2.	Approved and acknowledged.
2024/11/12	Private meeting of Independent Directors and CPAs	The CPA explained related review status of the 2024 Q3 financial statements, and discussed the financial conditions and business results.	The Independent Directors did not have objections after inquiring and reviewing related conditions.
2024/11/12	Audit Committee	The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2024 Q3.	Approved and acknowledged.
2025/3/13	Private meeting of Independent Directors and CPAs	The CPA explained related audits of the 2024 financial statements, and discussed the financial conditions and business results.	The Independent Directors did not have objections after inquiring and reviewing related conditions.
2025/3/13	Audit Committee	1. The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2024 Q4. 2. The Chief Auditor explained the 2024 Statement on the Internal Control System.	1. Approved and acknowledged. 2. Passed as proposed.

(III) Corporate governance practice and compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
I. Does the Company abide by the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in establishing and disclosing its corporate governance best practice principles?	V		The Company established the "Corporate Governance Principles" and rigorously complied with related regulations in the implementation of information disclosure in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".	Compliant
II. The Company's shareholding structure and shareholders' rights and interests				
(I) Does the Company have in place an internal operating procedure for handling shareholders' suggestions, questions, disputes, or litigation and abide by it?	V		The Company has established the "Rules of Procedure for Shareholders' Meeting" and a spokesperson system in accordance with the "Corporate Governance Principles" and has appointed stockholders' affairs personnel to process shareholders' recommendations, questions, or disputes. However, the Company maintains harmonious relation with shareholders and no disputes have occurred.	Compliant
(II) Does the Company possess a list of major shareholders and a list of ultimate owners of those major shareholders?	V		The Company closely monitors the shareholdings of major shareholders, directors, and managers based on the shareholder register provided by the shareholder services agent as of the book closure date. Changes in the shareholding of insiders (directors, managers, and shareholders holding more than 10% of the shares) are reported monthly to the Market Observation Post System designated by the competent authority.	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
(III) Does the Company have in place a risk management mechanism and firewall against its affiliates or implement it?	V		The Company has established the “Procedures for Transactions with Related Parties”, “Procedures Governing Transactions with Group Enterprises, Specific Companies, and Related Parties” and “Rules Governing Financial and Business Matters Between the Company and its Related Parties”, and has established and updated the list of affiliates in accordance with relevant Procedures. Transactions with affiliates are also governed by the Procedures to ensure compliance with general business practices.	Compliant
(IV) Does the Company have internal regulations in place to prevent its people from trading securities based on information yet to be public on the market?	V		The Company has established the "Management Regulations for Preventing Insider Trading" to prevent the Company or its internal personnel from unintentionally or intentionally violating related regulations on insider trading due to their unfamiliarity with laws and regulations.	Compliant
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors developed and implemented a diversity policy for the composition of its members and specific management targets?	V		The adoption of the Company's <i>Corporate Governance Best Practice Principles</i> was approved at the 3rd meeting of the 14th Board of Directors on August 14, 2020. The Principles stipulate the diversification policy for the composition of the board in Article 19 under Chapter 13 titled "Composition and Responsibilities of the Board of Directors." The nomination and election of Board members are pursuant to the regulations prescribed in the Company's Articles of Incorporation. A candidate nomination system is adopted in accordance with the <i>Regulations Governing the Election of Directors</i> and <i>Corporate Governance Best Practice Principles</i> to ensure the diversity and	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
(II) Besides the Remuneration Committee and the Audit Committee established according to law, has the Company actively established other types of functional committees?	V		<p>independence of board members.</p> <p>The professional backgrounds of the Company's Board members include expertise in industry, business management, and accounting. According to the list of members of the 16th Board of Directors, those with the ability of leadership management administration, and crisis management, as well as industry knowledge, and an international market perspective include directors Felix Ho, David Lo, Ronald Lee, and Shien Xie. The Company's independent directors include Chih-Chien Lin who is a university professor, Sherry Hsieh who is the Deputy Director of the Taiwan Health Foundation, and Mei-Li Su who is a CPA and an independent director of other public listed companies. The Company's Board of Directors comprises 2 directors who are employees of the Company as well as 3 independent directors. The Company has 2 female independent directors.</p> <p>In addition to the Remuneration Committee and the Audit Committee, the Company has also set up an Information Security Committee based on the Company's business needs. The members of the Company's Information Security Committee are appointed by a resolution of the Board of Directors. There are three members, including Felix Ho, Mei-Li Su and Sherry Hsieh, with Mei-Li Su as the convener. An Information Security Committee meeting was held on November 12, 2024 to report to the members on the implementation status of the 2024 information security work and the work plan for 2025, and to listen to the suggestions of each member. In addition, the Company also approved the establishment of a Sustainable Development Committee at the 7th meeting of the 16th Board of Directors on August</p>	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
(III) Has the Company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?	V		<p>12, 2024, with 5 members, including Member He, I-Ta, Member Li, Tsung-Chun, Member Su, Mei-Li, Member Hsieh, Wan-Chuan and Member Lin, Chih-Chien, among which Member He, I-Ta is the convener to assist the Board of Directors in continuously promoting the implementation of sustainable management. A Sustainable Development Committee meeting was held on November 12, 2024 to report to the members on the risk management projects and response measures to be promoted in 2025, and to listen to the suggestions of each member.</p> <p>The Company's Board of Directors approved the establishment of the "Board of Directors Performance Evaluation Guidelines" on December 28, 2020. The internal self-evaluation was completed in 2024. The performance evaluation of the Board of Directors, individual Board member, Audit Committee, Remuneration Committee, Information Security Committee and Sustainable Development Committee was completed before January 30, 2025, and submitted to the 9th meeting of the 16th Board of Directors (March 13, 2025).</p>	Compliant
(IV) Does the Company periodically evaluate the independence of the	V		The Company's CPA has recused himself/herself from cases where his/her service or him/herself has a direct or indirect conflict of interest. The Company also periodically	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies																																				
	Yes	No	Summary																																					
CPA?			<p>evaluates the independence of the CPA. The evaluation results were reported at the 4th meeting of the 16th Board of Directors on March 13, 2024. The annual evaluation was further conducted at the 9th meeting of the 16th Board of Directors on March 13, 2025.</p> <table><tr><th colspan="4">Evaluation indicator 1: Independence</th></tr><tr><th>Item No.</th><th>Evaluation item</th><th>Evaluati on results</th><th>Fulfillment of independence criteria</th></tr><tr><td>1</td><td>Has the CPA submitted an independence declaration?</td><td>Yes</td><td>V</td></tr><tr><td>2</td><td>Does the CPA firm have a system for rotating CPAs?</td><td>Yes</td><td>V</td></tr><tr><td>3</td><td>Has the Company ensured that there are no direct or indirect material financial interests between the CPA and the Company?</td><td>Yes</td><td>V</td></tr><tr><td>4</td><td>Has the Company ensured that there are no financing or endorsements between the CPA and the Company or directors?</td><td>Yes</td><td>V</td></tr><tr><td>5</td><td>Has the Company ensured that the CPA is not a relative of the Company's directors, managerial officers, or other individuals in positions that may have significant impact on the audit? (Evaluate at least the relations such as the spouse, underage children, and close relatives)</td><td>Yes</td><td>V</td></tr><tr><td>6</td><td>Has the Company ensured that the CPA and the Company do not have close business relations? (e.g., joint investments in businesses, strategic alliances for profit, or product co-marketing or promotion)</td><td>Yes</td><td>V</td></tr><tr><td>7</td><td>Has the Company ensured that no members of</td><td>Yes</td><td>V</td></tr></table>	Evaluation indicator 1: Independence				Item No.	Evaluation item	Evaluati on results	Fulfillment of independence criteria	1	Has the CPA submitted an independence declaration?	Yes	V	2	Does the CPA firm have a system for rotating CPAs?	Yes	V	3	Has the Company ensured that there are no direct or indirect material financial interests between the CPA and the Company?	Yes	V	4	Has the Company ensured that there are no financing or endorsements between the CPA and the Company or directors?	Yes	V	5	Has the Company ensured that the CPA is not a relative of the Company's directors, managerial officers, or other individuals in positions that may have significant impact on the audit? (Evaluate at least the relations such as the spouse, underage children, and close relatives)	Yes	V	6	Has the Company ensured that the CPA and the Company do not have close business relations? (e.g., joint investments in businesses, strategic alliances for profit, or product co-marketing or promotion)	Yes	V	7	Has the Company ensured that no members of	Yes	V	
Evaluation indicator 1: Independence																																								
Item No.	Evaluation item	Evaluati on results	Fulfillment of independence criteria																																					
1	Has the CPA submitted an independence declaration?	Yes	V																																					
2	Does the CPA firm have a system for rotating CPAs?	Yes	V																																					
3	Has the Company ensured that there are no direct or indirect material financial interests between the CPA and the Company?	Yes	V																																					
4	Has the Company ensured that there are no financing or endorsements between the CPA and the Company or directors?	Yes	V																																					
5	Has the Company ensured that the CPA is not a relative of the Company's directors, managerial officers, or other individuals in positions that may have significant impact on the audit? (Evaluate at least the relations such as the spouse, underage children, and close relatives)	Yes	V																																					
6	Has the Company ensured that the CPA and the Company do not have close business relations? (e.g., joint investments in businesses, strategic alliances for profit, or product co-marketing or promotion)	Yes	V																																					
7	Has the Company ensured that no members of	Yes	V																																					

Evaluation item	Practice					Compliance with Best Practice Principles and reasons for any discrepancies		
	Yes	No	Summary					
				the audit service team currently serve or had served as the Company's director, supervisor, managerial officer, or positions that may have significant impact on the audit in the most recent two years?				
			8	Has the Company ensured that the CPA has not accepted valuable (with value beyond regular social norms) gifts or presents from the Company, directors, or managerial officers?	Yes	V		
			9	Has the Company ensured that the CPA is not appointed by the Company to perform routine tasks, receive fixed salary, or serve as a director?	Yes	V		
			10	Has the Company ensured that the CPA is not involved in the decision-making process of the Company?	Yes	V		
			11	Has the Company ensured that the CPA does not provide the Company with appraisal services with material impact on the financial statements or highly subjective appraisals?	Yes	V		
			Evaluation indicator 2: Competence					
			Item No.	Evaluation item	Evaluation results	Fulfillment of competence criteria		
			1	Has the CPA been disciplined or received any other disciplinary action in the past 2 years that would impair his/her professionalism or independence?	Yes	V		
			2	Has the CPA actively provided the Company with the latest information on	Yes	V		

Evaluation item	Practice					Compliance with Best Practice Principles and reasons for any discrepancies	
	Yes	No	Summary				
				taxation, and securities supervisory regulations, and updates of IFRS accounting standards.?			
			3	Has the CPA assisted the Company in coordinating communication and coordination with competent authorities?	Yes	V	
			4	Have all financial statements been completed within the deadline?	Yes	V	
			5	Has the CPA maintained adequate communication channels with the Company's management, Audit Committee, and Directors?	Yes	V	
			Evaluation indicator 3: Audit Quality Indicators Report (AQIs)				
			1	Is the CPA's audit experience and training hours sufficient?	Yes	V	
			2	Is the number of hours devoted by the CPAs to the audit and review of the financial statements comparable to those of industry peers?	Yes	V	
			3	Are the engagement quality control review (EQCR) accountant's evaluation results in the past two years in compliance with regulations?	Yes	V	
			4	Is the supporting capability of the accounting firm's quality control personnel up to the standards of industry peers?	Yes	V	
			5	Does the accounting firm have plans to innovate and improve audit quality?	Yes	V	

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
IV. Has the TWSE or TPEX listed company set up a full-time (part-time) unit or appointed designated personnel to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, processing company registration and change of registration and preparing minutes of the board meetings and shareholders' meetings)?	V		The Company Board of Directors passed a resolution on April 15, 2021 and appointed the Manager Edward Hung to oversee corporate governance affairs. Legal affairs personnel also assist in providing the information needed by the Board of Directors and its members. Their duties include: Handling matters relating to Board meetings and shareholders' meetings according to law, and assisting the Company in complying with laws and regulations governing such meetings; Producing minutes of Board meetings and shareholders' meetings; and Furnishing information required for business execution by directors and independent directors and, updating them on developments of laws and regulations relating to the operations of the Company.	Compliant
V. Does the Company have in place a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a stakeholders section on its website to properly address stakeholders' concerns regarding important	V		The Company has set up a dedicated section for stakeholders on its website, where contact information for employees, customers, suppliers/contractors, shareholders/investors, consumers, press members, and other stakeholders are listed for responding to questions concerning corporate social responsibility.	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
corporate social responsibilities?				
VI. Does the Company hire professional stock agencies to take care of affairs related to shareholders' meetings?	V		The Company has appointed SinoPac Securities - Register & Transfer Agency Division to process affairs related to shareholders' meetings.	Compliant
VII. Information disclosure				
(I) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance status?	V		The Company regularly discloses information on the corporate website regarding the Company's financial, business, and corporate governance status.	Compliant
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing dedicated personnel to collect and disclose corporate information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website)?	V		The Company has appointed dedicated personnel to take charge of the collection and disclosure of Company information, and we have implemented a spokesperson and acting spokesperson system in accordance with regulations. The information for investor conferences in all periods is immediately disclosed on the Company website as reference for investors.	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month ahead of schedule before the specified deadline?		V	The Company publishes and reports its annual financial report within three months after the end of a fiscal year, and publishes and reports its financial reports for 1st, 2 nd , and 3 rd quarter as well as its operating status for each month before the specified deadline. The requirements for companies listed on TWSE/TPEX have been met.	Gradually implemented
VIII. Does the Company have other information that is helpful for understanding its status of corporate governance (including but not limited to employee rights and interests, employee well-being, investor relations, supplier relations, rights of stakeholders, further education sought by directors and supervisors, implementation of risk	V		<ol style="list-style-type: none"> 1. Employees' rights and interests: The Company protects employees' legal rights and interests in accordance with the Labor Standards Act and HR regulations. We also convene regular employer-employee meetings to communicate with employees. 2. Employee care: The Company upholds the ideals of a friendly work environment for talent recruitment and retention to create a good work environment. In addition to setting up an Employee Welfare Committee and allocating employee welfare funds in accordance with laws, we also make contributions to employees' pension, provide group accident insurance for employees, and arrange health examination for employees to maximize employee benefits. 3. Investor relations: The Company has appointed a Spokesperson and Acting 	Compliant

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
management policies and risk evaluation standards, implementation of customer policies, the purchase of liability insurance for directors and supervisors, etc.)?			<p>Spokesperson and to take charge of the Company's communication with external entities. We regularly update the results of the Company's operations and organize investor conferences. We also assign dedicated personnel to take disclose the Company's information on the Market Observation Post System in accordance with regulations.</p> <p>4. Supplier relations: The Company maintains good relations with suppliers to optimize overall production costs.</p> <p>5. Stakeholder interests: The Company maintains good channels of communication with employees, customers, and suppliers, and respect and uphold their legal rights and interests. Stakeholders can provide opinions and communicate with the Company at any time. The Company values their opinions and uses them as the basis for future operations.</p> <p>6. Continuing education and training received by directors and supervisors: The Company has set up an Audit Committee which replaced the functions of the supervisors. All Directors of the Company have professional backgrounds. They have all attended continuing education courses as required by law and obtained certification documents.</p> <p>7. Implementation of risk management policies and risk assessment standards: The Company has established various internal regulations and conducted various risk management and assessment in accordance with regulations.</p> <p>8. Implementation status of the customer policy: The Company maintains stable and good relations with customers in order to generate profits.</p>	

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
			9. Status of purchase of liability insurance by the Company for Directors: The Company has purchased liability insurance for its Directors to reduce and spread the risk of material damages to the Company and shareholders caused by any error or negligence of its Directors.	
<p>IX. Please mention any priority matters and measures that require improvement and improvements that have been made according to the Corporate Governance Evaluation results released by TWSE's Governance Center.</p> <p>The Company is committed to strengthening the protection of shareholders' rights and equal treatment of shareholders, strengthening the structure and operation of the board of directors, improving information transparency and promoting sustainable development, and plans to gradually improve the unscored indicators of corporate governance evaluation. Below are some project descriptions:</p> <p>Indicator 2.22: Does the Company establish an Audit Committee or functional committees at the level of Board of Directors to oversee risk management, establish risk management policies and procedures approved by the Board of Directors, disclose the risk management organizational structure, risk management procedures and their operations, and report them to the Board of Directors at least once a year?</p> <p>The Company approved the establishment of "Risk Management Policies and Procedures" at the 7th meeting of the 16th Board of Directors on August 12, 2024, and established a Sustainable Development Committee to oversee risk management matters. The Company also reported on the risk management organizational structure, risk management procedures and their operations at the 8th meeting of the 16th Board of Directors on November 12, 2024.</p>				

● Status of continuing education of Directors and Independent Directors

Title	Name	Duration		Organizer	Course	Hours
		Start date	End date			
Institutional Director Representative	Felix Ho	2024/11/12	2024/11/12	Taiwan Corporate Governance Association	Workplace Protection in the Wave of ESG: Prevention and Governance of Sexual Harassment in the Workplace and Gender Friendliness	3
		2024/6/17	2024/6/17	Taiwan Corporate Governance Association	Net Zero Emissions by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises.	3
		2024/12/2	2024/12/2	Taiwan Corporate Governance Association	New Mindset on Overall Business Strategy (New Nine Theories)	3
Institutional Director Representative	David Lo	2024/3/5	2024/3/5	Taiwan Corporate Governance Association	Inheritance Plan Initiation - Employee Reward Plan and Equity Inheritance.	3
		2024/4/26	2024/4/26	Taiwan Corporate Governance Association	How to Read and Understand Financial Statements - A Lesson for Directors and Supervisors with Non-Financial Backgrounds.	3
		2024/6/17	2024/6/17	Taiwan Corporate Governance Association	Net Zero Emissions by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises.	3
		2024/8/20	2024/8/20	Taiwan Corporate Governance Association	How should Enterprises Respond to the Coming Era of "Carbon Pricing"?	3
		2024/10/4	2024/10/4	Taiwan Corporate Governance Association	Global Trends and Risk Management of Digital Technology Innovation and AI Development.	3
		2024/12/2	2024/12/2	Taiwan Corporate Governance Association	AI and the Industrial Revolution: Generative AI System based on iFA Architecture.	3
		2024/12/2	2024/12/2	Taiwan Corporate Governance Association	New Mindset on Overall Business Strategy (New Nine Theories)	3
		2024/12/10	2024/12/10	Taiwan Corporate Governance Association	Offense and Defense Strategies for Hostile Takeover and Related Corporate Governance Issues.	3
Institutional Director	Ronald Lee	2024/6/17	2024/6/17	Taiwan Corporate Governance Association	Net Zero Emissions by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises.	3

Representative		2024/11/12	2024/11/12	Taiwan Corporate Governance Association	Workplace Protection in the Wave of ESG: Prevention and Governance of Sexual Harassment in the Workplace and Gender Friendliness	3
Institutional Director Representative	Shien Xie	2024/6/17	2024/6/17	Taiwan Corporate Governance Association	Net Zero Emissions by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises.	3
		2024/12/24	2024/12/24	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Sustainability Series (Issue 3) - Sustainable Development Goals and Information Disclosure Framework.	3
Independent director	Mei-Li Su	2024/6/17	2024/6/17	Taiwan Corporate Governance Association	Net Zero Emissions by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises.	3
		2024/6/20	2024/6/20	Taiwan Corporate Governance Association	Discussion on Important Issues of Insider Trading and Market Manipulation.	3
		2024/7/18	2024/7/18	Taiwan Corporate Governance Association	A Complete Guide to High Asset Financial Allocation and Tax Management.	3
		2024/11/12	2024/11/12	Taiwan Corporate Governance Association	Workplace Protection in the Wave of ESG: Prevention and Governance of Sexual Harassment in the Workplace and Gender Friendliness	3
		2024/12/2	2024/12/2	Taiwan Corporate Governance Association	AI and the Industrial Revolution: Generative AI System based on iFA Architecture.	3
Independent director	Sherry Hsieh	2024/6/17	2024/6/17	Taiwan Corporate Governance Association	Net Zero Emissions by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises.	3
		2024/11/12	2024/11/12	Taiwan Corporate Governance Association	Workplace Protection in the Wave of ESG: Prevention and Governance of Sexual Harassment in the Workplace and Gender Friendliness	3
		2024/12/2	2024/12/2	Taiwan Corporate Governance Association	AI and the Industrial Revolution: Generative AI System based on iFA Architecture.	3
		2024/12/2	2024/12/2	Taiwan Corporate Governance Association	New Mindset on Overall Business Strategy (New Nine Theories)	3

Independent director	Chih-Chien Lin	2024/6/17	2024/6/17	Taiwan Corporate Governance Association	Net Zero Emissions by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises.	3
		2024/11/12	2024/11/12	Taiwan Corporate Governance Association	Workplace Protection in the Wave of ESG: Prevention and Governance of Sexual Harassment in the Workplace and Gender Friendliness	3
		2024/12/2	2024/12/2	Taiwan Corporate Governance Association	AI and the Industrial Revolution: Generative AI System based on iFA Architecture.	3
		2024/12/2	2024/12/2	Taiwan Corporate Governance Association	New Mindset on Overall Business Strategy (New Nine Theories)	3

(IV) Companies that have established a Remuneration Committee shall disclose the names and responsibilities of its members and committee operations

(1) Information on members of the Remuneration Committee

<div>Requirement</div> <div>Position</div> <div>Name</div>		Professional qualifications and experience	Fulfillment of independence criteria	Number of other public companies in which the committee member also serves as a remuneration committee member
Independent Director	Chih-Chien Lin	<ul style="list-style-type: none"> More than 10 years of lecturer or a higher post at a public/private university/college in subjects relevant to the Company's operations 	<ul style="list-style-type: none"> The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates The individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) of the Company Not a director, supervisor, or employee of a company that has special relations with the Company Has not received compensation for business, legal, financial, or accounting services provided for the Company or its affiliates in the last two years 	N/A
Independent Director	Sherry Hsieh	<ul style="list-style-type: none"> More than 5 years of work experience in business 		N/A
Independent Director	Mei-Li Su	<ul style="list-style-type: none"> More than 20 years of work experience in accounting and audit Professional licenses as a certified public accountant and tax return filing agent 		2

(2) Operation of Remuneration Committee

I. The Company's Remuneration Committee is composed of three persons.

II. Current term for the members: From June 28, 2023 to June 27, 2026. The Remuneration Committee held 4 meetings during the past year, and the qualifications and attendance information of each member are listed below:

Title	Name	Attendance in person	Attendance by proxy	Attendance in person rate	Notes
Convener	Mei-Li Su	4	0	100%	-
Committee member	Chih-Chien Lin	4	0	100%	-
Committee member	Sherry Hsieh	4	0	100%	-

Remuneration Committee	Agenda item and follow-up	Results of resolution	Actions taken by the Company in response to the opinion of the Remuneration Committee
3rd Committee 2nd meeting 2024/1/25	Review of the Company's 2023 manager year-end bonus and performance bonus proposal.	Approved by all committee members as proposed.	The proposal was approved by the Remuneration Committee and filed to the Board of Directors for approval.
3rd Committee 3rd meeting 2024/3/13	<ul style="list-style-type: none"> Review of the Company's 2023 employee remuneration proposal. Review of the Company's 2023 director remuneration proposal. 	Approved by all committee members as proposed.	The proposal was approved by the Remuneration Committee and filed to the Board of Directors for approval.
3rd Committee 4th meeting 2025/1/7	Formulation of the Company's 2024 year-end bonus proposal for managerial officers	Approved by all committee members as proposed.	The proposal was approved by the Remuneration Committee and filed to the Board of Directors for approval.
3rd Committee 5th meeting 2025/3/13	<ul style="list-style-type: none"> Review of the Company's 2024 employee remuneration proposal. Review of the Company's 2024 director remuneration proposal. 	Approved by all committee members as proposed.	The proposal was approved by the Remuneration Committee and filed to the Board of Directors for approval.

Other statutory information:

I. If the Board of Directors did not adopt or revise the recommendations of the Remuneration Committee, the date of the Board meeting, term of the Board,

agenda item, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the Remuneration Committee shall be specified: N/A.

II. If a member has an opposing or qualified opinion regarding a resolution the Remuneration Committee has adopted with a written record or statement, the date and session of the meeting, the resolution, opinions of all the members, and the handling of their opinions shall be specified: N/A.

(3) Information on Members of the Information Security Committee and Operations

Professional qualifications and experience of the members of the Audit Committee and operations:

- (1) The Company's Information Security Committee is composed of three persons.
- (2) Current term for the members: The term of office for members in the Committee are the same as that of the Board of Directors. The Information Security Committee held 1 meeting (A) during the past year. The professional qualifications, experience, and attendance information of each member and the agenda items are listed below:

Title	Name	Professional qualifications and experience	Attendance in person (B)	Attendance by proxy	Attendance in person rate (B/A) (Note)	Notes
Convener	Mei-Li Su	Independent Director More than 20 years of work experience in accounting and audit Professional licenses as a certified public accountant and tax return filing agent	1	0	100%	
Committee member	Felix Ho	Chairman Chairman, YFY Consumer Products Co., Ltd. MBA, MIT Sloan School of Management Experience Chairman, YFY Inc. General Manager, YEON Technologies Co., Ltd. General Manager, YFY Consumer Products Co., Ltd.	1	0	100%	
Committee member	Sherry Hsieh	Independent Director More than 5 years of work experience in business	1	0	100%	

Other statutory information:

1. 2nd meeting of the 2nd Information Security Committee on November 12, 2024
2. Reporting of the 2024 information security work report and 2025 information security work plan

(v) Implementation status of sustainable development, deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof

Implementation item	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the Company set up a governance structure for sustainable development, establish an exclusively (or concurrently) dedicated unit to implement sustainable development, and have management appointed by the Board of Directors to be in charge of corporate social responsibility and to report the implementation status to the Board of Directors?	V		The Company's Board of Directors passed the "Sustainability and Social Responsibility Guidelines" and established a dedicated unit for corporate social responsibility in 2021. It was renamed the "Sustainability Office" in January 2022 and its main responsibility is the management of sustainability issues for environmental, social, and governance (ESG) issues. It reports directly to the Chairman and regularly reports the development of related issues, implementation plans, and results to the Board of Directors to facilitate the supervision and improvement of overall development strategies. We incorporate ESG into company policies, strategies, plans, and actions through continuous improvement and management measures to achieve sustainable operations. To intensify the development of ESG issues, the Sustainability Office published a sustainability report verified by a third party. It reported implementation results to the Board of Directors and responded to Director inquiries. The 1st Sustainable Development Committee was established in November 2024, enhancing the ESG management level to the Board of Directors and becoming a functional committee outside the statutory mandate of the Board of Directors. The Sustainability Office has set management	Compliant

		<p>objectives, which are disclosed in the "Sustainable Development Goals" of the Sustainability Report. The risk management policy is disclosed in "Financial Position, Financial Performance and Risk Analysis" of the Annual Report and "Risk Assessment and Management" and "TCFD Climate Change Financial Impact" of the Sustainability Report.</p> <p>Dates of Reports to the Board of Directors and Key Supervisory Items of the Board of Directors in 2024:</p> <p>March 13, 2024</p> <p>I. Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan.</p> <p>May 8, 2024</p> <p>I. Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan.</p> <p>August 12, 2024</p> <p>I. Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan.</p> <p>II. Report on the 2023 Sustainability Report prepared by the Company.</p> <p>III. Establishment of the "Sustainable Development Committee" and formulation of the "Sustainable Development Committee Charter" and 'Sustainable Development Committee Operation and Management Regulations'.</p> <p>IV. Formulation of the Company's "Risk Management Policies and Procedures".</p> <p>November 12, 2024</p> <p>I. Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan.</p> <p>II. Report on the Company's communication with stakeholders in 2024.</p> <p>III. Report on the Company's promotion of risk management operations in</p>	
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			<p>2024.</p> <p>IV. Formulation of the "Procedures for Handling Sustainability Information".</p> <p>V. Risk management projects and response measures in 2025.</p>	
<p>II. Does the Company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies based on the principle of materiality?</p>	V		<p>The Company's Board of Directors passed the establishment of the "Sustainability and Social Responsibility Guidelines". The Guidelines specified that the dedicated unit shall perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies based on the principle of materiality. The Company shall establish policies and management systems for sustainability and social responsibility, and implement concrete action plans with regard to employees, communities, and the environment. The operating procedures and related persons in charge shall be specific and clear, and the results shall be regularly reported to the Board of Directors and disclosed on the Company's website.</p>	Compliant
<p>III. Environmental issues</p> <p>(I) Has the Company established a proper environmental management system based on the characteristics of the industry?</p>	V		<p>All plants of the Company have established an environmental management system in accordance with ISO 14001 and continue to pass third-party verification. All paper production plants have obtained the Forest Stewardship Council (FSC) certification and we are committed to continue green production and implementation of a circular economy.</p> <p>All paper production plants in Taiwan have established an energy management system in accordance with ISO 50001 and continue to pass third-party verification. They also process greenhouse gas inventories in accordance with ISO 14064-1 regulations each year. In addition, the Company also received assistance from the Industrial Development Bureau, Ministry of Economic Affairs in 2021 for the implementation of targets and pathways for carbon emissions reduction based on the characteristics of the industry. The effectiveness of the reduction in emissions has been disclosed on the National</p>	Compliant

			Greenhouse Gas (GHG) Registry of the Environmental Protection Administration, Executive Yuan as well as the Company's Sustainability Report and website.	
(II)	Is the Company committed to improving the efficiency of energy usage and using recycled materials which have a low impact on the environment?	V	<p>The Company actively promotes energy conservation measures. All paper production plants in Taiwan have established an energy management system in accordance with ISO 50001 and continue to pass third-party verification. We saved 769 thousand kWh of electricity in 2024, the energy saving is equivalent to a carbon reduction of 364 ton-CO₂e.</p> <p>To ensure the sustainability of our production model, we uphold the concept of a circular economy and sustainable reuse of resources, and strengthen waste management to ensure reuse of resources. For instance, we turn remaining process waste materials into alternative fuel and use launched the mixed incineration plan for boilers to reduce the use of fossil fuel and reduce waste at the same time. All pulp, scrap rolls, cut paper used in the plants can be returned to the production process for reuse, and we no longer outsource the disposal of such waste to external parties.</p> <p>To reduce the impact on the environment, the Company's main procurement items consist mainly of pulp with Forest Stewardship Council (FSC™) certification, and we continue to enhance technologies for waste recycling and reuse to reduce the impact on the environment. The Company has received consecutive Green Procurement Performance Awards from the Ministry of Environment.</p>	Compliant
(III)	Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change	V	<p>The Company has included climate change risks and sustainable development trends into its risk management. We comply with national climate policies and objectives and independently review energy statistics and the implementation status of compliance measures to develop future response plans.</p> <p>The Company follows the TCFD recommended disclosure framework published by the Financial Stability Board (FSB) and conducts comprehensive evaluations</p>	Compliant

issues?		<p>of the risks and opportunities of climate change for plants of the Company. The Company introduces climate risk assessment and reviews and updates it every year. The Company also identifies risk factors and develops countermeasures, which include strengthening equipment and infrastructure, planning overall environmental management strategies, and establishing environmental assessment mechanisms.</p> <p>Detailed description of the Company's climate change risks and opportunities are disclosed in the Company's Sustainability Report.</p>																																	
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and draw up policies on greenhouse gas reduction, water reduction, or waste management?	V	<p>In order to mitigate the impact of climate change and fulfill our social responsibility, the Company spares no effort in promoting energy conservation and carbon reduction. In addition to passing the ISO 50001 energy management system certification, paper product production plants in Taiwan also actively conduct greenhouse gas emissions inventories.</p> <p>The Company's paper production plants in Taiwan conduct greenhouse gas inventories in accordance with laws each year and report results to the competent authority at regular intervals in accordance with laws. The data from the past two years are as follows:</p> <table border="1"> <thead> <tr> <th>Item</th><th>Category</th><th>2023</th><th>2024</th></tr> </thead> <tbody> <tr> <td rowspan="3">Reduction of GHG emissions (Unit: ton-CO2e) (note 1)</td><td>Scope 1</td><td>62,911</td><td>61,691</td></tr> <tr> <td>Scope 2</td><td>46,650</td><td>47,204</td></tr> <tr> <td>Total</td><td>109,561</td><td>108,895</td></tr> <tr> <td>GHG emissions intensity (Unit: ton-CO2e/ton-product)</td><td>Total</td><td>1.17</td><td>1.06</td></tr> <tr> <td rowspan="2">Water consumption (unit: cubic meters)</td><td>Source (note 2)</td><td>1,228,316</td><td>1,426,730</td></tr> <tr> <td>Displacement</td><td>1,060,497</td><td>1,202,221</td></tr> <tr> <td rowspan="2">Residual material from the production process of</td><td>General materials</td><td>1,458</td><td>1,374</td></tr> <tr> <td>Materials that</td><td>3,059</td><td>3,507</td></tr> </tbody> </table>	Item	Category	2023	2024	Reduction of GHG emissions (Unit: ton-CO2e) (note 1)	Scope 1	62,911	61,691	Scope 2	46,650	47,204	Total	109,561	108,895	GHG emissions intensity (Unit: ton-CO2e/ton-product)	Total	1.17	1.06	Water consumption (unit: cubic meters)	Source (note 2)	1,228,316	1,426,730	Displacement	1,060,497	1,202,221	Residual material from the production process of	General materials	1,458	1,374	Materials that	3,059	3,507	Compliant
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			solids (unit: ton)	require recycling or reuse			
				Total	4,518	4,882	
<p>*Note1: The latest annual information is based on estimates of different plants due to the different timing of third-party verification of emissions in each plant. If the emissions are updated after the verification, it will be updated next year.</p> <p>* Note 2: The main sources of water are groundwater and tap water.</p> <p>(1) Greenhouse gas (GHG) emission:</p> <p>Inventory: In response to climate change and global greenhouse gas management trends, and to fully grasp relevant issues associated with the Company's business risks and opportunities, the Company continues to pay attention to international trends on the disclosure of carbon emissions as well as domestic regulations and requirements. At the same time, we request all corresponding units to complete GHG inventories voluntarily and register their results on the national greenhouse gas tracking platform.</p> <p>Reduction policy: The Company actively promotes energy conservation plans and participates in the demand response load management measures of Taiwan Power Company to actively reduce electricity consumption. We use the ISO 50001 Energy Management System and the YFY Excellence System (YES) to continue to explore opportunities for energy conservation including shifting to LED lights and high-efficiency motors, implementing process improvements, and allocating budget to replace old pumps and low-efficiency motors. We also introduce advanced imported high-performance pumps and new milling equipment to reduce electricity and fuel consumption in production. By taking stock of the risks and opportunities brought about by climate change, the Company sets short-, medium- and long-term greenhouse gas emission density reduction targets in response to greenhouse gas management actions. For details, please refer to the Company's sustainability report.</p>							

			<p>(2) Water consumption:</p> <p>Management policy: Each plant conducts water resource management based on the ISO 14001 environmental management system, assesses the risk of production and process constraints due to water outages and shortages, and uses the World Resources Institute tool to assess water consumption stress at each plant. Through daily management and monitoring, the optimal control of water consumption can be achieved, and water leakage and expenditure waste caused by aging water pipes or other reasons can be effectively controlled. At the same time, by adding recycled water sterilization equipment and increasing the concentration of biological pools in the sewage treatment plant, the utilization rate of recycled water has been increased to achieve the goal of reducing water consumption. The discharge water of paper production in Taiwan plants meets or exceeds the discharge water standards of the regulation</p> <p>Indicator: The Company sets the annual water consumption reduction target and paper production in Taiwan plants sets the unit drainage reduction per ton of paper to less than 10 tons of water. At the same time, we are committed to maximizing the number of times of water use, minimizing the number of tons of water used, and the recycling rate of process water.</p> <p>(3) Waste:</p> <p>We implements the principle of circular economy, continuously strengthens the technology of waste recycling and reuse, and strives to reduce the amount at the source to reduce the impact on the environment. In 2024, the Taiwan plants achieved zero hazardous waste output.</p>	
IV. Social issues				
(I) Does the Company comply with relevant laws and regulations and internationally recognized covenants on human rights, and	V		<p>The Company supports the principles of the United Nations Global Compact and the targets enshrined in the United Nations Universal Declaration of Human Rights and the Conventions of the International Labor Organization. We respect human rights and comply with all related regulations of the countries of</p>	Compliant

<p>have related management policies and procedures in place?</p>		<p>operations. Article 12 of the Company's "Sustainability and Social Responsibility Guidelines" also states that the Company and subsidiaries shall comply with relevant laws and regulations on human rights and establishes management policies that meet human rights standards by referencing internationally recognized covenants on labor rights. The specific methods of implementation are as follows:</p> <ol style="list-style-type: none"> 1. Comply with relevant laws and regulations and provide a healthy and safe work environment 2. Ban on child labor and forced labor 3. Diversity and inclusion to prevent illegal discrimination 4. The personnel recruitment policy attaches great importance to multiple values, and does not give unequal treatment to applicants based on factors such as race, religion, skin color, nationality, disability, age, gender, or sexual orientation, and eliminates illegal discrimination (human structure statistics can refer to the employees employed in the operating profile material). 5. Guarantee the labor rights of vulnerable or marginalized groups such as indigenous peoples, women, migrant workers, indentured persons and persons with disabilities. 6. Promote gender equality policy: specify the prevention and control measures for sexual harassment in the workplace and the complaint measures for sexual harassment prevention and control, and strengthen the education and training of employees; encourage the reinstatement of employees who have stayed in childcare, and the successful reinstatement rate will be 100% in 2024. 7. Operate with integrity and anti-corruption. 8. Create smooth communication channel and provide complaint mechanisms. 	
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<p>(II) Has the Company established and implemented reasonable employee benefits (including remuneration, leave, and other benefits), and ensured business performance or results are reflected adequately in employee remuneration?</p>	<p>V</p>	<p>The Company provides a comprehensive remuneration system, welfare measures, and performance management system while meeting requirements in the external business environment and building a fair and reasonable internal system. We uphold the ideal of sharing profits with employees by attracting, retaining, developing, and encouraging talents.</p> <ul style="list-style-type: none"> ● Provide competitive salary <ol style="list-style-type: none"> 1. The Company participates in compensation surveys in the industry or on the market and determine the salaries of employees based on their academic records, work experience, skills, and position. 2. Salary is not determined by gender or age. 3. When employees are promoted, their salaries are adjusted immediately to prepare, incentivize, and retain outstanding talents. ● Bonus and compensation <ol style="list-style-type: none"> 1. Year-end bonus and performance bonuses: The Company has established regulations on the year-end bonus to include at least one month's salary. The Company also established related standards for the issuance of additional bonuses based on the Company's operations and the employees' rank and performance. The bonuses are competitive and used as incentives to encourage employees to make more contributions and grow with the Company. 2. Employee stock subscription: We provide employees with employee stock options to share profits with employees. 3. Employee's remuneration: The Company's Articles of Incorporation specifies that 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. ● Comprehensive welfare system 	<p>Compliant</p>
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			<ol style="list-style-type: none"> 1. The Company provides employees with a diverse range of benefits including economic benefits, facilities, education, and entertainment to take care of employees' needs in all stages. 2. We set up the Employee Welfare Committee and clubs to organize a diverse range of cultural and healthy activities and plan high-quality benefits for employees such as employee travel subsidies, national holiday benefits, birthday gift, transportation and gift packs for pregnant employees, marriage subsidies, and on-the-job training incentives. We also provide benefits such as maternity subsidies for employees and pre-school books for children. 	
(III) Does the Company provide a safe and healthy work environment, and provide employees with regular safety and health training?	V		<p>The Company has dedicated occupational safety and health management personnel and workers' health services and nursing staff responsible for the development of occupational safety and health management plans for hazard identification, risk assessment, and risk management of operation areas and personnel operations as well as other safety and health management measures. The head office and plants also established the Occupational Safety and Health Committee which convenes regular meetings to approve, report, and review occupational safety and health promotion plans. Employees can participate in operation consultation and communication for occupational safety and health through labor representatives to ensure that the occupational safety and health policies meet the needs of employees and protect the safety and health of all employees. All plants have passed ISO 45001 certification and all employees take at least three hours of safety and health training every three years. We continue to improve safety and health facilities and actively create a safe, healthy, comfortable, and friendly work environment to achieve our goal of "zero accidents". No fire accident happened in 2024. In 2024, there were a total of 5 employee occupational accidents involving 5 people, with a disabling injury frequency rate of 1.59. There was no serious occupational injury accident,</p>	Compliant

		<p>which was an improvement over the previous year. There were a total of 5 fire incidents in 2024, including 1 fire accident and 4 fire false alarms. There were no casualties in the fire accident (accounting for 0% of the total number of employees at the end of 2024). After an internal review of the cause of the accident, additional camera equipment has been installed and the internal fire detection system of the power substation has been strengthened. For the other 4 fire false alarms, preventive improvement measures were taken after incident analysis, such as strengthening the inspection mechanism, improving the cleanliness of the working environment and enhancing safety education for employees, in order to comprehensively enhance the fire protection capabilities of the plants.</p>	
(IV) Does the Company offer its employees effective occupational empowerment training programs?	V	<p>The Company established employee learning and development plans in accordance with the corporate development strategies and objectives each year. We plan comprehensive competency training for all supervisors and employees including orientation training, professional training, and management training to help employees continue to learn and grow through a diverse range of learning methods. We also develop core competencies and values to create a learning-based corporate culture, create a training blueprint for competencies, implement successor plans, and provide digital learning programs. We use systematic education and training procedures to improve employees' professional skills and knowledge, identify talents with high potential, and create a talent pool. In 2024, the total training hours totaled 29,733 hours with an average of 23 hours per employee. During the annual performance interview, supervisors and employees discuss and formulate the Individual Development Plan (IDP) to help employees create their own development plans through regular reviews and feedback.</p>	Compliant
(V) Does the Company comply with relevant laws and international	V	<p>All specifications on the labels of the Company's products meet national regulations and international standards (e.g., FSC™ certification, HACCP Food Safety Control System, and ISO 22000 Food Safety Management System) so that</p>	Compliant

standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer or customer protection policies and grievance procedures?		<p>customers fully understand product information and can choose safe and high-quality products.</p> <p>The Company also set up a consumer service hotline and established the "Operating Procedures for Customer Complaints and Consultation Services" to provide real-time consultation services and comprehensive complaint procedures to ensure that consumer interests are protected and continue to provide customers with better products and experience.</p> <p>The Company also strictly complies with the relevant provisions of the Personal Data Protection Act regarding the collection, processing, and use of consumers' personal data. We have established a "Personal Data Protection Management Organization" to protect the privacy of consumers' personal information with rigorous organization, management systems, and control mechanisms. (Please refer to the Company's Sustainability Report for related achievements)</p>	
(VI) Does the Company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.	V	<ul style="list-style-type: none"> ● The Company upholds the values of integrity, trust, and innovation in its business operations and practices corporate social responsibility. With the goal of establishing a long-term and stable supply chain, we have formulated clear supplier management measures, specifying suppliers' requirements on issues such as environmental protection, occupational safety and health, or labor rights, and implementing inspections and implementation status. ● New suppliers must be selected according to the implementation details of the Supplier Management Measures, and then conduct supplier evaluation. Only after they are listed as qualified manufacturers can they proceed with subsequent procurement cooperation. ● New suppliers are audited based on the supplier evaluation process on "operation and management capabilities", "production and technical capabilities", and "quality system capabilities". In response to the global emphasis on the environment and social sustainability, we have implemented and required suppliers to protection, employee health, 	Compliant

			<p>safety and sanitation, attention to human rights and other issues, and jointly fulfill corporate social responsibilities.</p> <ul style="list-style-type: none"> ● The supplier performance evaluation section regularly reviews the performance results of suppliers in aspects such as "quality", "cost", "delivery" and "service", and holds QBR meetings (quality and business review meeting) every quarter. Quality assurance, procurement and suppliers conduct coaching, communication and continuous improvement activities based on the performance evaluation results. ● Annual supplier audits include regular inspections of quality processes, environmental protection, occupational safety and health or labor rights, etc. to ensure that the products and services provided by suppliers meet the Company's requirements. <p>Implementation status of supplier management activities in 2024:</p> <ul style="list-style-type: none"> ● Conducted a total of 93 QBR meetings ● A total of 21 supplier management and coaching activities ● Completed the evaluation of 6 new suppliers, 5 qualified suppliers, and the proportion of passing the evaluation reached 83% ● Completed regular evaluation of 163 suppliers, 163 qualified suppliers, and 100% passed the evaluation ● Completed the annual audit of 24 suppliers, 24 qualified suppliers, and the audit passing rate reached 100% 	
V. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as sustainability reports? Have the aforementioned	V		<p>The Company prepare a sustainability report every year in accordance with the international GRI standards since 2022. For the first report, it entrusted a third-party certification agency to perform independent assurance of the report, and obtained the type 1 moderate-level assurance of AA1000 Assurance Standard v3. Type 2 moderate-level was obtained in 2024. Relevant guarantee statements are publicly disclosed on the Company's website and in the appendix of the sustainability report.</p>	Compliant

reports obtained assurance from a third-party verification unit?				
<p>VI. If the Company has established its own sustainable development best-practice principles by following the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies", please describe the implementation and any discrepancies with regard to the Best Practice Principles: The Company's Board of Directors has approved and implemented the YFY Consumer Products Co., Ltd. Sustainability and Social Responsibility Guidelines in 2020.</p>				
<p>VII. Other key information useful for explaining status of the Company's sustainable development practices:</p> <p>(I) Awards, recognitions, and community engagement</p> <p>1. Environmental protection achievements:</p> <p>(1) Yangmei Plant - awarded the Green Purchasing Practices Commendation by Taoyuan City Government (6 consecutive years).</p> <p>(2) Received the 2023 Private Enterprise and Organization Green Procurement Award from the Ministry of Environment (awarded in September 2024).</p> <p>(3) Qingshui Plant was commended by the Taichung City Government for its active cooperation with Taichung City's green consumption in 2023.</p> <p>(4) Ever Growing obtained the Green Building Label (2022~2027).</p> <p>*Green procurement is awarded in the current year based on the green procurement performance of the previous year. Therefore, previous year is shown on the award certificate.</p> <p>2. Social engagement achievements:</p> <p>(1) Qingshui Plant, Yangmei Plant and Ever Growing actively participated in the "winter donations" organized by local village chiefs and police precincts. We provided sponsorship for those in need in the society at the end of the year and donated household paper products of our brands and cleaning products to local disadvantaged families in hopes of providing them with cleanliness and comfort through high-quality products.</p> <p>(2) In 2024, the Head Office, Yangmei Plant, Qingshui Plant, EverGrowing, Yangzhou plant and Kun Shan mill donated a total of over 1,700 cartons of household paper products and various cleaning products to support social welfare organizations for the disadvantaged and local disadvantaged families.</p> <p>(3) Since 2021, the Company has supported the "Taiwan Champion Trees" team to jointly search for the tallest tree in Taiwan. While the team continues to expand the information on giant trees, it simultaneously promotes youth science and civic and environmental education. For three consecutive years, the team has been holding a "Natural Science Camp" in Nan'ao Township, Yilan and Basianshan Educational Park in Heping</p>				

District, Taichung for children aged 12 to 18, hoping that the children would recognize and learn from the valuable scientific knowledge and the passion of the Taiwan Champion Trees team.

3. Corporate governance achievements:

- (1) We won the "Sustainability Report - Category 1 Gold Award" and the "Taiwan Top 100 Sustainability Exemplary Enterprises Award" under the Comprehensive Sustainability Best Performance category at the 17th Taiwan Corporate Sustainability Awards (TCSA) in 2024.
- (2) We won the Best Companies to Work for in Asia 2024 (for four consecutive years) from HR Asia and received Sustainable Workplace Award.
- (3) We emphasize intellectual property rights, improve patent quality and R&D efficiency, and passed TIPS A-Level certification in 2024.
- (4) Qingshui Plant received the 2024 Happy Workplace Award from the Taichung City Government.
- (5) Qingshui Plant received the "Excellent Healthy Workplace - Vitality Award" from the Health Promotion Administration, Ministry of Health and Welfare.
- (6) The head office, Qingshui Plant and Yangmei Plant were awarded sports enterprise certification by the Sports Administration, Ministry of Education.
- (7) The head office, Qingshui Plant and Yangmei Plant received the "Health Promotion Label" certification from the Health Promotion Administration of the Ministry of Health and Welfare.
- (8) The head office, Qingshui Plant and Yangmei Plant were awarded the "AED Safe Workplace" certification by the Ministry of Health and Welfare and the departments of health of the local city governments.
- (9) Qingshui Plant serves as a member of the Central District Promotion Committee of the Taiwan Occupational Safety and Health Management System, assisting the Occupational Safety and Health Administration of the Ministry of Labor in promoting occupational safety and health management in the Central District.

(II) Environmental protection and circular economy

1. Cherish resources and reduce waste. Qingshui and Yangmei plants used LPG and so on to replace coal. The annual coal replacement effect reached 17,685 metric tons of coal.
2. The energy saving results of Taiwan's major paper production plants in 2024 totaled 769 kWh, reducing about 364 tons CO₂e.

(III) Public welfare:

1. Conducted blood donation activities, invite residents around the factory and employees' families to participate, and provide toilet paper to donors.
2. Established good neighborly relations. Qingshui plant supported the Haifengli office in organizing lectures, assisting residents in measuring blood pressure, and giving away toilet paper.
3. Cooperated with the Environmental Protection Agency of the Executive Yuan to promote corporate road adoption policies and fulfill corporate

social responsibilities. Water treatment plants and bayberry plants assist in the adoption and cleaning of surrounding roads. The Company worked with the master program of the Department of Forestry, National Chung Hsing University in setting up an industry-academia cooperation project.

(IV) Industry-academia cooperation: Promoted the fourth item of the Sustainable Development Goals (SDGs) "Quality Education" and participate in the "Xingxing School Corporate Mentor" program of National Chung Hsing University to implement the cooperation between the school and enterprises to provide students with practical lectures and jointly promote educational development.

(V) Occupational safety and health

1. The Company regularly organized on-the-job safety and health training, fire escape drills, and regular CPR and AED first aid training.
2. Organized occupational safety week activities, enhance safety awareness through activities, and optimize or strengthen safety and health matters through interactive information sharing.
3. We implemented prevention measures according to the epidemic situation of epidemic diseases, conduct seasonal influenza vaccination and preventive publicity.
4. We organized health promotion activities:
 - (1) Healthy exercise: Blood donation drives, flash mob hiking activities, weight loss contests, muscle growth and fat burning exercise courses, fitness activities, healthy walk challenge, and badminton club activities.
 - (2) Mental relaxation: stress relief Zen-tangle, archery courses and EAP for psychological assistance.
 - (3) Healthy diet: Plants provide healthy diet menus and provide a sous vide healthy meal every week.
 - (4) Healthcare: Special health examinations, cancer screenings, blood drives, healthy skin seminars, quit smoking seminars and activities, office stress relief and body stretch class, shoulder, neck and back pain release, and neck and shoulder muscle relief seminar

The Company considers environmental sustainability as an important consideration in business investments. Energy saving is seen as a necessary project in new equipment investments. We also conduct improvements to existing energy equipment to enhance process efficiency while considering compliance with emission standards.

In 2024, the total expenditure on environmental sustainability amounted to about NT\$288 million, mainly invested in energy saving, green energy, and environmental sustainability equipment.

2024 Environmental Sustainability Related Management Expenditure

Investment items	Energy saving optimization and production line upgrade plan	Clean energy and environmental governance	Total
Investment amount (unit: NT\$1,000)	275,099	12,740	287,838

Scope of information: Main paper product plants in Taiwan

Please refer to the Sustainability Report for more details on investments and specific benefits

Climate-related information for listed OTC companies

1. Climate-related information implementation status

Item	Implementation status
1. Describe Board of Directors and management oversight and governance of climate-related risks and opportunities.	1. There is a “Sustainability Office” under the Board of Directors to ensure the effectiveness of climate change risk management. Based on the climate risk and opportunity management operational structure, each department conducts self-assessment and risk identification operations every year based on the “internal control system self-assessment operating procedures”. The Audit Office will compile the internal control self-assessment data, prepare a Statement on Internal Control and submit it to the Board of Directors. The “Sustainability and Social Responsibility Guidelines” formulated in 2020 clearly stipulates that the impact on the environment should be fully considered when engaging in operational activities and executing business. The Company should also reduce the negative impact of corporate operations on the environment (especially climate change), and formulate strategies, establish goals, implement action plans and conduct regular reviews. The report on climate change risks and opportunities has been submitted to the Board of Directors in 2024 Q3 and Q4 to continue to pay attention to the issues and difficulties. After the meeting, based on the opinions and supervision of the Board of Directors, relevant response actions and budgets will be formulated.
2. Describe how the identified climate risks and opportunities impact the Company's business, strategy and finances (short-term, medium-term, long-term).	2. According to the climate change risk and opportunity matrix, the probability of occurrence and the degree of financial impact are multiplied with each other to determine the significance. A total of 5 major transformation risks, 1 physical risk and 3 climate-related opportunities were identified in order of significance. The Company will continue to supervise and manage environmental performance from three aspects, namely energy management, water management, emissions and waste management, and move towards the Company's long-term net zero goal in 2050. <ul style="list-style-type: none"> ● Energy management: Implementing greenhouse gas emission reduction, setting annual power saving rate, increasing the use of alternative fuels in response to the 2030 net-zero transformation path of the manufacturing department, improving the transformation technology for low-carbon/energy efficiency to promote green production, and launching carbon footprint product applications ● Water management: Promoting water resources improvement projects, improving water recycling treatment efficiency, and formulating additional water-saving measures ● Emissions and waste management: Complying with boiler air pollutant emission standards and implementing resource recycling
3. Describe the financial impact of extreme climate events and transformation actions.	3. Extreme weather events such as typhoons, floods or droughts may increase operating costs due to increased drought and water shortage periods, water usage costs and additional water consumption expenses. In addition, the tightening of environmental protection regulations in recent years, such as greenhouse gas emission regulations, water consumption fees and carbon fees, as well as the more low-carbon fuels used for transformation may increase the operating costs for equipment renewal.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	4. The Company adopts a scientific and systematic approach to introduce the TCFD climate change risk and opportunity identification process. It refers to the research

Item	Implementation status
<p>5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions and analysis factors used and main financial impacts.</p> <p>6. If there is a transformation plan to manage climate-related risks, describe the contents of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, describe the price setting basis.</p> <p>8. If climate-related goals are set, describe the information such as the activities covered, the scope of greenhouse gas emissions, the planning schedule, and annual achievement progress. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, describe the source and quantity of the carbon reduction credits offset or the number of renewable energy certificates (RECs).</p> <p>9. Greenhouse gas inventory and assurance status (fill in 1-1 separately).</p>	<p>results of international authoritative institutions, third-party reports, peer companies and domestic and foreign benchmark companies to screen out the transformation and entity risks and opportunities related to the daily necessities manufacturing and sales industry. Through cross-department discussions and workshops at production sites in various regions, the Company assesses the financial impact and likelihood of climate impact risks and opportunities, formulate major climate-related risks and opportunities regarding the Company's operations, formulate corresponding management strategies and response measures, and execute response action plans. The process of managing climate-related risks and opportunities is convened by the Sustainability Office and integrated into the Company's risk management procedures. Operational risks are distributed and managed by various departments according to their functions, and the audit department regularly and project-examines the implementation and compliance of the regulations, systems, and procedures of each department.</p> <p>5. Scenario analysis and assessment mainly adopts "climate change risk and opportunity assessment" to carry out mitigation and adaptation based on the results to strengthen decision-making quality. Consumer products adopt Nationally Determined Contribution (NDC) and Representative Concentration Pathway (RCP) scenario simulation to analyze the impact of transformation and physical risks and opportunities that may be faced by the Company's strategy, in order to evaluate or adjust related response strategies. The industry-specific supplemental guidelines recommend that organizations with annual revenue in excess of US\$1 billion should consider conducting enhanced scenario analysis to assess the resilience of their strategies under various climate-related scenarios. Therefore, the Company refers to the well below 2°C and the 1.5°C scenarios of the science based target (SBT) when assessing transformation risks. Please refer to the Company's Sustainability Report for details.</p> <p>6. In order to mitigate climate change, the Company uses unit greenhouse gas emission density, annual electricity saving rate, alternative fuel rate, and the number of carbon footprint product applications as the main key indicators for quantitative assessment, and also sets water consumption reduction and waste recycling rate as indicators. Please refer to the Company's Sustainability Report for details.</p> <p>7. The Company does not use internal carbon pricing as a planning tool.</p> <p>8. The Company's emission reduction boundary covers Taiwan's major paper product production sites, aiming to reduce greenhouse gas emission intensity by 5% in 2025, reduce carbon emissions by 8% in 2030, and achieve 2050 net-zero emissions. The Company has dedicated personnel responsible for greenhouse gas inventory, who conducts inventory of greenhouse gas emission sources in the plants, strives to implement various reduction measures, registers the inventory results after verification by a reputable third-party agency in the national greenhouse gas registry platform (Taiwan plants), and discloses them in the Sustainability Report.</p> <p>9. See below.</p>

1-1 The Company's greenhouse gas inventory and confirmation status in the last two years

1-1-1 Information on greenhouse gas inventory

Describe greenhouse gas emissions in the past two years (tons CO₂e), intensity (tons CO₂e/million NTD) and data coverage.

Since the Company is a consolidated subsidiary of a listed or OTC company, the greenhouse gas inventory schedule for the listed or OTC parent company is as follows:

1. Parent companies should be subject to individual inventory starting from 2015.
2. The consolidated financial statements of subsidiaries should be reviewed starting from 2015.

The Company has established a greenhouse gas inventory mechanism in accordance with Taiwan's "ISO/CNS 14064-1", "Climate Change Response Act", and the "Greenhouse Gas Emissions Inventory Operation Guidelines" of the Executive Yuan Ministry of Environment's greenhouse gas emissions information platform. The greenhouse gas disclosure boundary includes the greenhouse gas emissions of the Company and all subsidiaries in the consolidated financial statements. Greenhouse gas emissions in 2023 are 203,532 tons CO₂e (63,625 tons CO₂e for Scope 1 and 139,907 tons CO₂e for Scope 2). The emission intensity is 19.83 tons CO₂e per million NTD. Greenhouse gas emissions in 2024 are 201,338 tons CO₂e (62,835 tons CO₂e for Scope 1 and 138,502 tons CO₂e for Scope 2). The emission intensity is 18.48 tons CO₂e per million NTD.

Note: Since the third-party verification of emissions is later than the annual report publication schedule, the latest annual data currently disclosed is the version of the factory's own inventory. If the verification results are adjusted in the future, they will be updated in the following year. The final verification data can also be found in the company's sustainability report.

1-1-2 Information on greenhouse gas assurance

Describe the assurance status in the last two years as of the publication date of the annual report, including the scope of the assurance, the organization of the assurance, the criteria for the assurance and the opinion of the assurance.

Since the Company is a consolidated subsidiary of a listed or OTC company, the greenhouse gas inventory schedule for the listed or OTC parent company is as follows:

1. The parent company entity shall implement confirmation starting from 2017.
2. Consolidated financial statements of subsidiaries should be confirmed starting from 2017.

The Company has completed the greenhouse gas verification by a third-party assurance agency in 2023, and the verification schedule for 2024 is under planning. Among the total greenhouse gas emissions disclosed by the Company in 2023, 203,532 tons of CO₂e, accounting for 99.96% of the total emissions of subsidiaries in the consolidated financial report for that year, were confirmed to be in compliance with the ISO 14064-1 standards and the Management Measures for Greenhouse Gas Emissions Inventory Registration (105.01.05), and the Greenhouse Gas Emissions Inventory Operation Guidelines (2022.05) and other laws and regulations, as well as the latest regulations on the enterprise greenhouse gas emissions information platform issued by the Ministry of Environment's Climate Change Agency. The opinion is a reasonable guarantee. Assurance agency of the Qingshui plant, Yangmei plant and Ever Growing is DNV, and that of the Yangzhou plant and Kunshan plant in the mainland China is SGS.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

The Company uses 2018 as the base year (1.27 metric tons of CO₂e is emitted per metric ton of product), and the target boundary scope is Taiwan's major paper products plants. It has set emission reduction targets (Scope 1 + Scope 2) with greenhouse gas emission density reaching 5% carbon reduction by 2025, reducing carbon emissions by 8% in 2030, and achieve net-zero carbon emissions in 2050. In 2024, GHG emissions intensity is 1.06 tons of CO₂e per metric tons of product, a decrease of 17% compared with the base year (2018). The Company's response strategies and specific action plans are:

- (1) Use unit energy consumption as a production indicator, review it regularly, and include it in the mid- to long-term plan for equipment renewal.
- (2) Factory area energy-saving measures, energy system tracking and management, improve factory area energy-saving measures, energy system tracking and management, and improve energy efficiency.
- (3) Focus on replacing coal with alternative fuels and continue to expand the use of low-carbon energy sources such as biomass fuels, natural gas, and alternative fuels.
- (4) Continue to implement the promotion of circular economy.

(VI) Deviations of the implementation of ethical corporate management from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation

Evaluation item		Practice		Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
		Yes	No	
I.	Establishment of ethical corporate management policy and approaches			
(I)	Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices as well as the commitment of its Board of Directors and senior management to implementing the management policies?	V		Compliant
(II)	Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies?	V		Compliant
			<p>The Company's "Code of Operation Integrity" was passed by the Board of Directors and the Company established the "Ethical Corporate Management Operating Procedures and Code of Conduct" to actively prevent dishonest behavior and conflicts of interest, establish whistleblowing channels, and regulate the conduct of relevant personnel.</p> <p>The Company performs regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business and implement programs to prevent unethical conduct. The programs are provided below:</p> <ol style="list-style-type: none"> 1. Prevention of dishonest behavior and the prohibition of bribery acceptance: Detailed information about disciplinary actions and the reporting system are listed in Chapter Four: "Service Regulations" of the Work Rules. 2. Protection of Intellectual Property Rights: We ensure protection by requiring employees to sign the <i>Intellectual Property Rights, Personal Information Protection, and Business Strife Limitation Agreement</i> as well as the employment contract. 3. <i>Employee Code of Conduct</i>: Established to implement the Company's core values, maintain high ethical standards, provide employees with standard compliance requirements when performing their daily duties and tasks, protect the Company's reputation, and earn the respect and trust of our clients, vendors, and other individuals. 4. <i>Ethical Corporate Management Operating Procedures and Code of Conduct</i>: Contain 17 operational regulations and stipulate whistleblowing systems and handling procedures. 	

Evaluation item	Practice			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(III) Does the Company have any measures against dishonest conduct? Are these measures supported by proper procedures, conduct guidelines, disciplinary actions and complaint systems? Does the Company review the policies on a regular basis?	V		The Company established the <i>Ethical Corporate Management Operating Procedures and Code of Conduct</i> in accordance with the <i>Code of Operation Integrity</i> to specify disciplinary actions and complaint systems and the Company reviews the policies on a regular basis.	Compliant
II. Full Implementation of ethical management principles				
(I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		In the credit evaluation process of business partners, the Company carefully assesses the integrity of their records. Likewise, we clearly specify in the procurement contract as well as the <i>Honesty and Integrity Declaration Form</i> that absolutely no bribery or dishonest behavior are allowed.	Compliant
(II) Does the Company have a unit responsible for business integrity on a full-time basis under the Board of Directors, which will report the business integrity policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		The Company's Auditing and Compliance Office is responsible for handling the drafting, revision, interpretation, consulting services, notification, and record of the Company's <i>Ethical Corporate Management Operating Procedures and Code of Conduct</i> . The Department supervises the executing unit and reports the implementation status of the ethical corporate management policies and programs for preventing unethical conduct to the Board of Directors once a year.	Compliant
(III) Does the Company have policies that help prevent conflicts of interests, provide appropriate channels for filing related complaints, and precisely enforce them?	V		Directors who may have a conflict of interest with respect to a proposal discussed during a Board meeting must recuse themselves from the meeting.	Compliant
(IV) Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent	V		We have already established an effective accounting system and internal control system; internal audit staff also carry out inspections according to the audit plan passed by the Board of Directors. The Company appointed CPAs to perform a special audit on the internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" in 2020 for the Company's	Compliant

Evaluation item	Practice			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
unethical conduct, or engage CPAs to perform the audits?			application for listing on the TWSE.	
(V) Does the Company periodically provide internal and external training on ethical corporate management?	V		To ensure the smooth operations of the Company and help all employees actively implement corporate social responsibility and moral ethics, the Company requires all employees to sign the "Professional Ethics and Integrity Statement" and issue employee handbooks to provide one-on-one explanation and ensure that all employees understand the Company's Code of Conduct. In 2024, 216 new employees attended training program to propagate Code of Operation Integrity and formal grievance procedure and total man-hours amounted to 191 hours. Every year the Company constantly update related ethical management online courses and use the LMS learning and management system to provide all employees with online learning. We organize training for Directors, Corporate Governance Officer, managerial officers, and employees in specific positions to provide more comprehensive training courses. We continue to implement specific measures and prevent unethical conduct (including anti-corruption). In 2024, 767 people participated in online and in-person courses and total man-hours amounted to 742 hours.	Compliant
III. Implementation of the Company's whistleblowing system				
(I) Does the Company have in place a substantial whistleblowing and reward system as well as a convenient reporting channel and appropriate designated personnel with regard to the party being reported on?	V		The Company's <i>Ethical Corporate Management Operating Procedures and Code of Conduct</i> established a whistleblowing and reward system as well as open and diversified reporting channels with the Human Resources Department as the responsible department.	Compliant
(II) Has the Company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, as well as relevant confidential mechanisms?	V		The Company has prescribed the standard operating procedures for investigating report, follow-up measures to be taken after the completion of investigations, and related confidentiality mechanisms in its <i>Ethical Corporate Management Operating Procedures and Code of Conduct</i> .	Compliant

Evaluation item	Practice			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(III) Does the Company adopt measures to prevent whistleblowers from improper treatment for filing the report?	V		The Company's <i>Ethical Corporate Management Operating Procedures and Code of Conduct</i> expressly pledges the Company's protection of whistleblowers from damages imposed on the legal or contractual rights of whistleblowers as a result of whistleblowing. Where the whistleblower deems that he/she is subject to improper treatment after filing the report, the whistleblower may file grievance report with the Company's human resources unit.	Compliant
IV. Reinforcing information disclosure (I) Has the Company disclosed its corporate ethical management principles and progress onto its website and the Market Observation Post System?	V		Important internal policies and the operation of audit units are disclosed on the Company website.	Compliant
V. If the Company has implemented its own ethical corporate management principles by following the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please describe the practice and any discrepancies with regard to the Best Practice Principles: The Company has established the <i>Ethical Corporate Management Guidelines</i> and relevant operational procedures, and incorporated the principles of ethical corporate management into applicable regulations pursuant to the <i>Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</i> .				
VI. Other important information to facilitate better understanding of the Company's implementation of ethical corporate management: (e.g., review/revision of the Company's ethical corporate management principles, etc.): The Company requires all suppliers and third parties to sign the <i>Honesty and Integrity Declaration Form</i> to guarantee their commitment to fulfill their obligations of conducting honest business operations. All contracts between the Company and its suppliers require both parties to comply with the ethical corporate management policy. If the supplier is involved in any dishonest activity, the Company may terminate or void the contract at any time.				

(VII) Other material information that can facilitate the understanding of the Company's corporate governance practice may be disclosed:

1. Please refer to (III) Corporate governance practice and compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
2. Continuing education and training for key managers who participate in corporate governance:
Corporate governance training for key managers in 2024

Course	Organizer	Date	Hours	Participating Members
Net Zero Emissions by 2030/2050 - Sustainability Challenges and Opportunities for Global Enterprises	Human Resources Department	2024/6/17	3	33 individuals including Felix Ho, Davido Lo, Ronald Lee, Shien Xie, Mei-Li Su, Sherry Hsieh, Chih-Chien Lin, Edward Hung and main managers of each unit.
Workplace Protection in the Wave of ESG: Prevention and Governance of Sexual Harassment in the Workplace and Gender Friendliness	Human Resources Department	2024/11/12	3	31 individuals including Felix Ho, Ronald Lee, Shien Xie, Mei-Li Su, Sherry Hsieh, Chih-Chien Lin, Edward Hung and main managers of each unit.
AI and the Industrial Revolution: Generative AI System based on iFA Architecture	YFY Inc.	2024/12/2	3	5 individuals including David Lo, Mei-Li Su, Sherry Hsieh, Chih-Chien Lin, and Edward Hung.
New Mindset on Overall Business Strategy (New Nine Theories)	YFY Inc.	2024/12/2	3	5 individuals including Felix Ho, David Lo, Sherry Hsieh, Chih-Chien Lin, and Edward Hung..

Supplementary explanation: The Company's Corporate Governance Officer is the manager Edward Hung. In addition to participation in 12 hours of training programs organized by the Company, he also attended four corporate governance courses organized by external training institutions totaling 18 hours including "Taiwan Corporate Governance Association/ Green Power, Certificates and Sustainable Development-The Road to Net Zero for Enterprises" and " Securities and Futures Institute/ 113th Annual Prevention of Insider Trading Promotion Conference"

(VIII) Status of implementation of internal control system:

1. Statement on the Internal Control System

Yuen Foong Yu Consumer Products Co., Ltd.
Statement on the Internal Control System

Date: March 13, 2025

In 2024, the Company conducted a self-assessment on its internal control system, and based on its outcomes, hereby declares as follows:

- I. The Company is clearly aware that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of Directors and the executives. YFYCPG has established this system accordingly. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance and security of assets), reliability, timeliness, and information transparency of reports and compliance with relevant regulatory requirements.
- II. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. In addition, due to changes in market environment and conditions, the effectiveness of the internal control system may change along with them. Nonetheless, YFYCPG's internal control system has a built-in self-supervision mechanism and once a flaw is detected, the Company is able to make immediate corrections.
- III. In compliance with the *Regulations Governing Establishment of Internal Control Systems by Public Companies* (the "Regulations"), YFYCPG has adopted a checklist of items for the internal control system in judging the effectiveness of system design and implementation. The checklist items covered in the Regulations are based upon five elements according to the management control process: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring. Each element comprises several items as detailed in the Regulations.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. Based on the aforementioned evaluation results, the Company holds that it has reasonably assured the achievement of the aforementioned with the internal control system as of December 31, 2024 (including the monitoring over the subsidiaries), including understanding the effectiveness and efficiency in operation, reliability and transparency in timely reporting, and compliance with relevant regulatory requirements, and that the design and enforcement of internal control are effective.
- VI. This Statement shall become a main part of the annual report and prospectus and be disclosed to the public. If there are any deceptive or concealed statements herein, the Company shall be liable for violations of Articles 20, 32, 171 and 174 of the Securities Exchange Act.
- VII. This Statement was approved by the Board of Directors on Wednesday, March 13, 2025; all 7 directors present concurred unanimously.

Yuen Foong Yu Consumer Products Co., Ltd.



Chairman: Felix Ho



General Manager: Ronald Lee



2. CPA's internal control special audit report: N/A

(IX) Important resolutions adopted in shareholders' meetings, Board of Directors' meetings, and the Audit Committee meetings in the past year and up to the print date of this annual report:

1. Important resolutions of the 2024 shareholders' meeting (June 28, 2024) (summary)
 - (1) Approved the acknowledgment of the Company's 2023 financial statements.
 - (2) Approved the acknowledgment of the Company's 2023 earnings distribution proposal.
 - (3) Approved the amendment of the Company's Articles of Incorporation.
 - (4) Approved the amendments to the Company's "Rules of Procedure for Shareholders' Meeting".
 - (5) Approved the amendment of the Company's "Procedures for the Election of Directors and Supervisors".

Implementation of resolutions of the 2024 shareholders' meeting:

- (1) The Board of Directors followed Article 230 of the Company Act and prepared and submitted the financial statements to the shareholders' meeting for ratification. Once acknowledged by the shareholders' meeting, the Board of Directors distributed the financial statements and earnings distribution proposals to the shareholders through announcements.
- (2) In 2023, the Company's cash dividends of ordinary stock were NT\$3 per share; the ex-dividend date was July 20, 2024, and the distribution date for dividends was August 15, 2024.
- (3) Upon receiving approval from the shareholders' meeting for the amendment of the "Articles of Incorporation", "Rules of Procedure for Shareholders' Meeting" and "Procedures for the Election of Directors and Supervisors", relevant departments implemented the amendments accordingly and all subsequent matters were conducted in accordance with the relevant provisions.

The Company has completed the implementation of all tasks in accordance with the resolutions of the shareholders' meeting.

2. Important resolutions of the 4th meeting of the 16th Board of Directors (March 13, 2024) (summary)
 - (1) Approved the Company's 2023 financial statements and submitted them to the shareholders' meeting for ratification.
 - (2) Approved the Company's 2023 earnings distribution proposal and submitted it to the shareholders' meeting for ratification.

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.
 - (3) Approved the proposal for remuneration for the Company's CPAs for the 2024 and 2025 fiscal years.

- (4) Approved the Company's 2023 employee and director remuneration proposals and submitted them to the shareholders' meeting.
In 2023, the Company set aside NT\$11,850,000 as remuneration for employees and NT\$12,150,000 as remuneration for directors. Approved the Company's 2023 year-end bonus and performance bonus proposal for managers.
 - (5) Approved the amendments to the Company's "Articles of Incorporation" and submitted it to the shareholders' meeting for approval.
 - (6) Approved the amendment of Company's "Rules of Procedure for Shareholders' Meeting" and submitted it to the shareholders' meeting for approval.
 - (7) Approved the amendment of Company's "Procedures for the Election of Directors and Supervisors" and submitted it to the shareholders' meeting for approval.
 - (8) Approved the amendment of the "Rules of Procedure for the Board of Directors' Meetings" and reported it to the shareholders' meeting.
 - (9) Approved the amendment of the Company's "Audit Committee Charter".
 - (10) Approved the amendment of the Company's "Management Regulations for Preventing Insider Trading".
 - (11) Approved the time, location, agenda, and other relevant matters regarding the 2024 shareholders' meeting.
 - (12) Approved the Company's 2023 "Statement of Internal Control".
 - (13) Approved the Company's interbank lending credit line application.
 - (14) Approved the Company's roles as the co-maker of promissory notes for subsidiaries' interbank lending credit line applications.
3. Important resolutions of the 5th meeting of the 16th Board of Directors (May 8, 2024) (summary)
 - (1) Approved the Company's 2024 Q1 financial statements.
 - (2) Approved the Company's interbank lending credit line application.
 4. Important resolutions of the 6th meeting (extraordinary) of the 16th Board of Directors (May 13, 2024) (summary)
 - (1) Approved the Company's intended procurement of 1 parcel of land located at No. 125, Haifeng Section, Qingshui District, Taichung City.
 5. Important resolutions of the 7th meeting of the 16th Board of Directors (August 12, 2024) (summary)
 - (1) Approved the Company's 2024 Q2 financial statements.
 - (2) Approved the 2023 Sustainability Report prepared by the Company.
 - (3) Approved the establishment of the "Sustainable Development Committee" and formulation of the "Sustainable Development Committee Charter" and 'Sustainable Development Committee Operation and Management Regulations".
 - (4) Approved the formulation of the Company's "Risk Management Policies and Procedures".
 - (5) Approved the Company's interbank lending credit line application.

6. Important resolutions of the 8th meeting of the 16th Board of Directors (November 12, 2024) (summary)
 - (1) Approved the Company's 2024 Q3 financial statements.
 - (2) Approved the Company's 2025 budget and 2025 Business Plan.
 - (3) Approved the Company's 2025 annual audit plan.
 - (4) Approved the formulation of the "Procedures for Handling Sustainability Information".
 - (5) Approved the Company's interbank lending credit line application.
 - (6) Approved the Company's roles as the co-maker of promissory notes for subsidiaries' interbank lending credit line applications.

7. Important resolutions of the 9th meeting of the 16th Board of Directors (March 13, 2025) (summary)
 - (1) Approved the Company's 2024 financial statements and submitted them to the shareholders' meeting for ratification.
 - (2) Approved the Company's 2024 earnings distribution proposal and submitted it to the shareholders' meeting for ratification.

The Company's 2024 after-tax earnings were reported at NT\$743,113,517; accumulated surplus in terms of undistributed earnings from the previous year was reported at NT\$448,537,811; remeasurement of defined benefit plans (after tax) was reported at NT\$4,201,600; and reversal of special reserve was reported at NT\$139,362,131. The total of NT\$1,335,215,059 was available for distribution. Excluding NT\$74,731,512 which must be allocated as legal reserve as required by law, the distribution of ordinary stock cash dividend was NT\$2.55 per share, amounting to NT\$681,179,004. The remaining NT\$579,304,543 was reserved for distribution in the following year.
 - (3) Approved the Company's 2024 employee and director remuneration proposals and submitted them to the shareholders' meeting.

In 2024, the Company set aside NT\$9,200,000 as remuneration for employees and NT\$9,450,000 as remuneration for directors. Approved the Company's 2024 year-end bonus and performance bonus proposal for managers.
 - (4) Approved the compliance of the CPAs' independence and competence as required by the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
 - (5) Approved the amendments to the Company's "Articles of Incorporation" and submitted it to the shareholders' meeting for approval.
 - (6) Approved the time, location, agenda, and other relevant matters regarding the 2025 shareholders' meeting.
 - (7) Approved the Company's 2024 "Statement of Internal Control".
 - (8) Approved the Company's interbank lending credit line application.
 - (9) Approved the proposal on major asset transactions.

8. Important resolutions of the 3rd meeting of the 2nd Audit Committee (March 13, 2024) (summary)
 - (1) Approved the Company's 2023 financial statements and submitted them to the Board of Directors for approval.
 - (2) Approved the Company's 2023 earnings distribution proposal with NT\$3 cash dividend of per share, and submitted it to the board meeting for approval.

- (3) Approved the proposal for remuneration for the Company's CPAs for the 2024 and 2025 fiscal years and submitted it to the board meeting for approval.
 - (4) Approved the amendment of the Company's "Board of Directors Meeting Procedures" and submitted it to the board meeting for approval.
 - (5) Approved the amendment of the Company's "Audit Committee Charter" and submitted it to the board meeting for approval.
 - (6) Approved the amendment of the Company's "Management Regulations for Preventing Insider Trading" and submitted it to the board meeting for approval.
 - (7) Approved the Company's 2023 "Statement of Internal Control" and submitted it to the board meeting for approval.
9. Important resolutions of the 4th meeting of the 2nd Audit Committee (May 8, 2024) (summary)
- (1) Approved the Company's 2024 Q1 financial statements and submitted it to the board meeting for approval.
 - (2) Approved the Company's intended procurement of 1 parcel of land located at No. 125, Haifeng Section, Qingshui District, Taichung City.
10. Important resolutions of the 5th meeting of the 2nd Audit Committee (August 12, 2024) (summary)
- (1) Approved the Company's 2024 Q2 financial statements and submitted it to the board meeting for approval.
11. Important resolutions of the 6th meeting of the 2nd Audit Committee (November 12, 2024) (summary)
- (1) Approved the Company's 2024 Q3 financial statements and submitted it to the board meeting for approval.
 - (2) Approved the Company's 2025 annual audit plan and submitted it to the board meeting for approval.
 - (3) Approved the formulation of the "Procedures for Handling Sustainability Information" and submitted it to the board meeting for approval.
12. Important resolutions of the 7th meeting of the 2nd Audit Committee (March 13, 2025) (summary)
- (1) Approved the Company's 2024 financial statements and submitted them to the Board of Directors for approval.
 - (2) Approved the Company's 2024 earnings distribution proposal with NT\$2.55 cash dividend of per share, and submitted it to the board meeting for approval.
 - (3) Approved the compliance of the CPAs' independence and accountability after evaluation as required by the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and submitted it to the board meeting for approval.
 - (4) Approved the Company's 2024 "Statement of Internal Control" and submitted it to the board meeting for approval.
 - (5) Approved the proposal on major asset transactions, and submitted it to the board meeting for approval.

- (X) The content of any resolution of the Board of Directors which received any dissenting opinions from a director or independent director that are supported by appropriate records or written statements: This event did not occur at the Company.

IV. Information on Fees to CPA

Unit: NT\$ 1,000

Name of accounting firm	Name of CPAs	Audit period	Audit fee	Non-audit fee	Notes
Deloitte and Touche Taiwan	Shu-Chuan Yeh	2024/01/01~2024/12/31	4,570	505	
	Hsiu-Ming Hsu				

V. Information on Change/Replacement of CPA

(I) Regarding previous CPA:

Date of change	Starting from 2022 Q1		
Reasons for change and remark	Because of the firm's internal rotation and arrangement, CPA Shu Wan Lin was replaced by CPA Shu-Chuan Yeh.		
Termination initiated by client or accountant declined to accept the appointment	Parties Involved	CPA	Client
	Scenario		
	Termination initiated by client	N/A	N/A
	CPA declined to accept (continue) the appointment	N/A	N/A
Audit opinions other than unqualified opinions issued in the past two years and reasons	N/A		
Opinions different from those of issuer	Yes		Accounting principles or practice
			Disclosure of financial reports
			Scope or stages of auditing
			Others
	No	V	
	Description		
Other disclosures (Disclosures specified in Item 1.4-1.7, Subparagraph 6, Article 10 of the Standards)	N/A		

(II) Regarding succeeding CPA:

Name of firm	Deloitte and Touche Taiwan
Name of CPAs:	Shu-Chuan Yeh, CPA
Date of appointment	Starting from 2022 Q1

Consultation given on accounting treatment or accounting principle adopted for any specific transactions and on possible opinion issued on financial report prior to appointment and results	N/A
Succeeding CPAs' written opinions that are different from those of the previous CPAs	N/A

(III) The former CPA's reply to Point 3, Item 1 and Item 2, Subparagraph 6, Article 10 of the Standards:

N/A.

VI. The Chairman, General Manager and Financial or Accounting Managerial Officer of the Company who has worked for CPAs' firm or its affiliate in the past year: This event did not occur at the Company.

VII. Equity transfers and changes of equity interests by directors, supervisors, managers, and major shareholders holding more than 10% of the shares in last fiscal year and up to the print date for this annual report

(I) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Please refer to M.O.P.S (Market Observation Post System)

Website: https://mops.twse.com.tw/mops/#/web/query6_1

(II) Share transfer information: This event did not occur at the Company.

(III) Share pledge information: This event did not occur at the Company.

VIII. Information about Spouses, Kinship within Second Degree, and Relationships between Any of the Top Ten Shareholder

April 27, 2025; Unit: shares; %

NAME	SHARES HELD BY THE INDIVIDUAL		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN NAMES OF THIRD PARTIES		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		NOTES
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Title (or name)	Relation	
YFY Inc.	158,004,565	59.15	-	-	-	-	YFY Paradigm Investment Co., Ltd.	Parent company and subsidiary	-
							YFY Development Corp.	Parent company and subsidiary	
Representative of YFY Inc.: Huey-Ching Yeh	-	-	-	-	-	-	-	-	-
YFY Paradigm Investment Co., Ltd.	17,135,815	6.41	-	-	-	-	YFY Inc.	Parent company and subsidiary	-
							YFY Development Corp.	Sister companies	
YFY Paradigm Investment Co., Ltd. Representative: David Lo	-	-	-	-	-	-	-	-	-
CTBC Venture Capital Co., Ltd.	12,000,000	4.49	-	-	-	-	-	-	-
CTBC Venture Capital Co., Ltd. Representative: Richard Hsieh	-	-	-	-	-	-	-	-	-
YFY Development Corp.	5,136,400	1.92	-	-	-	-	YFY Inc.	Parent company and subsidiary	-
							YFY Paradigm Investment Co., Ltd.	Sister companies	
YFY Development Corp. Representative: David Lo	-	-	-	-	-	-	-	-	-
Mega Taiwan ESG High Dividend Equal Weight ETF	2,309,999	0.86	-	-	-	-	-	-	-
Mega Securities Co., Ltd.	1,982,000	0.74	-	-	-	-	-	-	-
Mega Securities Co., Ltd. Representative: Pei-Chun Chen	-	-	-	-	-	-	-	-	-
Mei-Yu Ho	1,899,596	0.71	-	-	-	-	-	-	-
Qilin Investment Co., Ltd.	1,820,376	0.68	-	-	-	-	-	-	-
Qilin Investment Co., Ltd. Representative: Peter Lu	-	-	-	-	-	-	-	-	-
Jucheng Investment Co., Ltd.	1,625,663	0.61	-	-	-	-	-	-	-

NAME	SHARES HELD BY THE INDIVIDUAL		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN NAMES OF THIRD PARTIES		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		NOTES
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Title (or name)	Relation	
Jucheng Investment Co., Ltd. Representative: Peter Lu	-	-	-	-	-	-	-	-	-
Xiang Ding Investment Co., LTD.	1,470,000	0.55	-	-	-	-	-	-	-
Xiang Ding Investment Co., LTD. Representative: Hong-Bin Lin	-	-	-	-	-	-	-	-	-

IX. Numbers of Shares Held in Invested Enterprises by the Company, the Company's Directors, Independent Directors, and Managers, and Enterprises Directly or Indirectly Controlled by the Company and the Consolidated Shareholding Ratio

December 31, 2024 Unit: thousand shares; %

Investee Company	Investment by the Company		Investments by directors, supervisors, managerial officers and directly or indirectly controlled enterprises		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Yuen Foong Yu Consumer Products Investment Ltd.	150,013	100	-	-	150,013	100.0
Ever Growing Agriculture Bio-tech Co., Ltd.	18,246	85.0	-	-	18,246	85.0
Yuen Foong Shop Co., Ltd.	5,000	100.0	-	-	5,000	100.0
LiVEBRiCKS Inc.	200	100.0				100.0
YFY Consumer Products, Co.	-	100.0	-	-	-	100.0
YFY Investment Co., Ltd.	-	100.0	-	-	-	100.0
YFY Family Care (Kunshan) Co., Ltd.	-	100.0	-	-	-	100.0
YFY Consumer Products (Yangzhou) Co., Ltd.	-	100.0	-	-	-	100.0
Yuen Foong Shop (Hong Kong) Co., Ltd.	-	100.0	-	-	-	100.0



Chapter 3. Fundraising

I. The Company's Capital and Shares, Corporate Bonds, Preferred Shares, Global Depositary Receipts, Employee Stock Options, Restricted Shares and Mergers (including Mergers, Acquisitions, and Demergers)	91
II. Implementation of Capital Allocation Plan	95

Fundraising

I. The Company's Capital and Shares, Corporate Bonds, Preferred Shares, Global Depositary Receipts, Employee Stock Options, Restricted Shares and Mergers (including Mergers, Acquisitions, and Demergers)

(I) Source of share capital

Unit: thousand shares; NT\$1,000

Year / month	Issue price	Authorized capital		Paid-in capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Shares acquired by non-cash assets	Others
2015/7	10	240,000	2,400,000	214,562	2,145,622	Surplus profit distributed in the form of new shares	—	Note 1
2017/6	10	240,000	2,400,000	222,492	2,224,918	Surplus profit distributed in the form of new shares	—	Note 2
2018/6	10	240,000	2,400,000	227,299	2,272,994	Surplus profit distributed in the form of new shares	—	Note 3
2019/5	10	350,000	3,500,000	241,636	2,416,360	Surplus profit distributed in the form of new shares	—	Note 4
2020/7	15	350,000	3,500,000	244,906	2,449,060	Replacement of employee stock options by new shares	—	Note 5
2021/9	52	350,000	3,500,000	267,129	2,671,290	Cash capital increase	—	Note 6

Note 1: Date and document number of the change in registration: Jing-Shou-Shang No. 10401145200 dated July 21, 2015

Note 2: Date and document number of the change in registration: Jing-Shou-Shang No. 10601096910 dated July 20, 2017

Note 3: Date and document number of the change in registration: Jing-Shou-Shang No. 10701082980 dated July 26, 2018

Note 4: Date and document number of the change in registration: Jing-Shou-Shang No. 10801062290 dated May 30, 2019

Note 5: Date and document number of the change in registration: Jing-Shou-Shang No. 10901136650 dated July 20, 2020

Note 6: Date and document number of the change in registration: Jing-Shou-Shang No. 11001188220 dated October 22, 2021

Unit: Share

Shareholding type	Authorized capital			Notes
	Outstanding shares	Unissued shares	Total	
Registered common shares	267,129,021	82,870,979	350,000,000	-

(II) List of major shareholders

April 27, 2025; Unit: share; %

Shares		
Name	Number of shares	Shareholding ratio
YFY Inc.	158,004,565	59.15
YFY Paradigm Investment Co., Ltd.	17,135,815	6.41
CTBC Venture Capital Co., Ltd.	12,000,000	4.49
YFY Development Corp.	5,136,400	1.92
Mega Taiwan ESG High Dividend Equal Weight ETF Fund	2,309,999	0.86
Mega Securities Co., Ltd.	1,982,000	0.74
Mei-Yu Ho	1,899,596	0.71
Chi Lin Investment Co., Ltd.	1,820,376	0.68
Jucheng Investment & Management Co., Ltd.	1,625,663	0.61
Xiang Ding Investment Co., Ltd.	1,470,000	0.55

(VI) Dividend policy and implementation:

1. Dividend policy:

The company's Articles of Incorporation specifies that any surplus at the end of a year 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.

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.

2. Dividend distribution to be proposed to the shareholders' meeting:

With respect to the earnings distribution for 2024, the company's board of directors resolved to distribute NT\$681,179,004 in cash dividends, the equivalent of NT\$2.55per share.

(VII) Impact of stock dividends proposed at this shareholders' meeting on business performance and earnings per share: not applicable

(VIII) Remuneration of employees, directors, and independent directors:

1. Percentages or ranges of remuneration of employees, directors, and independent directors under the Articles of Incorporation:

According to current policies, if the Company sustains profit every year, 1% or more of the income shall be set aside as employee remuneration, 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 controlled companies or subsidiaries of the Company that meet certain specific requirements. The distribution ratio of directors' remunerations, and the method of distribution and ratio of employees' remunerations 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.

Employee and director remunerations are calculated deducting the cumulative losses from the profit for the year (i.e., the profit before employee and director remunerations is deducted from profit before tax).

2. Basis for estimating the amount of remuneration of employees, directors, and independent directors; basis for calculating the number of shares to be distributed as employee remuneration; and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

The estimated employee and director remunerations are recognized as expenses at the distributable amounts for the current year according to Articles of Incorporation. Any change in the amounts on the date of resolution by the Board of Directors shall be treated as accounting

adjustments and recognized as adjustments for net profit and loss of the year approved by the Board of Directors. If it is decided by the Board of Directors to distribute employee remuneration in the form of shares, the number of shares shall be determined by dividing the approved remuneration by the fair price of the shares. The fair price of the shares will be calculated based on the closing price on the day before the date of the Board meeting.

3. Remuneration proposals approved by the Board of Directors:

(1) In 2024, the remuneration distributed to employees was NT\$9,200,000 in cash. Directors' remuneration was NT\$9,450,000.

(2) Amount in stock distributed as employee remuneration as a percentage with respect to the after-tax profit in current period's individual financial statement and total employee remuneration: None.

4. Any difference between actual distribution (including number, amount, and price of shares) of employee remuneration and director and independent director remunerations from the previous year and recognized employee remuneration and director and supervisor remunerations, and the reasons as well as corresponding treatments:

In 2023, the actual remuneration distributed to employees was NT\$11,850,000 in cash. Directors' and supervisors' remuneration was NT\$12,150,000. The aforementioned amount did not differ from the amount approved by the Board of Directors.

(IX) Buyback of treasury stock: This event did not occur at the Company.

(X) Issuance of corporate bonds: The Company does not issue corporate bonds.

(XI) Issuance of preferred stocks: The Company does not issue preferred stocks.

(XII) Issuance of global depositary receipts (GDR): The Company does not issue global depositary receipts.

(XIII) Exercise of employee stock option plan (ESOP): The Company does not provide employee stock option plans.

(XIV) Restricted stock awards: The Company does not issue restricted stock awards.

(XV) Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: The Company did not engage in mergers and acquisitions, or

issue new share for acquisition of shares of other companies.

II. Implementation of Capital Allocation Plans

(I) Plan content: The Company has no special plans for utilization of funds.

(II) Implementation status: N/A.



Chapter 4. Business Overview

I. Business Scope	97
II. Market Outlook	102
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Business overview

I. Business Scope

(I) Business scope

1. Key areas of business:

The Company mainly engages in the production, design, marketing, and distribution of household paper and cleaning products.

2. Revenue breakdown:

Revenue mainly came from the marketing of household paper, accounting for approximately 85%. Cleaning products accounted for approximately 6%. Other items accounted for approximately 9%.

3. New products in development:

In addition to the promotion of existing products, new conceptual paper and cleaning products are being developed to expand market depth and width.

(II) Industry Overview

Overall Economic Environment

In 2024, the global economy faced a number of challenges and changes, affecting the development of various countries and industries. The dual influence of high interest rate policy and geopolitical uncertainty has led to an accelerated divergence and restructuring of the supply chain structure. Moreover, many countries have adopted interest rate cut policies to stimulate the economy and consumer markets due to the easing of inflation pressure. Despite the varying pace of recovery in various economies, the global economy showed a sign of slow growth, with particularly strong momentum in the fast-moving consumer goods and service sectors. The consumer market has rebounded. However, prices were still high compared to that before the pandemic. Consumers remained cautious in their spending and preferred products with good value for money. In addition, the increased frequency of extreme climate disasters had aroused consumers' attention to earth sustainability and environmentally friendly products. While facing changes in consumer demand, enterprises had also been demonstrating their commitments to sustainable development in an active manner and promoting more socially responsible products and services.

In 2025, the management team must respond with greater caution and flexibility. We will continue to refine the production processes and harness the momentum for growth in consumer goods to continue to stabilize our main operations and achieve

business development.

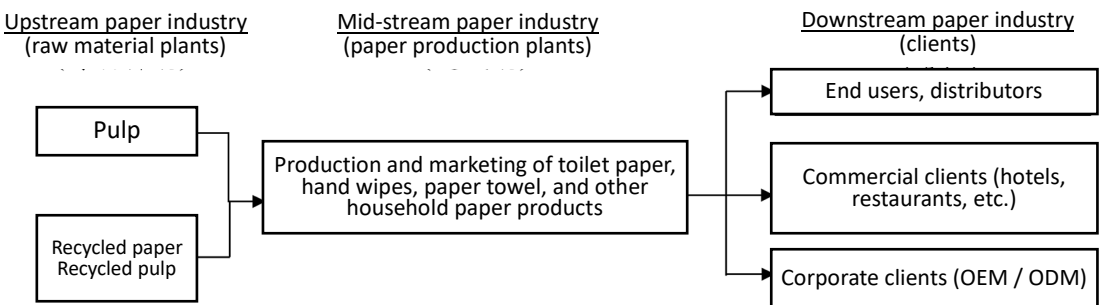
1. Current trends of the industry

Household products supply general consumers' daily life demands, so the sales are mainly domestic. The Company's brands are leaders in the market. Regarding household paper, the Company meets consumers' diverse needs through differentiated products and manage different customer groups, thus maintaining the market share. Regarding cleaning products, the brand Orange House became a leading brand for its natural ingredients and effectiveness. We continued to launch high-quality products that put consumers' minds at ease while developing the new brands "Fresh Sense" and "Delight" to increase breadth and attract different consumer groups in order to manage the cleaning product market steadily. We will also expand overseas markets for cleaning products based on the existing foundation.

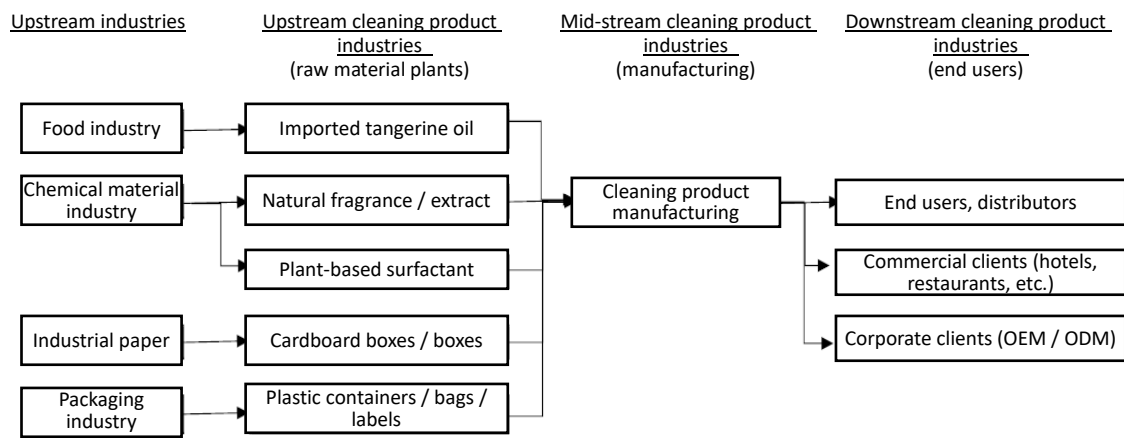
2. Relationships with upstream, mid-stream, and downstream companies

The Company's supply chain comprises upstream paper pulp manufacturers and downstream vendors, distributors, and end consumers. The upstream of the cleaning product industry is special ingredient (such as tangerine oil, natural fragrance, etc.), while the downstream is various retailers, distributors, and end consumers. The relevant relationships with upstream, mid-stream, and downstream companies are listed as follows:

A. Upstream, mid-stream, and downstream paper industry



B. Upstream, mid-stream, and downstream cleaning product industries



3. Product development and competitive landscape

Competition in the household paper market in Taiwan is intense. YFY's brands such as "Mayflower", "Delight", and "Tender" have been leading in market share in Taiwan, and continue to meet the diversified needs of consumers with high-quality innovative products. In response to the business opportunities arising from green and sustainable development, we launched the first all-paper packaging interfold tissue under the Mayflower brand in Taiwan. The product adopts exclusive patented anti-tearing paper and hot stamping technology, and is 100% recyclable, creating an environmentally friendly, sustainable, and green carbon new life for consumers. The retro red and white checkered design pays tribute to the first embossed tissue developed by YFY. In response to the rising demand for pull-up kitchen towels, Mayflower and Delight launched new pull-up kitchen towel products. Kimberly-Clark, Cheng Loong, and Golden Century Paper are main suppliers in Taiwan.

In terms of cleaning products, we continue to launch high-quality products that put consumers' minds at ease. Orange House launched laundry liquid pods, the industry's first green design from formula to packaging. It not only has virus-cleansing and bacteriostatic effects but also reduces plastic by 91% in green packaging to protect our family health as well as our earth keeping Orange House as Taiwan's leading brand of natural cleaning products. We also adopted a broad marketing strategy for "Delight detergent" and succeeded in positioning the brand in the mid-range cleaning products market.

It is our main driver of innovation and improvement to start from consumer requirements, to provide high quality products, and to let consumer have real and happy usage experience. We continue to invest in new product development, master the market of disease prevention, middle-aged people, and environmental protection, and meet different market requirements by developing a series of household, individual, and commercial commodities; strengthen the research and development of high value-added products, operate in the high-end market, deepen the existing channels, master the behavior of next-generation consumers, focus on consumer demand for environmental protection and taking care of the Earth

following global ESG trend, instill sustainability ideals into innovative products, and maintain our leading position in consumer goods brands.

(III) Overview of Technology and R&D

1. Technological level of businesses

The Company has grasped the core technologies for the manufacturing of household paper and cleaning products and continues to research and develop innovative niche products. Currently, the Company continues to research and develop equipment, processes, formulas, applications, and energy consumption improvement and reuse of available resources for production units as well as actively conducted research and development of bio-based special materials and high-value applications. The Company also implemented the reuse of pulp by-products and Production Residue Reclamation to realize the concept of economic cycle.

2. Research and development

The Company owns various patents and has obtained FSC, HACCP, GMP, ISO 22000, the Green Mark and EEWH green building certifications. Currently the majority of household paper is pull-up toilet tissue. In 2023, we launched "Mayflower pull-up kitchen towel" product to meet the needs of convenient use of consumers in compliance with U.S. FDA standards, and emphasizes food-grade safety, which has been well received by consumers. In 2024, we subsequently launched the classic retro version of all paper packaging Mayflower thick interfold tissue, the first of its kind in Taiwan's market with a new environmental standard and exclusive patented technology, in order to promote the spirit of replacing plastic with paper. Each pack of all-paper interfold tissue contains 180.7g CO₂e of green carbon, equivalent to 21 Da'an Forest Parks in terms of net carbon absorption when converted to the annual usage per person in Taiwan, effectively reducing the environmental burden and responding to the new global sustainability concept. The outer bag of each string of all-paper interfold tissue contains 30% recycled plastic, which is a real "Better Choice" that "the whole string is 100% recyclable", creating another high-quality green trademark trend in Taiwan's consumer goods market. Cleaning products: We continue to optimize the product strength of orange-shaped laundry capsules and applied for related patents in many countries. Our cleaning products make it easy for consumers to remove against all kinds of stains and help the busy people of the modern era clean more efficiently. Our R&D team is also actively developing multi-purpose detergents, and multi-functional and automatic laundry detergents. Meanwhile, in order to satisfy the current consumer demand for automatic dishwashing, we have successfully launched the revolutionary enzyme dishwashing tablets, which are able to clean, soften lime scale and brighten the dishes in one use. In addition, we have successfully developed tissue packets containing environmentally friendly and recyclable materials for our paper products to reduce the environmental burden caused by plastic bags and containers that do

not decompose easily in the soil, and meet the environmental protection and resource recycling requirements. We continue to develop recyclable bottle products of various sizes for the cleaning products, which can significantly reduce the burden of plastic pollutants on the earth.

3. R&D investments during the recent year

Up to the print date of this annual report, direct R&D expenditure in 20245 was approximately NT\$ 12,828 thousand.

(IV) Long-term and Short-term Business Development Plans

1. Short-term business development plans

- (1) Expand the growth of cleaning products, and continuously develop high-end innovation products with the commitment of nature, green and health.
- (2) Strengthen the differentiation of paper products, improve consumer usage experience, expand the growth of the high-end market, and cultivate long-term consumers.
- (3) Develop diversified cross-category to provide consumer safe and healthy products with the idea of caring for family and bringing experience of a better life.
- (4) Deepen the growth of core products of EC channels, and combine new microbusiness and general EC to develop multi sales type of Online Merge Offline (OMO) channel.
- (5) Actively carry out the product life cycle combined with the carbon footprint concept from green packaging materials, reduction of package consumption and green energy usage.
- (6) Strengthen the automation of converting lines, AOI and other systems, and improve production efficiency and quality.

2. Mid-term and long-term business development plans

- (1) Continuously optimize work efficiency and management of organization and cultivate new generation talents based on plans.
- (2) Enhance brand management, invest in the development of innovative products, increase various brand values and product virtues, and deepen high-end market operations.
- (3) Expand the export market and develop strategic partners to create synergies.
- (4) Research and develop low carbon footprint products, continuously reduce carbon emissions in the production process, minimize the impact of environment with suppliers to take social responsibilities, and become a sustainable global consumer product company.

II. Market outlook

(I) Market analysis

1. Market conditions:

Based on statistics by the Taiwan Paper Industry Association, the total production of household paper in Taiwan in 2024 was 285 thousand tons, increased by 2.5% compared to 2023. The import was 122 thousand tons, decreasing by 0.4%. In terms of sales volume, the domestic consumption was 392 thousand tons, increase by 0.8% compared to 2023; Exports were 14 thousand tons, increase by 28%.

2. Business overview:

In 2024, the Company was 160 thousand tons, increased by 6.5% compared to 2023. In 2024, the household product domestic sales were 92 thousand tons which was a 7.9% increase from 2023. It was mainly caused by strategically adjusting product structure and developing high-quality new products with consumer preference to successfully increase output value. Exports were 82 thousand tons, decreasing by 2.2% from the previous year. The main reason was that the production capacity in mainland China exceeds the supply and manufacturers maliciously cut prices to compete.

Competition in the household paper product market in Taiwan is intense. Following the success of "Mayflower thick interfold tissue" in securing the market share in the high-end market, the management team, as the market leader, responded to the business opportunities arising from green and sustainable development, and launched the first all-paper packaging interfold tissue in Taiwan under the Mayflower brand. The product adopts exclusive patented anti-tearing paper and hot sealing technology, and is 100% recyclable, creating an environmentally friendly, sustainable, and green carbon new life for consumers. The retro red and white checkered design pays tribute to the first embossed tissue developed by YFY. In response to the rising demand for pull-up kitchen towels, Mayflower and Delight have launched new products, echoing consumers' high demand for cleanliness during the pandemic. The product adopts innovative embossing process and features more convenient one-handed use of two-layer tissue than three-layer issue, which continues to attract new consumers and increases market share. With respect to the cleaning products, "Orange House" has upgraded and launched a full series of products in response to consumers' concern for health and green business opportunities by consistently adhering to the principles of no fragrance, no fluorescent agent and no harmful chemical residue. It launched new series of laundry detergents and laundry capsules that "mask odors without fragrance and truly wash away odors". The packaging bottles are made of a single and easily recyclable material, extending the concept from protecting the health of

oneself and families to caring for the earth, and continuously becoming the first leading brand of healthy and natural cleaning products in Taiwan. The company commits to sustainable development and continues to bring consumers safe, healthy and beautiful life experience. The management team upholds the commitment to consumers: to provide better life experiences, to develop more products that meet the consumer needs with innovative technologies, and to continue to expand market share.

3. Market share:

According to the data of EOL iSurvey (from January to December, 2024), the Company's domestic market share in toilet tissues and kitchen towel (including brand and OEM sales volumes) was almost 40% with double digital growth in high quality innovation products. Orange House was the representative brand which satisfied the needs of consumers who pursue high quality with its natural and non-toxic ingredients. In the future, the Company will continue to launch high-quality and innovative products to become one of the leading brands in consumer goods in Taiwan.

4. Supply, demand and growth potential in the market in the future:

A. Paper products:

The domestic needs for household paper are polarized. High-end consumers pursue high-quality products that are thick and soft while other consumer groups pursue competitive prices and high cost-performance ratio. The Company and subsidiaries respond to market changes and cater to different groups' needs by launching products that meet the expectations to satisfy market demand. The Company will manage the market in-depth and maintain the leading position.

B. Cleaning products:

Orange House opened the way for domestic natural cleaning products to enter retail markets. While achieving cleaning purposes, it does not cause a burden to the environment, which answered the increasing call for environmental protection by domestic consumer groups, thus becoming the leading brand of domestic detergents. In combination with the multi-brand strategy, the Company will continue to expand domestic and overseas cleaning product markets.

5. Competitive niche and countermeasures:

Looking ahead to the market in 2025, the company is continuously committed to develop sustainably and implement ESG policy. We pay attention to our positive brand image and corporate vision in order to help cultivate talents, breed diverse innovation momentum, and provide consumers safe, healthy, and beautiful life. The team continues to innovate and upgrade products, successfully achieve

breakthroughs in channel operations, optimize the production and sales structure, improve various investment benefits, reduce supply chain cost, expand sales in domestic and foreign markets, and improve adaptability to changes and elevate business performance. From the post-epidemic economy, stay-at-home economy and green economy, we will continue to expand new business opportunities and achieve record sales and profitability.

(II) Application and production of key products

1. Household paper

Applications: Pull-up toilet tissue, kitchen towel and hand towel.

Production: Wood pulp → stir pulp → grind pulp → mix pulp → papermaking → first rolling → splitting into stripes → embossing → folding → cutting → product packaging → boxing.

2. Cleaning products

A. Liquids

Applications: Dishwashing detergents, kitchen detergents, laundry detergents, shower gels, hand cleansers and floor detergents.

Production: In the pre-mixing tanks, pre-mix all the ingredients → stir and mix well the pre-mixed ingredients in the main stirring tank → store the mixed half-finished product in the storage tank → the filler calls the storage tanks by the number of the ingredient to transport the half-finished product → fill in the packaging → box and stack.

B. Solids

Applications: laundry detergent balls, washing powder and bleaching powder.

Production: In the pre-mixing tanks and the main stirring tank, pre-mix the ingredients → store the mixed half-finished product in the storage tank → transport the mixture from the storage tank to the filler → fill in the packaging → box and stack.

(III) Supply status of primary raw materials

The main ingredients of the Company's household paper and cleaning products are listed as follows:

The main raw materials for household paper are pulp, and the main raw materials for cleaning products are orange oil and plant-derived surfactants. The procurement sources cover Taiwan, South America, North America, Europe and

Southeast Asia. We maintain long-term good cooperative relationships with many suppliers, and Conduct regular supplier evaluations to review the source and quality of raw materials. The team grasps market changes and flexibly adjusts procurement strategies for raw material dispatch and production and marketing planning to ensure production stability.

(IV) List of suppliers and clients who accounted for at least 10% of total sales and procurement in any of the last two years and corresponding amounts and percentages

1. Major suppliers in last two years:

Unit: NT\$1,000; %

Item	2023				2024			
	Name	Amount	% of net annual purchase	Relationship with issuer	Name	Amount	% of net annual purchase	Relationship with issuer
1	Company A	1,030,528	17.88	-	Company A	1,208,763	18.18	-
2	Company B.	711,821	12.35	-	Company B	681,221	10.25	-

2. Major sales clients in last two years:

Unit: NT\$1,000; %

Item	2023				2024			
	Name	Amount	Percentage of net total annual sales	Relationship with issuer	Name	Amount	Percentage of net total annual sales	Relationship with issuer
1	Company E	2,693,152	26.24	-	Company E	2,806,204	25.75	-

III. Employee information in the last two years and up to the print date of this annual report

(I) Employee information in the last two years and up to the print date of this annual report:

Year		2023	2024	Current year up to the print date of this annual report
Number of employees	General personnel	718	732	724
	Technical personnel	547	577	570
	Total	1,265	1,309	1,294
Average age (year old)		40.8	41.1	41.3
Average years of service		8.6	10.0	10.5
Gender ratio	Male	70.0%	70.9%	70.7%
	Female	30.0%	29.1%	29.3%
Academic qualification	Master's degree or higher	6.4%	6.4%	6.2%
	University/College	52.7%	53.0%	53.1%
	Senior high school and below	40.9%	40.6%	40.7%

Note: The number of employee does not include dispatched workers.

(II) Authority-designated certification by employees whose jobs are related to transparency and disclosure of financial information:

Certification Title	Finance and accounting	Auditing
CPA of ROC	1	0
Certified internal auditor (CIA) organized by Institute of Internal Auditors	0	2

IV. Environmental protection expenditure information

(I) Losses arising as a result of environmental pollution in the recent year up until the publishing date of this annual report; quantify the estimated losses and state any response actions, or state any reasons why losses cannot be reasonably estimated:

Contents of violation	Contents of penalties	Penalty date	Penalty number	Response measures
<p>Provisions: Article 24, Paragraph 2 of the Air Pollution Control Act and Article 23 of the Stationary Pollution Source Installation, Operating and Fuel Use Permit Management Regulations Amended Clauses</p> <p>Content:</p> <p>1. After the installation or modification of the stationary pollution sources in the preceding paragraph, public and private premises shall submit verification documents that demonstrate compliance with the regulations of the Act to the special municipality, county or city competent authority or other government agency commissioned by the central competent authority in order to apply for the issuance of operating permits, and shall perform operations pursuant to the permit contents.</p> <p>2. In public and private sites, a stationary pollution source operating permit shall be obtained before operations. Relevant operations shall be conducted in accordance with the contents of the permit.</p>	NT\$100,000	2024.3.18	20-113-030021	Improvements were completed and improvement documents have been obtained for inspection by the competent authority.

<p>Provisions: Article 24, Paragraphs 2 and 4 of the Air Pollution Control Act and Article 23 of the Stationary Pollution Source Installation, Operating and Fuel Use Permit Management Regulations Amended Clauses</p> <p>Content:</p> <ol style="list-style-type: none"> 1. After the installation or modification of the stationary pollution sources in the preceding paragraph, public and private premises shall submit verification documents that demonstrate compliance with the regulations of the Act to the special municipality, county or city competent authority or other government agency commissioned by the central competent authority in order to apply for the issuance of operating permits, and shall perform operations pursuant to the permit contents. 2. The regulations governing the application, review procedures, review principles, disclosure of content, issuance, revocation, cancellation, delegation or termination of delegation by the central competent authority, and other matters to be complied with for the stationary pollution source installation and operating permit shall be determined by the central competent authority. 3. In public and private sites, a stationary pollution source operating permit shall be obtained before operations. Relevant operations shall be conducted in accordance with the contents of the permit. 	NT\$100,000	2024.3.18	20-113-030022	Improvements were completed and improvement documents have been obtained for inspection by the competent authority.
<p>Provisions: Article 28, Paragraph 1 of the Water Pollution Control Act</p> <p>Content: If the transportation or storage equipment of an enterprise or sewage piping system is likely to leak pollutants or waste (sewage) water into the waterbody, maintenance and preventive measures shall be taken. In an event that any leakage</p>	NT\$55,350	2024.4.10	30-113-040007	Improvements were completed and confirmed by the competent authority.

results in the pollution of the waterbody, emergency response measures shall be taken immediately and the local competent authority shall be notified within three hours after the occurrence of the incident. The competent authority shall order the enterprise to take necessary preventive measures. In serious cases, it shall order the enterprise to suspend business or partially or completely suspend operations.				
Provisions: Article 28, Paragraph 1 of the Water Pollution Control Act Content: If the transportation or storage equipment of an enterprise or sewage piping system is likely to leak pollutants or waste (sewage) water into the waterbody, maintenance and preventive measures shall be taken. In an event that any leakage results in the pollution of the waterbody, emergency response measures shall be taken immediately and the local competent authority shall be notified within three hours after the occurrence of the incident. The competent authority shall order the enterprise to take necessary preventive measures. In serious cases, it shall order the enterprise to suspend business or partially or completely suspend operations.	NT\$63,000	2024.7.19	30-113-070022	Improvements were completed and confirmed by the competent authority.

* Scope of information: Production sites in Taiwan.

Key environmental protection work for the future:

1. Comprehensively inspect and confirm that all prevention equipment and pipelines are operating normally, increase inspection frequency and strengthen personnel training to ensure compliance with legal requirements.
2. Continuously optimize environmental protection-related equipment and ensure the compliance and accuracy of all values in the planning of energy conservation and carbon reduction.

(II) Environmental sustainability

1. Greenhouse gas emissions in the past two years

Inventory shows that the Company emitted 201,338 tons-CO₂e in 2024. Emission data for the year are provided below:

Year	2023			2024		
	Scope 1	Scope 2	Total emissions	Scope 1	Scope 2	Total emissions
Total	63,625	139,907	203,532	62,835	138,502	201,338

The data covers all production plants of the Company. Because the third-party verification of emissions is later than the annual report publication schedule, the latest annual data currently disclosed is the version of each factory's self-inspection. If the verification results are adjusted in the future, they will be updated in the following year. The final verification data can also be found in the company's sustainability report.

Scope 1 (direct emissions): Emissions from operations that are owned or controlled by the reporting company, such as gas pipes, processes, ventilation facilities, and vehicles owned or controlled by the company are calculated based on the fuel consumption volume and the "Greenhouse Gas Emission Factor Management Table Version 6.0.4" of the Environmental Protection Administration.

Scope 2 (indirect emissions): Emissions from outsourced electricity, heat, steam, or other fossil fuel-derived energy.

The Company conducts annual inventory of greenhouse gas emissions, water consumption and waste generation in accordance with the law, and reports to the competent authorities on a regular basis in accordance with the law.

2. Energy conservation and carbon reduction, reduction of greenhouse gas emissions, reduction of water consumption or other solid production residue policies

In 2024, the Company's key energy conservation measures are listed below:

- Continue to introduce and promote the ISO 50001 Energy Management System.
- Update pipelines of boiler steam system and replace main equipment improve steam utilization efficiency.
- Transform production equipment to save energy including updating of fine grinding machines, vacuum systems, air compressors and pumps to reduce power load.
- Replace energy-consuming equipment such as air conditioners, lighting, and chillers in the planes with high-efficiency equipment and replace lamps.

- Build an energy monitoring system (EMS), integrate electricity meters and replace them with digital meters to strengthen energy usage monitoring and management.
- Upgrade motors, aeration equipment, pumps and control systems at sewage treatment plants to effectively reduce electricity demand.
- Introduce magnetic levitation vacuum technology in some machines and frequency conversion control to improve operating efficiency and reduce energy consumption. Boilers continuously increase to use low-carbon fuels to replace coal.

The effectiveness of each energy measure is as below:

Energy conservation item	2024
Energy conservation effectiveness (thousand Wh)	768,824
GHG reduction effect (t-CO ₂ e)	364

*The energy-saving and carbon-reducing effectiveness of Taiwan's major paper production bases in 2024 is estimated using the electricity carbon emission coefficient (0.474 kg-CO₂e/kWh) announced by the Energy Bureau of the Ministry of Economic Affairs in 2024.

3. Acquisition of environmental management certification by the Company

The Company's main production units are equipped with ISO 14001-certified environmental management systems. The systems are regularly verified by external verification units such as DNV. Internal and external auditing are conducted regularly to maintain system validity and continue to improve the effectiveness of environmental protection. Valid system certificates are kept in each production unit. In addition to ISO 14001 environmental management systems, product and material environmental protection certifications are also obtained in an effort to work with our upstream suppliers and downstream consumers to protect the environment. These certifications include the Forest Stewardship Council- Chain of Custody (FSC-CoC) and ISO 50001.

(FSC website: <https://fsc.org/en>)

V. Employer-employee relationship

(I) Present status of employer-employee relationship

- Remuneration and bonuses: Sound salary structure, annual performance bonuses, employee bonus and stock option.

- Medical insurance and healthcare: Employee group insurance, employee physical checkups, labor insurance and health insurance and employee family insurance.
- Thoughtful welfare systems:
 - Chinese New Year bonus, Worker's Day, and birthday gifts
 - Subsidies for weddings, funerals, child birth, hospitalization, disability, and self-improvement activities
 - Scholarships for employees' children, and on-the-job training incentives
 - Preschool educational books for employees and free subscription to monthly publications and magazines
 - Retiree appreciation
 - Business trip allowance
 - Employee of the year and senior awards
 - Group insurance for employees and their dependents
 - Medical rooms in plants to ensure the occupational safety and health of employees
 - Regular medical check-ups that exceed requirements of the Labor Health Protection Regulations
- Leisure activities for employees
 - Employee club activities
 - Employee birthday celebrations, sports competition, and travel activities
 - Recreational facilities and audio-visual entertainment equipment in plants

ii. Retirement program

YFY enacted the "Labor Retirement Regulations" and established the Supervisory Committee of Workers' Pension Reserve Funds to take care of employees' life after retirement. We allocate reserve funds for the old pension system to a special account in the Bank of Taiwan based on actuary calculation results each year to protect labor rights.

The Company also adopted the Labor Pension Act (new labor pension system) on July 1, 2005 and allocate an amount equivalent to 6% of the respective workers' wage range to the employees' individual pension accounts. For those that voluntarily pays additional pension, YFY deducts amounts based on the voluntary appropriation rate from the salary to the dedicated personal pension account at the Bureau of Labor Insurance.

The contents of the YFY's "Labor Retirement Regulations" are as follows:

- Criteria for voluntary retirement:
 - (1) Employees who are over 55 years old and have served in the Company for more than 15 years, including services in the Company's affiliated enterprises.
 - (2) Employees who have served in the Company for more than 25 years, including services in the Company's affiliated enterprises.
 - (3) Employees who are over 60 years old and have served in the Company for more than 10 years, including services in the Company's affiliated enterprises.
- Criteria for compulsory retirement:

The Company may subject an employee to compulsory retirement except for one of the following conditions:

- (1) Where the employee over 65 years old.
- (2) Where the employee is mentally incapable or physically disabled and cannot continue to work.

The mental incapacity or physical disability specified in the preceding paragraph shall be determined by the level 1 to level 6 disabilities of Labor Insurance. An additional 20% on top of the amount calculated according to Article 55, Paragraph 1, Subparagraph 2 of the Labor Standards Act shall be given to workers forced to retire due to disability incurred from the execution of their duties.

- Calculation of the years of service and pension:
 - (1) Employees' years of service shall be calculated starting from the date of employment and the years of service before and after the implementation of the Labor Standards Act and the years of service after the implementation of the Labor Pension Act shall be combined for calculation. The duration shall be based on the years of actual continuous service in this Company.
 - (2) The years of service of employees assigned to affiliated enterprises to provide services or transferred from affiliated enterprises to the Company to provide services shall be combined for calculation.
 - (3) Where an employee is employed by the Company and an affiliated enterprise and applies for retirement in accordance with regulations, the total pension payment amount shall be calculated based on the ratio of the number of months served in each company and paid by the companies.
- Status of YFY's appropriation of labor pension reserve in 2024
 - (1) Year-round appropriation: NT\$4,345 thousand.
 - (2) Balance of assets at the end of the year: NT\$110,314 thousand.

3. Labor-management communications

- (1) Regularly convene employer-employee meetings and employee communication meetings to communicate and coordinate with employees, and subsequently adjusts measures according to the consensus of both parties.
- (2) The Company has established a corporate union at the Yangmei plant in Taiwan. More than 98% of employees who are eligible to join the union are union members. Union members are free to participate and hold union board meetings regularly, allowing union representatives to directly reflect employee demands to senior managers, ensuring that the difficulties and needs faced by employees at work are taken seriously and properly handled. Therefore, no collective agreement has been signed yet.

(II) Losses due to labor disputes in last year and up to the print date for this annual report: This event did not occur at the Company.

(III) Employee learning and development

"Talent management" is one of the important indicators of the Company's sustainable operation. In response to the organizational vision and goals, we aim at "supporting the team to reach performance goals" and "continuing to invest in and cultivate management and professional talents" as our training goals. We provide abundant and diverse learning channels and training contents to allow employees to obtain excellent development in management or professional fields based on their own qualities and strengths while developing their career. At the same time, we enhance the management abilities of supervisors at all levels and motivate employees to dedicate and commit so that employees can grow with the Company.

In addition to physical courses, the Company also promotes the LMS digital learning platform so that employees can learn at any time; We actively realize on-the-job training and skill assessment systems through rotation so that employees may learn and improve their work skills in the actual workplace.

- (1) Orientation training: The aim is to assist new employees to adapt to the corporate culture and work environment rapidly and understand various businesses and the operations of the relevant departments.
- (2) New supervisor training: The aim is to enhance the new supervisors' team leading and strategic thinking abilities to improve the effectiveness of organizational management.
- (3) Talent cultivation training: In order to cultivate talents within the Company, training courses were planned based on the reserve management cultivation plan, the High Potential Talent Program (HIPO) and the Succession Plan to improve organizational strength and develop competitive edges in talents.
- (4) Core competency training: This is the Company's seven core competency

training, including precise implementation, problem solving, communication and coordination, team work, strategic thinking, leadership and innovation. Every employee shall receive the core competency training courses and be familiarized with the important spirits and behavioral indicators of the core competencies. In addition, the training contents shall be designed based on the key conducts corresponding to general employees, mid- and base-level supervisors and high-level supervisors.

- (5) General training: This is the common course aimed at developing employees' knowledge and skills related to work management in independent operations to improve performance.
- (6) Professional training: This is the professional course aimed at enhancing work-related skills of departmental professionals.

The focus of education and training outcomes in 2024 is as below:

Course type	No. of classes	Total number of people	Total hours	Total costs (thousand NT\$)
Professional competency	504	4,544	13,476	950.29
Management and general knowledge	636	7,932	14,576	2,172.883
New employee training	116	325	1,681	67.903

(IV) Employee code of conduct or ethics

The Company's *Work Rules* provide a service guideline and clear work principles for employee compliance. To more effectively protect the Company's trade secrets, operating profits, and competitive edge in response to the amendment made to the Trade Secrets Act in 2013, the Company has prescribed Integrity and Confidentiality of Intellectual Property Agreement as a mandatory document for registration of new recruits.

YFY subsequently promulgated the *YFY Employee Code of Conduct* in May 2016. Employees' behavior must comply this Code of Conduct when performing daily tasks and operations: Employees must take the initiative to avoid improper benefits, perform their duties properly, and effectively utilize Company resources and public properties during work. The *Employee Code of Conduct* prescribes reporting channels and investigation procedures. Regular education and training programs are provided to raise employees' awareness towards ethical conduct.

The Ethical Corporate Management Operating Procedures and Code of Conduct

were promulgated in August, 2020 in accordance with the Company's Ethical Corporate Management Guidelines and TWSE's Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Company performs business activities based on the principles of fairness, integrity, accountability, and transparency. The *Ethical Corporate Management Operating Procedures and Code of Conduct* were established to implement the ethical corporate management policy, actively prevent unethical conduct and conflicts of interest, establish whistleblowing channels, and regulate the conduct of relevant personnel.

(V) Employee safety and health

Employees are the Company's important assets. Therefore, the Company has the responsibility and the obligation to protect the health and safety of every member of this big family. YFY plants have obtained ISO 45001:2018 occupational health and safety management systems certification. Every year, an impartial third-party institution is commissioned to conduct audit to ensure the continuously effective operation of the safety and health management systems. The implementation is adjusted and realized every month response to legal requirements and on-site conditions. We continuously improve and find opportunity to establish a friendly workplace with "safety, zero accidents, and sustainable circulation".

In order to provide a safe working environment and ensure employee health, the Company has adopted active measures:

1. Hierarchical responsibility of dedicated units: The Company and each plant have set up dedicated units and personnel for occupational safety and health, and each level under the management structure has clear responsibilities and responsibilities. Ensure the comprehensive implementation and effective execution of safety and health work by on-site supervisors assisting in safety management; regularly review the implementation and effectiveness of existing management systems and control measures; adjust safety-related operating procedures to meet on-site operation and safety protection requirements, and also use this to identify opportunities for improvement or optimization to ensure workplace safety.
2. Risk prevention operations and standardization: Collect laws and regulations and related occupational accidents for review, and conduct various work environment measurements, hazard identification and risk assessments on a monthly basis. Through information collection, supervision, measurement and hazard identification assessments, learn about various physical or chemical hazards in the plant, evaluate potential hazard factors, and formulate corresponding safe operation standards or work safety analysis.
3. All employees participate in safety training: Safety training activities are held regularly and cover a wide range of areas, including: accident prevention, emergency response incident handling, personal protective equipment instructions and JSA assessment... etc. These safety trainings are not only for

new employees, but also regularly updated and strengthened for current employees. In order to ensure that the contractor's employees comply with the company's safety regulations and establish safety awareness, the contractor's work specifications for entering the plant and joint operation safety training are formulated to ensure the implementation of the safety management system.

4. All employees participate in promoting safety culture: Employees' safety awareness and behavior are the key to establishing a good safety culture for overall safety performance. Through safety education, various safety inspections and behavioral safety observations, we strengthen the safety management functions of supervisors and the hazard identification abilities of all employees, and then strengthen safety management to reduce the risk of accidents, identify safety hazards and improve them, and establish consistent safety values and standards among all employees to build consensus on jointly promoting safe operations.
5. Improve communication and continuous review and improvement: Invite safety seeds from all plant units to participate in monthly inter-plant safety meetings. The meeting will conduct exchanges and discussions on safety issues and provide improvement suggestions to promote the establishment and development of safety culture. The head office and each plant have set up an Occupational Safety and Health Committee, which holds meetings every three months to jointly discuss, confirm the operation of safety and health, review and implement occupational safety and health and health promotion plans, and conduct relevant reports and reviews to ensure that the plan effective implementation and continuous improvement. Employees can also participate in occupational safety and health business consultation and communication through the selection of labor representatives, so that the implementation of occupational safety and health policies can be closer to the needs of employees. At the same time, it can also convey the planning of safety and health policies through labor representatives, thereby promoting safety and health business and strengthening the goal of safety and zero accidents for all employees.
6. Strengthening fire safety and disaster prevention drills: Conduct weekly inspections of electrical equipment and surrounding environments in the electrical room to ensure safety. Inspect firefighting equipment on a monthly basis. Activate fire pumps to ensure normal operation and functionality of firefighting equipment on a monthly basis. After regulatory updates and other external industrial safety incidents, strengthen focus on related causes and implement self-inspections; engage a fire consultant company to conduct fire equipment maintenance; introduce a chemical management system to understand the types, storage locations and quantities of chemicals in the plant, and conduct risk assessments. Emergency response exercises are held on a regular basis based on the needs of each plant. They include fire self-defense team exercises, toxic disaster exercises, and disaster relief and evacuation

exercises involving hazardous materials as well as earthquake safety promotion, as to strengthen the ability to respond in the event of an emergency.

7. First aid training: All plants are equipped with the automated external defibrillator (AED), and 70% or more of the employees have received the CPR+AED training and obtained certification. First aid training courses have been listed a mandatory training course for all employees. Conduct emergency rescue drills in various disaster prevention drills to strengthen employees' familiarity with various rescue procedures.
8. Set up major notification group to report any incidents immediately in order to enable decision makers to understand the situation and make judgments.
9. Health care and services: Employ full-time labor health service nurses to be responsible for employee health management. Actively care about the health status of employees, provide personalized health consultation and guidance, solve various health problems, provide corresponding treatments and suggestions, and conduct employee health management. We cooperate with the Department of Occupational Medicine of hospital to provide professional return-to-work assessment services. Before returning to work, employees are evaluated by the Occupational Medicine Department of hospital and provided with corresponding treatment and rehabilitation plans to ensure that their physical health meets the requirements for resumption of work, so that employees can return to work safely.

VI Information security management

(I) Information security risk management framework

The IT Department is an independent department responsible for coordinating and implementing information security policies, communicating information security updates to enhance employees' information security awareness, and evaluating technologies, products, or procedures to improve the performance and effectiveness of information security management to create a management framework of prevention, communication, detection, defense, response, and recovery.

Each year, the Auditing and Compliance Office conducts an information security review of the organization based on the cyclic internal control system for computers to evaluate the effectiveness of internal controls for information operations.

(II) Information security policy

The Company has established the following policy for compliance by all employees to ensure the smooth operations of the Company's businesses, prevent unauthorized access, use, control, leakage, damage, tampering, destruction, or other infringement of information or information systems, and to ensure their confidentiality, integrity, and availability:

1. Implementation of the information security management system.

2. Effectively manage information assets, perform continuous risk assessments, and take appropriate protective measures.
3. Protect the information and information system from unauthorized access and maintain the confidentiality of the information and information system.
4. Prevent unauthorized changes to protect the integrity of the information and communication system.
5. Ensure authorized users' access to the information and communication system when necessary.
6. Meet requirements in laws and regulations.
7. Evaluate the impact of man-made or natural disasters and develop recovery plans for the core information and communication system to ensure the continuous operations of core businesses.
8. Implement information security training and organize information security awareness campaigns for new employees to enhance their information security awareness.
9. Implement mechanisms for rewarding and punishing employees for processing information security matters.
10. Implement outsourced service supplier management to ensure the safety of information and communication services.
11. Implement audit and management review processes to achieve continuous improvement of the information security management system.
12. Promote the integration of information security defenses and strengthen joint efforts for information security and information sharing.

Information security objectives can be divided into qualitative and quantitative objectives:

1. Quantitative objectives:

Item	Location	Percentage/Frequency	Notes
Availability of the information system	All	99.9%/year	Disruption hours/total operation hours \leq 0.1%
Rate of completion of reporting, response, and recovery within the required time after the information security incident is known	All	100%	
Click rate of emails in social engineering exercises	All	Less than 4%	

Attachment opening rate of emails in social engineering exercises	All	Less than 2%	
Planning and operating social engineering exercises	All	1 time	
Organization of information security and social engineering training	All	1 time	
Information security incident involving tampered data on the worldwide web	All	≤ 2 times/year	
Unauthorized access in account access privilege management	All	≤ 1 time/year	
Penetration test and vulnerability scanning	All	1 time/3 years	
Information security audit	All	1 time	
System recovery exercise	All	1 time	Oracle, Production Management, barcode system, Hyper-V

2. Qualitative objectives:

- (1) The Company adjusts the contents of information security updates in response to changes in laws and technologies to prevent unauthorized access, use, control, leakage, damage, tampering, destruction, or other infringement of information systems and information, and to ensure their confidentiality, integrity, and availability.
- (2) Meet the requirements of information and communication security on each level and reduce the threat of information and communication security risks.
- (3) Strengthen the selection, supervision, and management of outsourced service providers, rigorously review outsourcing contracts, and construct secure service channels to ensure information and communication security in the supply chain.
- (4) Enhance employees' information security awareness and effective detection and prevention of external attacks.

(III) Specific Management Plans

Network Information Security Control

- Set up a firewall and update the Firewall Policy.
- Scan computer systems and data storage media periodically for viruses.
- Perform inventories of the computer system software and security updates.
- Use network services in accordance with the information security policy.
- Regularly review the system log of network services to track anomalies.

Data Access Control

- Assign dedicated personnel to maintain custody of computer equipment and set accounts and passwords.
- Grant employees different access privileges based on their job functions.
- Cancel employees' access privileges when they leave the Company and adjust the access privileges of employees who have been transferred.
- The contents of storage media must be cleared or overwritten before the disposal of the equipment.
- Remote access to the system shall require adequate approved and appropriate access privileges must be granted.

Change Recovery Mechanism

- Perform annual reviews of the Information Security Policy as well as the information security protection and emergency response plans.
- Conduct annual system recovery exercises.
- Establish system backup mechanisms and implement off-site backup storage.
- Review computer network security control measures and implement appropriate adjustments.

Communication and Verification

- Communicate information security updates at all times to enhance users' information security awareness.
- Perform annual information security inspections and review whether for improvements and follow-ups are required.

(IV) Resources used for information security management

We dedicated resources including a security framework for comprehensive governance and technical requirements as well as enhanced information security defense equipment and training to continuously improve information security management:

1. Equipment: Next-generation firewall, network switches, wireless network controllers, and APs.
2. Software: We replaced traditional anti-virus software with next-generation endpoint protection software, and updated system security.
3. Personnel: Training for network administrators and information security personnel, recovery exercises, social engineering exercises, and vulnerability scanning.

(V) Losses due to major information security incidents

The Company did not have significant information security incidents resulting in business losses.

VII. Material contracts

Contract type	Parties Involved	Commencement date/expiration date	Content	Restrictive clauses
Long term loan contract	Made jointly by 3 banks including Bank of Taiwan, First Commercial Bank, and Hua Nan Commercial Bank, Ltd. with 3 participating banks	2023/5/19~2028/5/19	5-year syndicated loan repaid at maturity	N/A



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Financial Position, Financial Performance and Risk Analysis

I. Financial comparison analysis

Unit: NT\$1,000; %

Item	Year	2023	2024	Difference	
				Increase (decrease) in amount	Change
Current assets		4,865,577	5,010,507	144,930	2.98%
Property, plant and equipment		3,662,552	4,195,411	532,859	14.55%
Intangible assets		366,923	698,365	331,442	90.33%
Other non-current assets		8,895,052	9,904,283	1,009,231	11.35%
Total assets		2,214,649	2,336,128	121,479	5.49%
Current liabilities		1,001,138	1,755,849	754,711	75.39%
Non-current liabilities		3,215,787	4,091,977	876,190	27.25%
Total liabilities		2,671,290	2,671,290	0	0
Share capital		1,214,116	1,214,116	0	0
Capital surplus		1,886,058	1,831,986	-54,072	-2.87%
Retained earnings		(139,362)	46,142	185,504	-133.11%
Other equity		5,679,265	5,812,306	133,041	2.34%
Total equity		4,865,577	5,010,507	144,930	2.98%
Explanation of changes: (Increase or decrease that reaches 20% in the last two years and the amount of change reached 10 million NTD and above)					
1. Other non-current assets: Due to investment in 3-5 year corporate bonds.					
2. Non-current liabilities and total liabilities: Due to the borrowing of long-term loans.					
3. Other equity: Due to exchange differences arising from the translation of the financial statements of foreign operations.					

II. Financial Performance Review and Analysis - Consolidated

Unit: NT\$1,000; %

Item	2023 (Re-Prep.)	2024	Difference	
			Increase (decrease) in amount	Change
Operating revenue	10,264,803	10,896,652	631,849	6.16%
Operating costs	7,641,458	8,412,425	770,967	10.09%
Gross profit	2,623,345	2,484,227	-139,118	-5.30%
Operating expenses	1,493,407	1,561,780	68,373	4.58%
Net operating profit	1,129,938	922,447	-207,491	-18.36%
Non-operating income and expenditure	77,038	25,625	-51,413	-66.74%
Pre-tax profit	1,206,976	948,072	-258,904	-21.45%
Income tax expense	235,375	198,232	-37,143	-15.78%
Net profit for the current period	971,601	749,840	-221,761	-22.82%
Total comprehensive income for the current period	932,068	939,546	7,478	0.80%
Explanation of changes: (Increase or decrease that reaches 20% in the last two years and the amount of change reached 10 million NTD and above)				
1. Non-operating income and expenditure: Mainly due to the losses on disposal of paper machines and fire losses.				
2. Pre-tax profit and net profit for the current period: Mainly due to the rise in pulp costs and increase in non-operating losses.				

III. Cash flow analysis

Unit: NT\$1,000

Cash balance, beginning	Net cash flow from operating activities	Net cash flow input (output) from other activities	Cash balance, end	Liquidity contingency plan	
				Investment plan	Financial planning
2,290,191	928,789	(1,249,459)	1,969,521	-	-

(I) Analysis on the cash flow changes of recent years:

- (1) Cash flow from operating activities: Mainly due to cash inflow from operational profit.
- (2) Cash flow from other activities: Investing activities mainly consisted of capital expenditure on the acquisition of land, paper machines, processing lines for operations, and the upgrading and maintenance of relevant equipment. Financing activities mainly consisted of borrowing of long-term loans and distribution of cash dividends.

(II) Improvement plans for inadequate liquidity: N/A.

(III) Cash flow analysis for the coming year:

- (1) Cash flow from operating activities: The industry development is anticipated to be stable and the Company can maintain a steady operating cash inflow.
- (2) Cash flow from investment activities: Mainly consisted of the annual capital expenditure on the upgrading and maintenance of relevant equipment.
- (3) Cash flow from financial activities: Bank loans and repayments are arranged based on the cash flows from overall operating and investing activities.

IV. Major capital expenditures and impact on financial operations in last year:

- (I) An investment of NT\$400 million in equipment upgrades to improve production efficiency, continuously launch new functional products of higher quality that better meet consumer expectations, and enhance market competitiveness.
- (II) An investment of NT\$100 million in building natural gas boilers and adding energy-saving equipment in pursuit of higher energy efficiency and green energy utilization rate to continuously save

energy, reduce greenhouse gas emissions, and contribute to the goal of global net zero carbon emissions.

- (III) To create safety workplace environment, increase employee effectiveness and happiness, we continuously replace old production equipment and upgrade to automatic converting system to stand firm as the leadership of Taiwan consumer industry.

Working capitals for capital expenditures are sourced from the Company's funds and bank loans. This year and last year's interest expenditures were the same and therefore did not generate a material impact on the Company's finance.

V. Reinvestment policy, reasons for profit or loss, improvement plans, and investment plans for next year

(I) Invested enterprises in the past year, profit/loss analysis and improvement plan

The Company complies with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies stipulated by the competent authority and formulated the Asset Acquisition and Disposal Procedure as the base for reinvestment to understand the relevant business and financial statuses. In addition, the Company also maintains an understanding of the operation status, financial and business statuses of the invested companies to facilitate the post-investment follow-up and evaluation by the decision-making unit.

The main reason for the loss of the Company's investments in other businesses accounted for for using the equity method in 2024 were mainly due to the fact that its peers continued to cut prices to capture the market due to inventory pressure. The Company will actively plan sales strategies and the best business model for production and sales, continue to stabilize high-margin customers, and actively expand its customer base.

Unit: NT\$1,000

Name of the invested enterprise	Gain/loss on investments - 2024
Yuen Foong Yu Consumer Products Investment Limited	28,946
Ever Growing Agriculture Bio-tech Co., Ltd.	36,765
Yuen Foong Shop Co., Ltd.	57,071
LiVEBRiCKS Inc.	23,462
YFY Investment Co., Ltd.	-34,744

YFY Family Care (Kunshan) Co., Ltd.	12,586
YFY Consumer Products (Yangzhou) Co., Ltd.	70,943

(II) Investment plan in the coming year: In the future, the Company shall continue to conduct prudent assessments of investment projects accounted for under the equity method based on the principle of long-term strategic goals.

VI. Risk Analysis and Assessment in Last Year and Up to the Print Date of this Annual Report

(I) Impact of changes in interest rates, exchange rates, and inflation on the Company's profitability and response measures

Unit: NT\$1,000; %

Item / year	2023	2024
Total operating revenues	10,264,803	10,896,652
Pre-tax profit	1,206,976	948,072
Net interest income (expense)	59,671	56,217
Ratio of interest income (expense) to operating revenue	0.58	0.52
Ratio of interest income (expense) to pre-tax profit	4.94	5.93
Net foreign exchange gains (losses)	788	383
Ratio of foreign exchange gains (losses) to operating revenue	0.01	0.00
Ratio of foreign exchange gains (losses) to pre-tax profit	0.07	0.04

(1) Impact of interest rate changes and future response measures

The Company's ratios of net interest income (expense) to operating revenue for 2023 and 2024 were 0.58% and 0.52%. The ratios of interest income (expense) to pre-tax profit were 4.94% and 5.93% respectively. The effect on profit and loss was limited. The interest expenses were mainly interests of loans from financial institutions. In order to reduce the effect of interest rate changes on the Company, the Company not only pays close attention to global economy development and interest rate changes but also maintain good relationships with financial institutions in order to obtain better interest rates. The Company is also prepared to adopt response measures at any time. Taking into account future development and capital needs, the Company will also evaluate the costs of various capital sources and choose the appropriate financing method to respond to the needs for

growth. In summary, interest rate changes shall not have significant influences on the Company's profit and loss.

(2) Impact on the Company's profit and loss from exchange rate changes and future response measures

The Company's ratios of foreign exchange gains (losses) to operating revenue for 2023 and 2024 were 0.01% and 0.00%. The ratio of foreign exchange gains (losses) to pre-tax profit were 0.07% and 0.04% respectively. The effect on profit and loss was limited. The Company continues to observe the trends in exchange rate changes and adjusts the foreign exchange position in spot markets and uses natural hedges to cancel out the exchange risks in receivables and payables to reduce the impact of exchange rate fluctuations. In summary, exchange rate changes shall not have significant influences on the Company's profit and loss.

(3) Impact on the Company's profit and loss from inflation and future response measures

The Company maintains close and friendly interactions with suppliers and clients, pays close attention to fluctuations and inflation in raw material prices and promptly adjusts the procurement and pricing strategies to reduce the impact of inflation. Therefore, inflation shall not have significant influences on the Company's profit and loss.

(II) Policies on high risk or high leverage investments, lending to others, making endorsements or guarantees, and trading derivatives, reasons for profit or loss, and response measures

(1) Policies on high risk or high leverage investments, main reasons for profit or loss and response measures:

The Company upholds the basis of steady operation, focuses on the business operations and values technological research and development and the expansion of sales and marketing, all under the premise of a sound financial development. Therefore, the Company did not engage in high risk or high leverage investments in last year and up to the print date.

(2) Policies on lending to others, making endorsements or guarantees, and trading derivatives, reasons for profit or loss, and response measures:

The Company does not engage in high-risk and high-leverage investment activities. If there is short-term idle funds, we focus to undertake bill (bond) repurchase transactions, purchase money market funds and invest in corporate bonds.

As of the date of publication, the company's fund loans to others are related parent and subsidiary companies, and are handled based on the company's financial and business needs. The company has established "operating procedures for lending funds to others", "operating procedures for endorsements and guarantees", "procedures for acquiring or disposing of assets" and "procedures for engaging in derivatives transactions", and all relevant matters are handled in accordance with the standards.

(III) Future R&D Plans and Expected R&D Investment:

(1) Future R&D Plans

The Company's growth strategy blueprint aims at "providing consumers with a healthy, carefree and beautiful life" and the R&D plans are mainly based on the product demands in the market and in line with business plans and industry development directions in order to develop marketable and futuristic products. The main development directions are as follows:

- A. Healthy and natural: For paper products, special functional consumer paper products shall be developed, such as center-drawing and bottom-drawing series of products, and R&D on innovative top-quality interfold tissue products shall be carried out continuously. For cleaning products, multi-functional laundry cleaning products shall be continuously developed, and product categories shall be expanded to include personal cleaning products and pet cleaning series of products.
- B. Green opportunities and environmental sustainability: In the paper product category, we are researching and innovating green products, as well as developing ESG environmentally friendly packaging materials and carbon footprint products with carbon reduction labels.
- C. High-performance cleaning and active protection: We developed special active protection technology and its effectiveness and efficiency can be maintained in all systems to provide comprehensive cleaning effectiveness.

(2) R&D expenditure to be invested

The Company plans to invest approximately NT\$51,315 thousand for R&D in 2025. In the future, R&D expenditure to be invested shall be budgeted based on the progress of the development of new products and technologies. With the ever-changing consumer needs, the Company will gradually increase the R&D expenditure to support future R&D plans and to accelerate the R&D and launching

of new products. In addition to the procurement and R&D of relevant software and hardware, the Company will also continue to recruit R&D talents with abundant experience and creativity to enhance the R&D capacity and, in turn, the Company's competitive edge.

(IV) Major changes in government policies and laws at home and broad, impact on the Company's finance and business, and response measures:

The Company conducts operation in compliance with government policies and laws at home and broad, pays close attention to the trends and changes in government policies and laws at home and abroad to fully understand changes in the market environment, and actively brings forth response measures. Up to the print date, the Company has not been significantly impacted in finances or business due to government policies and laws at home and abroad.

(V) Impact of recent technological and market changes on the Company's finance and business, and response measures

The Company constantly pays attention to the technological changes and developments in the industry to promptly grasp the industry dynamics while continuing to enhance and improve its own R&D capacity. The Company actively expands the fields of future market applications to respond to the impact of recent technological and market changes on the Company. Up to the print date, the Company has not been significantly impacted in finances or business due to recent technological and market changes.

(VI) Impact of corporate image change on risk management and response measures:

The Company has dedicated to the business operation since its foundation and complied with relevant laws and regulations. The Company actively enhances internal management and is dedicated to providing excellent products to win customers' hearts. At the same time, the Company maintains a harmonious employer-employee relationship to maintain an excellent corporate image. Up to the print date, the Company has not been significantly impacted or suffered a crisis in its corporate image. However, a corporate crisis may cause tremendous damage to a company. Therefore, the Company will continue to realize all requirements of corporate governance to reduce the possibility of corporate risks and impacts on the Company.

(VII) The expected benefits and possible risks of mergers and acquisitions as well as the responding measures: N/A.

(VIII) Expected benefits of plant expansion, potential risks, and response measures: N/A.

(IX) Risks in concentrated procurement or sales and response measures:

(1) Sales

The Company's main clients are hypermarket chains, supermarket chains and e-Commerce platforms. In the last two years, the sales percentage to the biggest client has not exceeded 26%; therefore, there were no concentrated sales.

(2) Procurement

In the last two years, the Company's procurement from the biggest supplier has not exceeded 20%. The procurement sources were relatively spread out and there was no risk of concentrated procurement. In addition, the Company maintains good and stable collaborative relationship with all suppliers to ensure the stable supply of main raw materials.

(X) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% equity of the Company, associated risks and response measures:

In 2020, the mass transfer of equity by directors, supervisors, or shareholders holding more than 10% equity of the Company was the result of the Company releasing shares to meet the regulations on shareholding distribution for future application for listing. There was no a significant negative influence on or risks to the Company.

(XI) Impact of control transfer, associated risks and response measures: N/A.

(XII) Litigation or non-litigation events: N/A.

(XIII) Other significant risks and response measures: N/A.

VII. Other material disclosures: N/A.



Chapter 6. Special Disclosures

Special disclosures

I. Information of Affiliates

Please refer to M.O.P.S (Market Observation Post System)

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private placement of securities in last year and up to the print date for this annual report: N/A

III. Other necessary supplements: N/A

IV. Any incidents that have a material impact on shareholders equity or security price as described under Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act in last fiscal year and up to the print date for this annual report: N/A

Notice to readers

This English-version annual report is a translation version from the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

YFYCPG



Chairman of the board
Felix Ho

A handwritten signature in blue ink, consisting of stylized cursive characters. The signature is fluid and appears to be 'Felix Ho'.





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