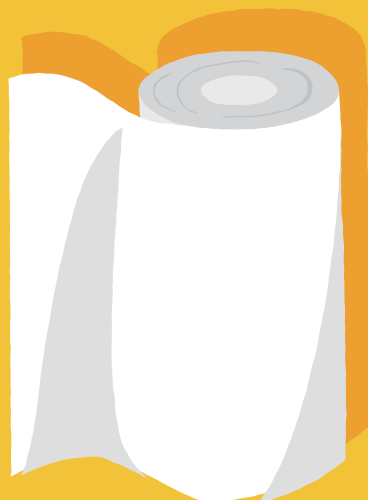




2025 ANNUAL REPORT



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, Yuangzhou, 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 I-Ling Chen, 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,

Recent years have brought a more volatile and less predictable operating environment. Geopolitical tensions, inflation, shifts in energy markets, and changes in global trade have all added complexity to doing business. For a consumer products company, however, macro conditions are only part of the story.

What matters most is how our consumers live.

How households manage daily life, what families value, where they feel pressure, and what they value enough to pay more for—these often change before they appear in economic data. Those shifts shape demand, and they shape our decisions. At YFY Consumer Products, our business is built not only on the products we make, but on how well we understand everyday life and how consistently we turn that understanding into better products for consumers.

That remains the basis of our strategy.

In 2025, consolidated revenue was NT\$10.6 billion, operating profit was NT\$1.0 billion, net income attributable to shareholders was NT\$810 million, and earnings per share were NT\$3.03. In a more cautious consumer environment, these results reflected the cumulative impact of decisions made over time: improving product mix, strengthening our brands, raising operating efficiency, and allocating capital with discipline. We do not manage the business for short-term outcomes alone. Our focus remains long-term value creation.

In Taiwan, we continue to invest in product quality, consumer experience, and category development. Across our paper product portfolio, we upgraded softness, thickness, comfort, and overall performance. Premiumization, in our view, is not simply moving consumers from one specification tier to another. It means creating a noticeably better everyday product that consumers choose again and again.

We also continue to build products around real household behavior. Many homes in Taiwan require smarter use of limited space, especially in kitchens. Easy single-hand dispensing formats, upside-down and wall-hung designs, and interfold kitchen towel products were developed with those realities in mind. These innovations may appear small, but they solve real everyday problems. Over time, these improvements accumulate into meaningful growth.

Our strategy is tailored by markets. Taiwan remains our core market and the foundation of the company. We value both growth and market share, but growth must come through stronger value rather than lower pricing. In China, competition remains intense and market dynamics are often shaped by factors unique to the Chinese market. Our priority there is not to pursue scale, but to maintain earnings quality, operating discipline, and focus on areas where we can sustain reasonable returns.

That same discipline leads to a clear conclusion: the company's future cannot rely only on markets we already know.

Expanding beyond Taiwan is a strategic necessity. During 2025, we took more practical steps in the United States, where household cleaning products are our primary focus. We engaged consumers directly through in-person demonstrations and promotional events, allowing households to see, touch, and understand what the brand Orange House stands for. We also expanded testing across selected retail locations, combining shelf presence with direct consumer engagement.

The business remains at an early stage, but the learning is meaningful. We have seen clear indications that the product benefits we created for consumers in Taiwan can also resonate in other markets. That validation matters more to us today than near-term sales volume, because it informs how we build for the long term.

At the same time, we recognize that consumer products do not transfer unchanged from one market to another. What succeeds in Taiwan often needs to be adapted elsewhere. We are not simply exporting products. We are applying what we have learned about daily life, then refining products, positioning, and execution to fit local households, local channels, and local habits. We think globally, but success depends on how well we fit local living.



The improvement in profitability this year also reflected deliberate choices. In Taiwan, stronger mix and continued brand development supported healthier margins. In China, a more focused portfolio and tighter cost control strengthened the earnings base. Across the company, we continued improving supply chain execution and manufacturing productivity. We will not trade long-term operating health for short-term numbers.

We approach sustainability in the same practical manner. It is not a stand-alone initiative. The environment our consumers live in is the same environment in which we operate. In manufacturing, we continued our energy transition and efficiency upgrades to reduce energy intensity and carbon emissions per unit produced, while preparing for Taiwan's upcoming carbon fee framework. In products, we continued testing packaging materials and designs that reduce environmental impact through everyday consumer choice.

Innovation must be practical. It must balance environmental benefits, affordability, and product performance. Our all-paper packaging initiative is one example. We see it as a step forward through measured experimentation.

Our approach to technology follows the same discipline. Technology is a tool, not an end in itself. In areas such as AI, machine learning, and automation, the latest solution is not always the best solution, and established methods are not automatically outdated. Every investment requires balancing across efficiency, quality, risk, speed, and innovation potential. Some technologies deliver immediate gains. Others require time, iteration, and real-world validation before their value becomes clear.

More importantly, growth depends on people. Trust, judgment, and long-term relationships are built by people, not systems. Technology should strengthen our teams, not replace them. The value of technology is to enable our people to focus on innovation, execution, and serving consumers better.

Looking ahead to 2026, uncertainty will remain a defining feature of the operating environment. Changes in tariffs, trade policy, and broader economic conditions will continue to influence consumer behavior. For our business, these effects are largely indirect, but meaningful. They shape how consumers spend, how they prioritize, and how they respond to value.

We therefore approach the year with discipline and clarity.

In Taiwan, we will continue to deepen our product offerings and expand into more everyday use scenarios. Internationally, we will continue building capability step by step, with a focus on establishing a strong foundation for future growth. Expanding beyond Taiwan is necessary, but it must be done with discipline.

What matters most is not reacting to every change, but making clear choices and staying consistent with them over time. Our methods may evolve, and our pace may adjust. What will not change is our commitment to consumers, our responsibility to the environment, and our focus on creating long-term value for shareholders.

Thank you for your continued trust and support.

We will continue to build this company with discipline and purpose, improving everyday life for more consumers, and in doing so, deliver sustainable long-term value for our shareholders.

Sincerely,



Felix Ho
Chairman of the Board
YFY Consumer Products



*CPG Products in Every Corner of Life.
Keep you Safe, Beautiful and
Healthy Everyday.*

PAPER

Maintain the No.1 Position in Market Share

We have full lines of roll-type, pull-up and bottom-pull-off kitchen towel products of Mayflower and Delight. These products perfectly cater to consumers' needs in various spaces and cooking scenarios. Whether it's cooking moments requiring ultimate oil absorption or efficient wiping of the environment, their toughness, durability, and high absorbency make home cooking healthier and easier.



MARKET SHARE

37.1%

Keep No.1 in Taiwan
market share of total
household tissue.

Through precise design
innovation, we make high-quality
paper products key to enhancing
the quality of life and the top
choice for consumers.

Kitchen towel reached
35.3%* of market share.

Pull-up toilet tissue reached
14.6%* of market share.

Premium pull-up
toilet tissue continues
to be a leading brand.



- * From data of EOL iSurvey
(from January to December, 2025)
- ** Y2025 vs. Y2024 from the
company internal statistical data

THE POWER OF EVERYDAY

DETERGENT

Keep growth in both brand value and market share



Orange House, with its natural cleaning power and commitment to health, continues to provide high-quality products for consumers who value quality of life, becoming the best guardian of every family's safety and health. Building on its existing strong foundation, Orange House is deepening its presence through diverse channels, enhancing consumer trust and loyalty with high-quality products, and achieving market share growth in its three main product categories: dishwashing liquid, laundry detergent, and laundry pods.

Orange House laundry pods reached 146% growth.**



Orange House laundry detergent reached the highest market share in nearly 3 years.*

Orange House dishwashing liquid reached the highest market share in nearly 4 years.*

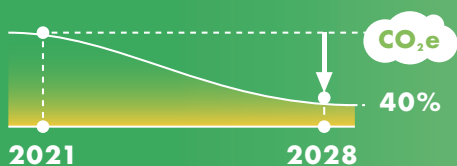
Environmental Protection



In Qingshui Plant , we launched natural gas boiler in the first quarter of 2025.

LOW-CARBON TRANSITION

Through fuel transition and process integration with high-efficiency equipment, we expect to reach **40%** reduction in carbon emissions by **2028**.



Energy Transition Achievements in 2025

We converted approximately **23,836MT** of coal to low-carbon energy, reducing CO₂ emissions by **47,517MT**.

This represents a **↑35%** reduction in coal consumption and a **↑42%** increase in carbon reduction compared to 2024.



Carbon Reduction Achievements

Decrease in greenhouse gas emission intensity.

Tissue paper plants in Taiwan decreased by **↓15%**

The product's energy density compared to the previous year decreased by **↓16.6%**

ENERGY TRANSITION



NEW INDUSTRY STANDARDS FOR LOW-CARBON PROCESSES

Energy consumption has been reduced by adopting advanced technologies in the pulp preparation, forming, dewatering, and drying systems during the papermaking process, significantly decreasing the steam consumption per ton of paper.

WATER RESOURCES MANAGEMENT

While increasing production capacity and optimizing production equipment, we also invest in water quality improvement and water recycling facilities to improve water resource utilization efficiency and allow resources to play a more complete circular value in the operation process.



The water reuse rate
in the manufacturing process
reaches **90%**



Water consumption per ton of
paper was achieved to the
target of less than **10MT**

MANUFACTURING SCRAP

Continuous efforts to optimize processes and improve resource utilization efficiency have resulted in a significant decrease in the overall amount of process waste generated.



Total Process Waste
↓30%



General Industrial Waste
↓46%



Items Mandatorily Recycled
or Reused by Public Notice
↓23%



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, 2025; 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	-	-	-	-		
							-	-	49	0.02												
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 Note 3	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.	-	-	-	-	-		
							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	
Director	Republic of China	YFY Development Corp. Representative Daphne Chen	Female			2025/05/13	3	2025/05/13	5,136	1.92	5,136	1.92	-	-	-	-	- MBA, National Chengchi University - CFO, Interchan Corporation - Taxation and Project Director, Unilever Shanghai - Accounting Manager, Unilever Taiwan Ltd.	Note 5	-	-	-	-
			V						216	0.08	216	0.08	-	-	-	-						
Independent Director	Republic of China	Chih-Chien Lin	Male			2020/09/24	3	2020/09/24	-	-	-	-	-	-	-	-	PhD, Institute of Biotechnology, National Tsing Hua University	Note 6	-	-	-	-
Independent Director	Republic of China	Wan-Chuan Hsieh	Female			2020/09/24	3	2020/09/24	-	-	-	-	-	-	-	-	EMBA of Accounting and Management Strategy, National Taiwan University	Note 7	-	-	-	-
Independent Director	Republic of China	Mei-Li Su	Female			2020/09/24	3	2020/09/24	-	-	-	-	-	-	-	-	- B.S. of Accounting, Tamkang University - Director of Audit Department, Deloitte & Touche	Note 8	-	-	-	-

Note 1: Chairman of the Company; Director, Jupiter Prestige Group Holding Limited; Chairman, YFY Jupiter (Cayman Islands) Co., Ltd.; Director, YFY Jupiter US, Inc.; Director, YFY Jupiter Indonesia, PT PMA; Director YFY Jupiter (Thailand) Co., 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, Arizon Technology (Vietnam) 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, Ensillence Co., Ltd.; Director, Taiwan Venture Capital Association.

Note 3: Dismissed on March 24, 2025.

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

Note 5: CFO of the Company; Supervisor, Yuen Foong Shop Co., Ltd.; Supervisor, LIVEBRICKS Inc.; Supervisor, Ever Growing Agriculture Bio-tech Co., Ltd.; Director, YFY Investment Co., Ltd.; Chairman, YFY Family Care (Kunshan) Co., Ltd.; Chairman, YFY Consumer Products (Yangzhou) Co., Ltd.; Director, YFY Consumer Products Co.

Note 6: 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 7: 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 8: 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., Independent Directors of TaiGen Pharmaceutical R&D Holding Company.

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	More than 20 years of experience in business and work relevant to the Company's operations	-	1
YFY Inc. Representative: David Lo	More than 20 years of experience in business and work relevant to the Company's operations	-	-
YFY Development Corp. Representative: Ronald Lee	More than 20 years of experience in business and work relevant to the Company's operations	-	-
YFY Development Corp. Representative: Shien Xie	More than 20 years of experience in business and work relevant to the Company's operations	-	-
YFY Development Corp. Representative: Daphen Chen	More than 20 years of experience in business and work relevant to the Company's operations	-	-
Chih-Chien Lin	Lecturer or a higher post at a public/private university/college in subjects relevant to the Company's operations	- 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	-
Wan-Chuan Hsieh	More than 5 years of work experience in business		-
Mei-Li Su	- More than 20 years of work experience in accounting and audit - Professional licenses as a certified public accountant and tax return filing agent		3

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	Daphne Chen	Chih-Chien Lin	Wan-Chuan Hsieh	Mei-Li Su
Gender	Male	Male	Male	Male	Female	Male	Female	Female
Age	41-50	51-60	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, 2025

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.	4.52
	Cheng-Ting Ho	2.92
	Supervisory Committee of Workers' Pension Reserve Funds, YFY Inc.	2.79
	Cheng Yu Co.	2.76
	Ru Yi Enterprise Co., Ltd.	2.69
	Mei-Yu Ho	2.65
	Felix Ho	2.14
YFY Development Corp.	YFY Inc.	100.00

(2) Major Indirect Institutional Shareholders

December 31, 2025

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. (In Trust)	12.50
	Mei-Yu Ho	12.50
	Guang Yu Investment Co., Ltd.	5.91
	Yu Hai Investment Co., Ltd. (In Trust)	2.48
	Richard Ho	2.18
	Jin Jie Investment Ltd.	1.52
	Hoss Foundation	1.48
	Hoss Cultural Foundation	1.48
Hsinex International Corp.	Sing-Ju Chang	42.35
	S. C. Ho	10.78
	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, 2025; 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 Note 1	Male	Republic of China	2015/7/13	-	-	-	-	-	-	• 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.	-	-	-	-	-	-
General Manager	Doris Chen	Female	Republic of China	2025/5/13	-	-	-	-	-	-	• 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 2	-	-	-	-	-
CFO	Daphne Chen	Female	Republic of China	2018/1/1	216	0.08	-	-	-	-	• MBA, National Chengchi University • CFO, Interchan Corporation • Taxation and Project Director, Unilever Shanghai • Accounting Manager, Unilever Taiwan Ltd.	Note 3	-	-	-	-	-
District General Manager	Shien Xie	Male	Republic of China	2018/8/1	226 (Note 7)	0.08	-	-	-	-	• BA, Department of Business Administration, Chinese Culture University • Vice President, R&D Department, YFY Consumer Products Co., Ltd.	Note 4	-	-	-	-	-

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	Carl Chang	Male	Republic of China	2019/7/1	196	0.07	-	-	-	-	• 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 5	-	-	-	-	-
Deputy General Manager	Ming-Fa Tang	Male	Republic of China	2010/11/1	153 (Note 7)	0.06	-	-	-	-	• BS in Chemical Engineering, Tamkang University • Deputy General Manager, Engineering Technology Center, YFY Consumer Products Co., Ltd.	Note 6	-	-	-	-	-

Note 1: Dismissed on March 24, 2025.

Note 2: Director and General Manager, Yuen Foong Shop Co., Ltd.; Chairman and General Manager, LiVEBRICKS Inc.; Director, Ever Growing Agriculture Bio-tech Co., Ltd.; Director, Yuen Foong Shop (Hong Kong) Co., Ltd.

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

Note 4: Director and General Manager, YFY Investment Co., Ltd.; Director and General Manager, YFY Family Care (Kunshan) Co., Ltd.; Director and General Manager, YFY Consumer Products (Yangzhou) Co., Ltd.

Note 5: Director and General Manager, Ever Growing Agriculture Bio-tech Co., Ltd.

Note 6: Supervisor, YFY Investment Co., Ltd.; Director, YFY Family Care (Kunshan) Co., Ltd.; Director, YFY Consumer Products (Yangzhou) Co., Ltd.

Note 7: 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, 2025 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	-	-	-	-	6,739	6,739	280	311	7,019 0.87%	7,050 0.87%	22,694	26,590	640	640	12	-	12	-	30,365 3.75%	34,292 4.24%	15,024
Director	YFY Development Corp. Representative: Ronald Lee																					
Director	YFY Inc. Representative: David Lo																					
Director	YFY Development Corp. Representative: Shien Xie																					
Director	YFY Development Corp. Representative: Daphne Chen																					
Independent Director	Chih-Chien Lin	-	-	-	-	3,450	3,450	378	378	3,828 0.47%	3,828 0.47%	-	-	-	-	-	-	-	-	3,828 0.47%	3,828 0.47%	-
Independent Director	Wan-Chuan 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 to 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 February 24, 2026.

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	Ronald Lee, Daphne Chen	Ronald Lee, Daphne Chen	-	-
NT\$1,000,000 (incl.) - NT\$2,000,000	David Lo, Shien Xie , Mei-Li Su, Chih-Chien Lin, Wan-Chuan Hsieh	David Lo, Shien Xie , Mei-Li Su, Chih-Chien Lin, Wan-Chuan Hsieh	David Lo, Ronald Lee, Mei-Li Su, Chih-Chien Lin, Wan-Chuan Hsieh	David Lo, Mei-Li Su, Chih-Chien Lin, Wan-Chuan Hsieh
NT\$2,000,000 (incl.) - NT\$3,500,000	-	-	Shien Xie	Ronald Lee
NT\$3,500,000 (incl.) - NT\$5,000,000	Felix Ho	Felix Ho	-	-
NT\$5,000,000 (incl.) - NT\$10,000,000	-	-	Daphne Chen	Daphne Chen, Shien Xie
NT\$10,000,000 (incl.) - NT\$15,000,000	-	-	-	-
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	8	8	8	8

(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, 2025 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	14,892	21,145	405	513	4,905	6,350	37	-	50	-	20,239 2.5%	28,058 3.47%	-
General Manager	Doris Chen													
CFO	Daphne Chen													
District General Manager	Shien Xie													
Deputy General Manager	Carl Chang													
Deputy General Manager	Ming-Fa Tang													

Note: Estimated amount of employee compensation approved by the board of directors on February 24, 2026.

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	Ronald Lee, Shien Xie	Ronald Lee
NT\$2,000,000 (incl.) - NT\$3,500,000	-	-
NT\$3,500,000 (incl.) - NT\$5,000,000	Ming-Fa Tang	Shien Xie, Carl Chang, Ming-Fa Tang
NT\$5,000,000 (incl.) - NT\$10,000,000	Doris Chen, Daphne Chen	Doris Chen, Daphne Chen
NT\$10,000,000 (incl.) - NT\$15,000,000	-	-
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, 2025; 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	-	37	37	0.00
	General Manager	Doris Chen				
	CFO	Daphne Chen				
	District General Manager	Shien Xie				
	Deputy General Manager	Carl Chang				
	Deputy General Manager	Ming-Fa Tang				

Note: Estimated amount of employee compensation approved by the board of directors on February 24, 2026.

(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					
	2025		2024		Difference	
	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements	YFYCPG	All companies in the financial statements
General Director	0.87%	0.87%	0.89%	0.90%	-0.02%	-0.03%
Independent Director	0.47%	0.47%	0.47%	0.47%	0.00%	0.00%
General Manager and Deputy General Managers	2.50%	3.47%	3.80%	5.15%	-1.30%	-1.68%

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 2025 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 3 female directors (they account for 42.9% 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 2025 was good with a 100% 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 2025 board performance evaluation of the Board of Directors was conducted through internal self-assessment. They are explained as follows:

Totally 4 meetings (A) of Board of Directors were held in 2025. 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	4	0	100%	16 th term
Director	YFY Inc. Representative: David Lo	4	0	100%	16 th term
Director	YFY Development Corp. Representative: Ronald Lee	1	0	100%	Dismissed on March 24, 2025.
Director	YFY Development Corp. Representative: Daphne Chen	3	0	100%	Change of Representative for Corporate Directors on May 13, 2025.
Director	YFY Development Corp. Representative: Shien Xie	4	0	100%	16 th term
Independent Director	Mei-Li Su	4	0	100%	16 th term
Independent Director	Chih-Chien Lin	4	0	100%	16 th term
Independent Director	Wan-Chuan Hsieh	4	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 2025 and as of the publication date of the Annual Report, the Company convened 5 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 13, 2025, the Board discussed the 2024 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 13, 2025, the Board discussed the 2024 remuneration for independent directors and the distribution method. A conflict of interest existed for independent directors Mei-Li Su, Chih-Chien Lin, and Wan-Chuan Hsieh on this matter; therefore, they recused themselves from discussing and voting on this proposal.
- (III) In the Board meeting held on March 13, 2025, the Board discussed the major asset transaction of the company. A conflict of interest existed for directors Felix Ho 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 2025 through internal self-evaluation.
Evaluation period	From January 1, 2025 to December 31, 2025
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; 3. The composition and structure of the Board of Directors. 4. Election and continuing education of the directors; 5. Internal control. (2) Criteria for evaluating the performance of the directors: 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. (3) Criteria for evaluating the performance of the functional committees: 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	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 7, 2026 and recovered the questionnaires before January 30, 2026. According to the evaluation results: 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 and Remuneration Committee convened on February 24, 2026 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 9th meeting of the 16th Board of Directors on March 13, 2025.
 2. It reported the implementation of phased goals of the greenhouse gas inventory and verification schedule plan as well as the promotion of sustainability and risk management operations in 2025 to the 10th meeting of the 16th Board of Directors on May 13, 2025.
 3. It reported the implementation of phased goals of the greenhouse gas inventory and verification schedule plan as well as the 2024 Sustainability Report to the 11th meeting of the 16th Board of Directors on August 12, 2025.
 4. At the 12th meeting of the 16th Board of Directors on November 12, 2025, it reported the implementation of phased goals of the greenhouse gas inventory and verification schedule plan, the communication with stakeholders in 2025, the promotion of sustainability and risk management operations in 2025, the risk management and response measures for 2026, and approved the amendments of certain provisions of the Company's "Sustainability Report Compilation and Verification Procedures".
- (IV) The Company convened the 3rd meeting of the 2nd Information Security Committee on November 12, 2025 to arrange the manager of the IT Department to report on the implementation status of the 2025 information security work and the 2026 information security work plan.
- (V) Intellectual Property Management Plan: The Company reported the 2025 Intellectual Property Management Plan and its implementation status in the 12th meeting of the 16th Board of Directors on November 12, 2025 as follows:
1. To implement the objectives of the intellectual property management policy, the Company established the Intellectual Property Management Promotion Team in 2022. Through regular intellectual property management meetings, the Company formulates intellectual property management policies and management objectives, as well as manages its intellectual property rights, including patents, trademarks, trade secrets, and copyrights, in accordance with the Intellectual Property Management Manual and relevant internal regulations. Externally, the Company regularly monitors competitors' patent portfolios and has established a mechanism for monitoring and analyzing patent infringement risks prior to

product launches. Internally, the Company conducts intellectual property-related education and training courses tailored to employees' job functions and operational needs to ensure that intellectual property strategies align with business objectives.

2. As of 2025, the Company held a total of 128 valid patent certificates, comprising 57 domestic and 71 international patents. The Company and its subsidiaries held a total of 329 valid trademark certificates, comprising 192 domestic and 137 international registrations.
3. The Company adopted the Taiwan Intellectual Property Management System (hereinafter referred to as "TIPS") in 2023 and successfully passed the TIPS Grade A re-certification on September 27, 2024 (certificate valid until December 31, 2026).

(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 2025 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 certain provisions of the Company's "Internal Control System"

In accordance with the Financial Supervisory Commission's FSC-Zheng-Fa-Zi No. 1130385442 and Article 14-6 of the Securities and Exchange Act, it is proposed that the Company's "Internal Control System (Payroll Cycle_CW-170 Payroll Disbursement Procedures)" be partially amended.

5. Amendment of certain provisions of the Company's "Sustainability Report Compilation and

Verification Procedures"

In accordance with the Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", it is proposed that the Company's "Sustainability Report Compilation and Verification Procedures" be partially amended.

Independent directors' attendance to the Audit Committee meetings in 2025 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	Wan-Chuan 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 2025 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
2025/3/13	2nd term 7th meeting	(1) The Company's 2024 financial statements proposal. (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) The proposal on major asset transactions.	The proposal was approved unanimously by all independent directors in attendance following an inquiry by the chair.	Submitted to the board meeting for approval.
2025/5/13	2nd term 8th meeting	(1) The Company's 2025 Q1 financial statements. (2) The proposal on Chief Auditor. (3)		
2025/8/12	2nd term 9th meeting	(1) The Company's 2025 Q2 financial statements. (2) The proposal on change of the Company's financial report CPAs.		
2025/11/12	2nd term 10th meeting	(1) The Company's 2025 Q3 financial statements. (2) Amended certain provisions of the Internal Control System. (3) Amended certain provisions of the Sustainability Report Compilation and Verification Procedures. (4) The Company's 2026 annual audit plan.		
2026/2/24	2nd term 11th meeting	(1) The Company's 2025 financial statements proposal. (2) The Company's 2025 earnings distribution proposal. (3) The Company's 2025 "Statement of Internal Control". (4) The proposal for remuneration for the Company's CPAs for the 2026 and 2027 fiscal years. (5) The compliance of the CPAs' independence and accountability after evaluation as required by the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".		

(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
2025/3/13	Private meeting of Independent Directors and CPAs	1.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. 1. The Chief Auditor explained the 2024 Statement of Internal Control.	1. Approved and acknowledged. 2. Passed as proposed.
2025/5/13	Private meeting of Independent Directors and CPAs	The CPA explained related review status of the 2025 Q1 financial statements, and discussed the financial conditions and business results.	Passed as proposed.
2025/5/13	Audit Committee	The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2025 Q1.	Approved and acknowledged.
2025/8/12	Private meeting of Independent Directors and CPAs	The CPA explained related review status of the 2025 Q2 financial statements, and discussed the financial conditions and business results.	Passed as proposed.
2025/8/12	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 2026 audit plan. Yangzhou plant environmental, health and safety optimization report.	No objection.
2025/8/12	Audit Committee	3.The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2025 Q2.	Approved and acknowledged.

2025/11/12	Private meeting of Independent Directors and CPAs	The CPA explained related review status of the 2025 Q3 financial statements, and discussed the financial conditions and business results.	Passed as proposed.
2025/11/12	Audit Committee	The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2025 Q3.	Approved and acknowledged.
2026/2/24	Private meeting of Independent Directors and CPAs	The CPA explained related audits of the 2025 financial statements, and discussed the financial conditions and business results.	Passed as proposed.
2026/2/24	Audit Committee	2. The Chief Auditor reported the implementation status of the audit operations and follow-up of internal control discrepancies and anomalies in 2025 Q4. The Chief Auditor explained the 2025 Statement of Internal Control.	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		independence of board members. 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, Daphne Chen, and Shien Xie. The Company's independent directors include Chih-Chien Lin who is a university professor, Wan-Chuan 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 3 female independent directors. 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 Wan-Chuan Hsieh with Mei-Li Su as the convener. An Information Security Committee meeting was held on November 12, 2025 to report to the members on the implementation status of the 2025 information security work and the work plan for 2026, 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	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		12, 2024, with 5 members, including Felix Ho, Doris Chen, Mei-Li Su, Wan-Chuan Hsieh and Chih-Chien Lin, among which Felix Ho 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, 2025 to report to the members on the risk management projects and response measures to be promoted in 2026, and to listen to the suggestions of each member. 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 2025. 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, 2026, and submitted to the 13th meeting of the 16th Board of Directors (February 24, 2026).	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?			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 13th meeting of the 16th Board of Directors on February 24, 2026.				
			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		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.)?			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. 4. Supplier relations: The Company maintains good relations with suppliers to optimize overall production costs. 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. 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. 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. 8. Implementation status of the customer policy: The Company maintains stable and good relations with customers in order to generate profits.	

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.	
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. 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: Index 4.22: Does the company invest resources to support domestic cultural development and disclose the methods of support and results on its website, annual report, or sustainability report? The Company continues to invest resources in supporting domestic cultural development. In collaboration with research teams, cultural foundations, and arts and culture organizations, we are fulfilling our corporate commitment to co-create a safe, healthy, and wonderful life through initiatives such as ecological and cultural preservation, the promotion of cultural media, and arts and culture education. In 2025, the cumulative number of participants and beneficiaries reached nearly 45,000, with total annual resources allocated exceeding NT\$3 million. Relevant information has been disclosed on the Company's website. Index 4.23: Does the company disclose policies linking senior management compensation to ESG performance evaluation? The Company has incorporated environmental, social and governance (ESG) performance into the compensation and performance management systems for senior management, linking it to annual performance targets to guide the management team in balancing environmental protection, social responsibility, and corporate governance in operational decision-making. Depending on the nature of the duties, the weighting of indicators related to sustainable development and internal controls generally ranges from 10% to 30%. To ensure the objectivity and consistency of the evaluation mechanism, the relevant performance indicators are aligned with the Company's sustainable development strategy, and overseen and implemented by the Sustainable Development Committee. The variable compensation of the General Manager and senior managers is linked to ESG performance and reflected in year-end bonuses, variable bonuses,				

Evaluation item	Practice			Compliance with Best Practice Principles and reasons for any discrepancies
	Yes	No	Summary	
and related incentive arrangements, thereby integrating sustainability goals into daily decision-making and creating long-term corporate value. Relevant information has been disclosed on the Company’s website.				

● 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 Representative	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
		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	Wan-Chuan 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

Requirement Position Name		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	More than 10 years of lecturer or a higher post at a public/private university/college in subjects relevant to the Company's operations	- 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	Wan-Chuan Hsieh	More than 5 years of work experience in business		N/A
Independent Director	Mei-Li Su	- More than 20 years of work experience in accounting and audit - Professional licenses as a certified public accountant and tax return filing agent		3

(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 3 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	3	0	100%	-
Committee member	Chih-Chien Lin	3	0	100%	-
Committee member	Wan-Chuan Hsieh	3	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 6th meeting 2025/5/13	Proposal of salary and compensation decision for the newly appointed general manager.	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 7th meeting 2026/1/30	Formulation of the Company's 2025 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 8th meeting 2026/1/30	- Review of the Company's 2025 employee remuneration proposal. - Review of the Company's 2025 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 Information Security 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	Wan-Chuan Hsieh	Independent Director More than 5 years of work experience in business	1	0	100%	
Other statutory information: 1. 3rd meeting of the 2nd Information Security Committee on November 12, 2025 2. Reporting of the 2025 information security work report and 2026 information security work plan						

(4) Information on Members of the Sustainability Development Committee and Operations

Professional qualifications and experience of the members of the Sustainability Development Committee and operations:

- (1) The Company's Sustainability Development Committee is composed of five 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 Sustainability Development Committee held 3 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	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.	3	0	100%	
Committee member	Doris Chen	General Manager Deputy General Manager, YFY Consumer Products Co., Ltd. General Manager, Johnson & Johnson Consumer Healthcare Taiwan/Hong Kong	1	0	100%	Appointed at the 16th Board of Directors meeting on May 13, 2025
Committee member	Mei-Li Su	Independent Director Possess over 20 years of experience in accounting, auditing, or related fields. Hold professional accounting or tax agent certifications.	3	0	100%	

Committee member	Chih-Chien Lin	Independent Director Possess ten or more years of experience as a lecturer or above in a public or private college or university with a relevant major required for the company's business.	3	0	100%	
Committee member	Wan-Chuan Hsieh	Independent Director Possess five or more years of business experience	3	0	100%	
Other statutory information: The 2nd meeting of the 1st Sustainability Development Committee on March 13, 2025. The 3rd meeting of the 1st Sustainability Development Committee on May 13, 2025. The 4th meeting of the 1st Sustainability Development Committee on November 12, 2025. The Board of Directors submitted a report outlining the 2026 Sustainable Development Action Plan and Risk Management Projects and Response Measures, which was subsequently approved after review.						

(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. Meanwhile, established Sustainable Development Committee to enhance 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 objectives, which are disclosed in	Compliant

		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. Dates of Reports to the Board of Directors and Key Supervisory Items of the Board of Directors in 2025: March 13, 2025 I. Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan. May 13, 2025 I. Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan. II. Report on the Company's Sustainable and Risk Management Operations in 2025. August 12, 2025 I. Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan. II. Report on the 2024 Sustainability Report prepared by the Company. November 12, 2025 I. Report on the implementation of phased goals of the greenhouse gas inventory and verification schedule plan. II. Report on the Company's communication with stakeholders in 2025. III. Approval of Amendments to Certain Clauses of the Sustainable Report Preparation and Verification Procedures IV. Report on the Company's Risk Management Operations in 2025 and Risk Management and Response Measures for 2026.	
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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?	V		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.	Compliant
III. Environmental issues (I) Has the Company established a proper environmental management system based on the characteristics of the industry?	V		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. 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 Greenhouse Gas (GHG) Registry of the Environmental Protection Administration, Executive Yuan as well as the Company's Sustainability Report and website.	Compliant

(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	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 6,369 thousand kWh of electricity in 2025, the energy saving is equivalent to a carbon reduction of 3,019 ton-CO₂e. Regarding energy structure optimization, the Qingshui Plant fully implemented boiler fuel transformation by 2025, gradually replacing coal and liquefied petroleum gas with natural gas. By mid-year, the proportion of natural gas usage had increased to approximately 80%, effectively reducing carbon emissions and air pollutant emission intensity. The Yangmei Plant also continues to promote energy efficiency improvements and the application of renewable energy, having constructed solar power generation systems along with the Qingshui Plant to increase the proportion of self-generated green electricity. In terms of resource recycling, the company strengthens its in-process resource recycling and reuse mechanisms. Residual rolls, trimmed paper, and related byproducts from the pulping process are recycled and reused in the process, achieving waste reduction at the source and improving resource utilization efficiency. Regarding raw material procurement, the company primarily sources pulp from FSC™ Forest Stewardship Council certified sources and continues to strengthen waste recycling and reuse technologies to reduce environmental impact. The company has consistently received commendation from the Ministry of Environmental Protection for its outstanding performance in green procurement promotion, demonstrating the company's continuous investment in sustainable procurement and environmental management.	Compliant
(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to	V	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	Compliant

the present and future of its business, and take appropriate action to counter climate change issues?		status of compliance measures to develop future response plans. The Company follows the TCFD recommended disclosure framework published by the Financial Stability Board (FSB) and conducts comprehensive evaluations 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. Detailed description of the Company's climate change risks and opportunities are disclosed in the Company's Sustainability Report.																							
(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	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. 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: <table data-bbox="783 1052 1725 1408"> <tr> <th>Item</th><th>Category</th><th>2024</th><th>2025</th></tr> <tr> <td rowspan="3">Reduction of GHG emissions (Unit: ton-CO₂e) (note 1)</td><td>Scope 1</td><td>61,702</td><td>51,065</td></tr> <tr> <td>Scope 2</td><td>47,204</td><td>47,485</td></tr> <tr> <td>Total</td><td>108,906</td><td>98,550</td></tr> <tr> <td>GHG emissions intensity (Unit: ton-CO₂e/ton-product)</td><td>Total</td><td>1.06</td><td>0.9</td></tr> <tr> <td>Water consumption (unit:</td><td>Source (note 2)</td><td>1,426,730</td><td>1,533,015</td></tr> </table>	Item	Category	2024	2025	Reduction of GHG emissions (Unit: ton-CO ₂ e) (note 1)	Scope 1	61,702	51,065	Scope 2	47,204	47,485	Total	108,906	98,550	GHG emissions intensity (Unit: ton-CO ₂ e/ton-product)	Total	1.06	0.9	Water consumption (unit:	Source (note 2)	1,426,730	1,533,015	Compliant
Item	Category	2024	2025																						
Reduction of GHG emissions (Unit: ton-CO ₂ e) (note 1)	Scope 1	61,702	51,065																						
	Scope 2	47,204	47,485																						
	Total	108,906	98,550																						
GHG emissions intensity (Unit: ton-CO ₂ e/ton-product)	Total	1.06	0.9																						
Water consumption (unit:	Source (note 2)	1,426,730	1,533,015																						

			cubic meters)	Displacement	1,202,221	1,344,918
			Residual material from the production process of solids (unit: ton)	General materials	1,374	741
				Materials that require recycling or reuse	3,507	2,693
				Total	4,882	3,434
			*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.			
			* Note 2: The main sources of water are groundwater and tap water.			
			(1) Greenhouse gas (GHG) emission:			
			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.			
			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. (2) Water consumption: 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 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. (3) Waste: 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 2025, the Taiwan plants achieved zero hazardous waste output.	
IV. Social issues			
(I) Does the Company comply with	V	The Company supports the principles of the United Nations Global Compact and	Compliant

relevant laws and regulations and internationally recognized covenants on human rights, and have related management policies and procedures in place?		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 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: 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 2025. 7. Operate with integrity and anti-corruption.	
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			8. Create smooth communication channel and provide complaint mechanisms.	
(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?	V		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. ● Provide competitive salary 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 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	Compliant

			set aside first to cover cumulative losses, if the company still has accumulated losses. At the same time, a certain percentage should be reserved for distribution to frontline employees. However, if, it should first reserve funds to cover them before making further allocations. At the same time, a certain percentage should be reserved for distribution to frontline employees. ● Comprehensive welfare system 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	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	Compliant

		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". In 2025, there were a total of 6 employee occupational accidents involving 6 people, with a disabling injury frequency rate of 3.71. (Approximately 0.06% of the total number of employees at the end of 2025) No fire accident happened in 2025. There were no casualties in the fire accident (accounting for 0% of the total number of employees at the end of 2025). To effectively improve and prevent occupational accidents, we must strengthen safety and health education and training for personnel, implement pre-operation inspections of machinery and equipment, and strictly follow standard operating procedures to comprehensively enhance work safety awareness and ensure operational safety.	
(IV) Does the Company offer its employees effective occupational empowerment training programs?	V	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 2025, the total training hours totaled 28,684 hours with an average of 22.5 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	Compliant

			development plans through regular reviews and feedback.	
(V)	Does the Company comply with relevant laws and international 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?	V	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 customers fully understand product information and can choose safe and high-quality products. 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. 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)	Compliant
(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	● 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	Compliant

			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, safety and sanitation, attention to human rights and other issues, and jointly fulfill corporate social responsibilities. ● 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. Implementation status of supplier management activities in 2025: ● Conducted a total of 95 QBR meetings ● A total of 15 supplier management and coaching activities ● Completed regular evaluation of 171 supplier counts, 171 qualified supplier counts, and 100% passed the evaluation ● Completed the annual audit of 24 suppliers, 24 qualified suppliers, and the audit passing rate reached 100%	
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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 reports obtained assurance from a third-party verification unit?	V		The Company annually 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.	Compliant
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.				
VII. Other key information useful for explaining status of the Company's sustainable development practices:				
(I) Awards, recognitions, and community engagement				
1. Environmental protection achievements:				
(1) Yangmei Plant was commended by the Taoyuan City Government for its active cooperation with Taoyuan City's Green Procurement Award in 2024 (7 consecutive years and awarded in November 2025).				
(2) Qingshui Plant was commended by the Taichung City Government for its active cooperation with Taichung City's Green Procurement Award in 2024 (2 consecutive years and awarded in December 2025).				
(3) Received the 2024 Private Enterprise and Organization Green Procurement Award from the Ministry of Environment (awarded in July 2025).				
(4) Ever Growing obtained the Green Building Label (2022~2027).				
*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.				
2. Social engagement achievements:				
(1) Hualien Flood Relief Action: During the 2025 flood disaster in Guangfu Township, Hualien, our company donated toilet paper, hand sanitizer, laundry detergent, and cleaning supplies, and continued to provide assistance as needed, hoping to contribute to the reconstruction process.				
(2) Winter Warmth Campaign: At the same time, each factory continued to interact with its local community. At the end of the year, we				

collaborated with village chiefs and police stations to promote the "Winter Warmth Campaign," delivering household paper products and cleaning and disinfecting products to disadvantaged families, hoping to help community residents welcome a clean and safe New Year.

(3) Annual Material Donations: In 2025, the head office and factories across Taiwan and mainland China donated over 1,500 boxes of household paper products and cleaning and disinfecting products, continuing to support social welfare organizations and disadvantaged groups, and demonstrating corporate social responsibility through concrete actions.

(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 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) Awarded the 2025 Net Zero Industry Competitiveness Award - Special Excellence Award.

(2) Orange House Natural Antibacterial Laundry Capsules has been awarded the First Prize in the Best Product Category at the 22nd National Brand Yushan Award.

(3) Orange House Color-Changing Bubble Hand Wash Mousse and "Mayflower Thick Toilet tissue paper were also selected for above award.

(4) Awarded the 2025 18th TCSA Taiwan Corporate Sustainability Award for "Sustainability Report Category 1 Silver Level" and "Sustainability Overall Performance Award - Outstanding Sustainability Enterprise".

(5) In 5 consecutive years, won the HR Asia Best Employer Award (Gold) and once again received the "Diversity, Equality and Inclusion Award".

(6) Participated in the CDP Climate Change Assessment, it achieved a Climate Change Management Level B in 2025.

(7) The head office, Qingshui Plant and Yangmei Plant passed the workplace health promotion self-assessment certification (formerly "Health Promotion Mark", now an annual self-assessment).

(8) The head office, Qingshui Plant and Yangmei Plant were awarded sports enterprise certification by the Sports Administration, Ministry of Education.

(9) Obtain TIPS Level A certification to enhance intellectual property management and R&D capabilities. (Certificate valid until December 31, 2026)

(10) The head office and Yangmei Plant awarded "Workplace Health Promotion Self-Assessment" certification by the Health Promotion Administration of the Ministry of Health and Welfare.

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.

(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 23,836 metric tons of coal.
2. The energy saving results of Taiwan's major paper production plants in 2025 totaled 6,369 kWh, reducing about 3,019 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. In addition, we participated in Providence University's "Technology Research and Development and Talent Cultivation Cooperation" project to implement talent cultivation between schools and enterprises, provide employees and board members with a series of lectures on AI practice and application, and jointly promote the sustainable development of talent.

(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 2025, the total expenditure on environmental sustainability amounted to about NT\$168 million, mainly invested in energy-saving equipment optimization, production process efficiency improvement, and environmental protection-related equipment to continuously promote energy efficiency improvement and reduce environmental impact.

2025 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)	78,774	89,611	168,385

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. 2. Describe how the identified climate risks and opportunities impact the Company's business, strategy and finances (short-term, medium-term, long-term). 3. Describe the financial impact of extreme climate events and transformation actions.	1. The Company's Board of Directors serves as the highest oversight body for sustainable development and climate-related issues. The "Sustainable Development Committee" under the Board of Directors is responsible for reviewing the formulation, promotion, and implementation of sustainable development policies, as well as managing communication and engagement with stakeholders. The committee also oversees the overall risk management operations in accordance with the Company's "Risk Management Policies and Procedures". The Sustainable Development Committee consists of 5 members. Working groups including the Sustainability Group, Green Products Group, Corporate Governance Group, Risk Management Group, and Employee Care Group have been established under the committee. The ESG office coordinates cross-departmental efforts to advance sustainability-related initiatives. The Sustainable Development Committee for 2025 convened a meeting on November 12 to review the results of sustainable development promotion and the status of risk inventory. It reported the implementation status to the Board of Directors to strengthen the Board's oversight and governance of sustainable development and climate-related issues. 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. ● 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. 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.

Item	Implementation status
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 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.
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.	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.
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.	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.
7. If internal carbon pricing is used as a planning tool, describe the price setting basis.	7. Our company has implemented an internal carbon pricing mechanism in climate change management, operating on a shadow pricing basis as a reference for investment assessment and carbon reduction decisions. The carbon price is estimated based on the projected input costs of various carbon reduction measures (including initial investment and subsequent operation and maintenance) and the achievable carbon reduction volume, thereby calculating the unit cost of carbon reduction and forming an internal carbon price reference range. This mechanism has been applied to the evaluation of energy transition and energy conservation and carbon reduction projects, helping to incorporate carbon reduction benefits into investment benefit analysis to support low-carbon transition decisions. In the future, it will be continuously adjusted based on policy and market developments to enhance climate risk management and

Item	Implementation status
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). 9. Greenhouse gas inventory and assurance status (fill in 1-1 separately).	resource allocation efficiency. 8. The Company's emission reduction boundary covers Taiwan's major paper product production sites. Using 2021 as the base year, and the target scope covers major paper mills in Taiwan. The set emission reduction targets (Scope 1 + Scope 2) aim to reduce greenhouse gas emissions by 42% by 2030. 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. 9. See below.

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 CO ₂ e), intensity (tons CO ₂ e/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 2024 are 201,686 tons CO₂e (62,866 tons CO₂e for Scope 1 and 138,820 tons CO₂e for Scope 2). The emission intensity is 18.51 tons CO₂e per million NTD. Greenhouse gas emissions in 2025 are 186,026 tons CO₂e (52,444 tons CO₂e for Scope 1 and 133,582 tons CO₂e for Scope 2). The emission intensity is 17.48 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 2027. 2. Consolidated financial statements of subsidiaries should be confirmed starting from 2027. The Company has completed the 2024 greenhouse gas verification by a third-party notary office, and the verification schedule for 2025 is currently being planned. Of the total greenhouse gas emissions disclosed by the Company in 2024, 201,686 tons of CO₂e accounted for 99.84% of the total emissions of its consolidated subsidiaries 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.
Using 2021 as the base year, and with the target scope covering major paper mills in Taiwan, our company has set an emissions reduction target (Scope 1 + Scope 2) to achieve a 42% reduction in greenhouse gas emissions by 2030. This represents 98,550 metric tons of CO₂e by 2025, a 16% reduction compared to the base year (2021). 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	Summary	
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		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.	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		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: 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.	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 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 2025, 69 new employees attended training program to propagate Code of Operation Integrity and formal grievance procedure and total man-hours amounted to 64.83 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 2025, 419 people participated in online and in-person courses and total man-hours amounted to 419 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 2025

Course	Organizer	Date	Hours	Participating Members
The Path to AI Application Transformation	Human Resources Department	2025/5/13	3	32 individuals including Felix Ho, Daphne Chen, Shien Xie, Mei-Li Su, Wan-Chuan Hsieh, Chih-Chien Lin, Edward Hung and main managers of each unit.
The Re-evolution of Artificial Intelligence: Chat robot ChatGPT Revolutionizes New Industry Trends	Human Resources Department	2025/8/12	3	31 individuals including Daphne Chen, Shien Xie, Mei-Li Su, Wan-Chuan Hsieh, Chih-Chien Lin, Edward Hung and main managers of each unit.
Enterprise AI Brain - Navigation and Map for the AI Era	YFY Inc.	2025/11/17	3	6 individuals including David Lo, Daphne Chen, Shien Xie, Wan-Chuan Hsieh, Chih-Chien Lin, Edward Hung.
New Roles in Environmental Economics - Corporate TCFD/TNFD and Biodiversity Natural Finance Disclosure	YFY Inc.	2025/11/17	3	7 individuals including Felix Ho, David Lo, Daphne Chen, Shien Xie, Wan-Chuan Hsieh, Chih-Chien Lin, 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 corporate governance courses organized by external training institutions totaling 15 hours including "Securities and Futures Institute/ 114th 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: February 24, 2026

In 2025, 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, 2025 (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 Tuesday, February 24, 2026; all 7 directors present concurred unanimously.

Yuen Foong Yu Consumer Products Co., Ltd.



Chairman: Felix Ho



General Manager: Doris Chen



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 2025 shareholders' meeting (June 25, 2025) (summary)
 - (1) Approved the acknowledgment of the Company's 2024 financial statements.
 - (2) Approved the acknowledgment of the Company's 2024 earnings distribution proposal.
 - (3) Approved the amendment of certain provisions of the Company's "Articles of Incorporation".

Implementation of resolutions of the 2025 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 2024, the Company's cash dividends of ordinary stock were NT\$2.55 per share; the ex-dividend date was July 20, 2025, and the distribution date for dividends was August 15, 2025.
- (3) Upon receiving approval from the shareholders' meeting for the amendment of the "Articles of Incorporation", 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 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; re-measurement 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.
3. Important resolutions of the 10th meeting of the 16th Board of Directors (May 13, 2025) (summary)
 - (1) Approved the proposal on the Company's General Manager.
 - (2) Approved the appointment of one member of the Company's "Sustainable Development Committee".
 - (3) Approved the proposal on the Company's Chief Auditor.
 - (4) Approved the Company's 2025 Q1 financial statements.
 - (5) Approved the Company's interbank lending credit line application.
 4. Important resolutions of the 11th meeting of the 16th Board of Directors (August 12, 2025) (summary)
 - (1) Approved the Company's 2025 Q2 financial statements.
 - (2) Approved the proposal on change of the Company's financial report CPAs.
 - (3) Approved the 2024 Sustainability Report prepared by the Company.
 - (4) Approved the Company's interbank lending credit line application.
 5. Important resolutions of the 12th meeting of the 16th Board of Directors (November 12, 2025) (summary)
 - (1) Approved the Company's 2025 Q3 financial statements.
 - (2) Approved the Company's 2026 budget and 2026 Business Plan.
 - (3) Approved the amendment of certain provisions of the Internal Control System.
 - (4) Approved the amendment of certain provisions of the Sustainability Report Compilation and Verification Procedures.
 - (5) Approved the Company's 2026 annual audit plan.
 - (6) Approved the Company's lending credit line application.
 - (7) Approved the Company's roles as the co-maker of promissory notes for subsidiaries' lending credit line applications.
 6. Important resolutions of the 13th meeting of the 16th Board of Directors (February 24, 2026) (summary)
 - (1) Approved the Company's 2025 financial statements and submitted them to the shareholders' meeting for ratification.
 - (2) Approved the Company's 2025 earnings distribution proposal and submitted it to the shareholders' meeting for ratification.
 The Company's 2025 after-tax earnings were reported at NT\$808,722,212; accumulated surplus in terms of undistributed earnings from the previous year was reported at NT\$579,304,543;

re-measurement of defined benefit plans (after tax) was reported at NT\$1,121,600. The total of NT\$1,389,148,355 was available for distribution. Excluding NT\$80,984,381 which must be allocated as legal reserve and NT\$47,776,360 to be allocated as special earnings reserve as required by law, the distribution of ordinary stock cash dividend was NT\$2.65 per share, amounting to NT\$707,891,906. The remaining NT\$552,495,708 was reserved for distribution in the following year.

- (3) Approved the Company's 2025 employee and director remuneration proposals and submitted them to the shareholders' meeting.

In 2025, the Company set aside NT\$10,050,000 as remuneration for employees, which was distributed in cash. Among which, 50%, totaling NT\$5,025,000, was distributed to entry-level employees. The Company set aside NT\$10,189,315 as remuneration for directors. Approved the Company's 2025 year-end bonus and performance bonus proposal for managers.

- (4) Approved the proposal for the election of directors and independent directors (4 directors and 3 independent directors) for the 17th Board of Directors during the 2026 general shareholders' meeting and the proposal was filed to the shareholders' meeting.
- (5) Approved the proposal to the shareholders' meeting to remove the non-competition restriction for the new Directors and the institutional entities they represent and submitted it to the shareholders' meeting for approval.
- (6) Approved the time, location, agenda, and other relevant matters regarding the 2026 shareholders' meeting.
- (7) Approved the Company's 2025 "Statement of Internal Control".
- (8) The proposal for remuneration for the Company's CPAs for the 2026 and 2027 fiscal years.
- (9) Approved the compliance of the CPAs' independence and competence as required by the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- (10) Approved the Company's lending credit line application.
- (11) Approved the amendment of Company's "Rules of Procedure for Shareholders' Meeting" and submitted it to the shareholders' meeting for approval.

7. 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 meeting for approval.
- (2) Approved the Company's 2024 earnings distribution proposal 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.

8. Important resolutions of the 8th meeting of the 2nd Audit Committee (May 13, 2025) (summary)

- (1) Approved the Company's 2025 Q1 financial statements and submitted it to the board meeting

- for approval.
- (2) Approved the proposal on Chief Auditor and submitted it to the board meeting for approval.
9. Important resolutions of the 9th meeting of the 2nd Audit Committee (August 12, 2025) (summary)
- (1) Approved the Company's 2025 Q2 financial statements and submitted it to the board meeting for approval.
- (2) Approved the proposal on change of the Company's financial report CPAs and submitted it to the board meeting for approval.
10. Important resolutions of the 10th meeting of the 2nd Audit Committee (November 12, 2025) (summary)
- (1) Approved the Company's 2025 Q3 financial statements and submitted it to the board meeting for approval.
- (2) Approved the amendment of certain provisions of the Internal Control System and submitted it to the board meeting for approval.
- (3) Approved the amendment of certain provisions of the Sustainability Report Compilation and Verification Procedures and submitted it to the board meeting for approval.
- (4) Approved the Company's 2026 annual audit plan and submitted it to the board meeting for approval.
11. Important resolutions of the 11th meeting of the 2nd Audit Committee (February 24, 2026) (summary)
- (1) Approved the Company's 2025 financial statements and submitted them to the to the board meeting for approval.
- (2) Approved the Company's 2025 earnings distribution proposal with NT\$2.65 cash dividend per share and submitted it to the board meeting for approval.
- (3) Approved the Company's 2025 "Statement of Internal Control" and submitted it to the board meeting for approval.
- (4) Approved the proposal for remuneration for the Company's CPAs for the 2026 and 2027 fiscal years and submitted it to the board meeting for approval.
- (5) 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.

- (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	2025/01/01~2025/12/31	4,570	505	1. Tax compliance audit and advisory services. 2. Audit of salaries of non-managerial employees.
	I-Ling Chen				

V. Information on Change/Replacement of CPA

(I) Regarding previous CPA:

Date of change	Starting from 2025 Q2		
Reasons for change and remark	Because of the firm's internal rotation and arrangement, CPA Hsiu-Ming Hsu was replaced by CPA I-Ling Chen.		
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:	I-Ling Chen, CPA
Date of appointment	Starting from 2025 Q2
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 26, 2026; Unit: shares; %

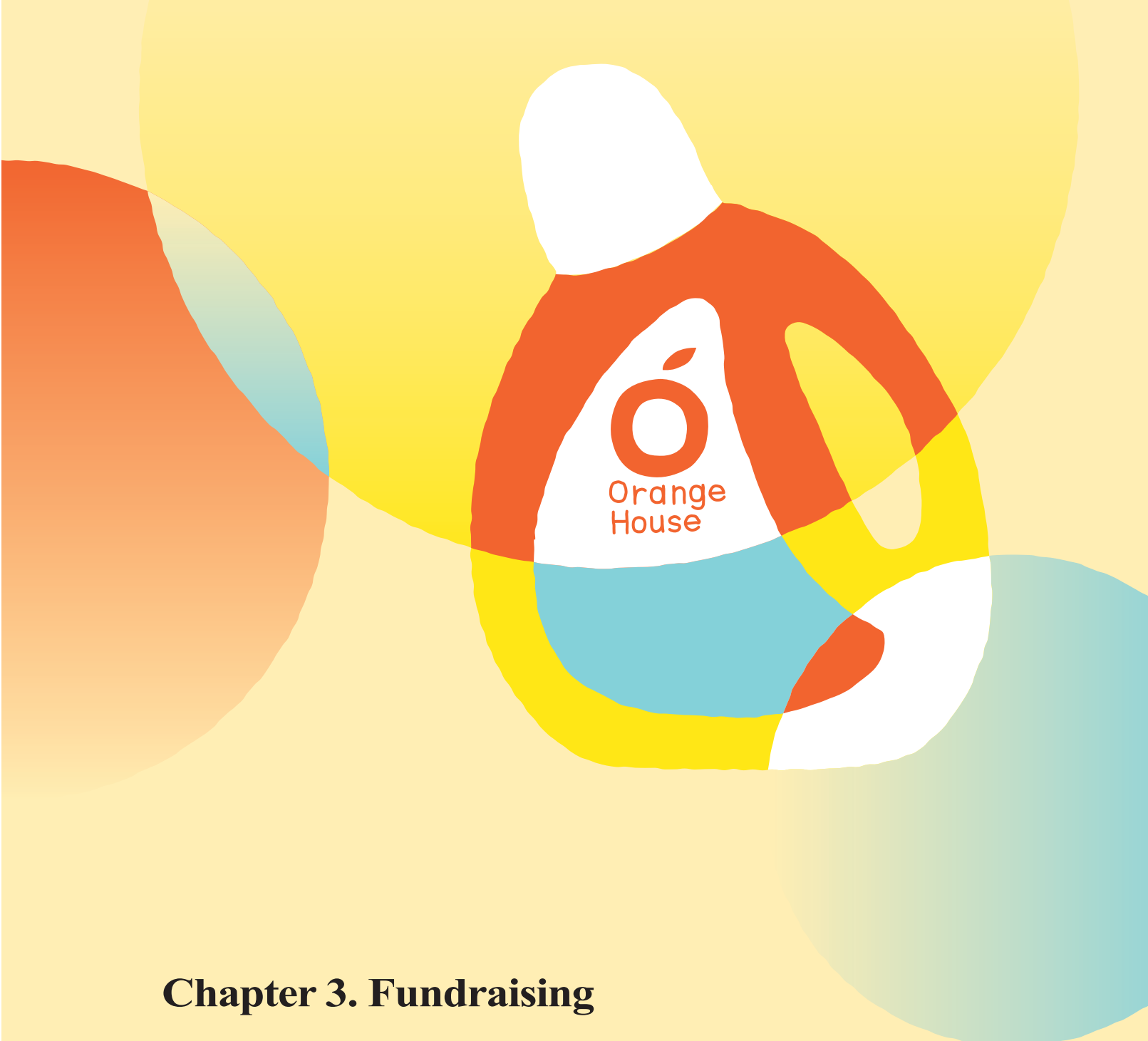
NAME	SHARES HELD BY THE INDIVIDUAL		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN NAMES OF THIRD PARTIES		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		NOTES
	Number of shares	Shareholding percentage	Number 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.	11,686,000	4.37	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Mei-Yu Ho	1,899,596	0.71	-	-	-	-	-	-	-
Chi Lin Investment Co., Ltd.	1,820,376	0.68	-	-	-	-	-	-	-
Chi Lin Investment Co., Ltd. Representative: Peter Lu	-	-	-	-	-	-	-	-	-
Shing Chuang Investment Co., Ltd.	1,712,000	0.64	-	-	-	-	-	-	-
Shing Chuang Investment Co., Ltd. Representative: Chih-Ming Huang	-	-	-	-	-	-	-	-	-
Jucheng Investment Co., Ltd.	1,625,663	0.61	-	-	-	-	-	-	-
Jucheng Investment Co., Ltd.	-	-	-	-	-	-	-	-	-

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	
Representative: Peter Lu									
Xiang Ding Investment Co., LTD.	1,470,000	0.55	-	-	-	-	-	-	-
Xiang Ding Investment Co., LTD. Representative: Hong-Bin Lin	-	-	-	-	-	-	-	-	-
Employee Stock Ownership Trust Committee of Yuen Foong Yu Consumer Products Co., Ltd.	1,065,800	0.40	-	-	-	-	-	-	-
Employee Stock Ownership Trust Committee of Yuen Foong Yu Consumer Products Co., Ltd. Representative: Chris Lo	4,000	0.00	-	-	-	-	-	-	-

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, 2025 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	100.0	-	-	150,013	100.0
Ever Growing Agriculture Bio-tech Co., Ltd.	21,456	100.0	-	-	21,456	100.0
Yuen Foong Shop Co., Ltd.	5,000	100.0	-	-	5,000	100.0
LiVEBRiCKS Inc.	200	100.0	-	-	200	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)	92
II Implementation of Capital Allocation Plan	96

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 26, 2026; Unit: share; %

Name	Shares	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.		11,686,000	4.37%
YFY Development Corp.		5,136,400	1.92%
Mei-Yu Ho		1,899,596	0.71%
Chi Lin Investment Co., Ltd.		1,820,376	0.68%
Shing Chuang Investment Co., Ltd.		1,712,000	0.64%
Jucheng Investment & Management Co., Ltd.		1,625,663	0.61%
Xiang Ding Investment Co., LTD.		1,470,000	0.55%
Employee Stock Ownership Trust Committee of Yuen Foong Yu Consumer Products Co., Ltd.		1,065,800	0.40%

(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 2025, the company's board of directors resolved to distribute NT\$707,891,906 in cash dividends, the equivalent of NT\$2.65per 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. (No less than 10% of the total employee compensation should be allocated to frontline employees.) 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 2025, the remuneration distributed to employees was NT\$10,050,000 in cash. Directors' remuneration was NT\$10,189,315.

(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 2024, the actual remuneration distributed to employees was NT\$9,200,000 in cash. Directors' and supervisors' remuneration was NT\$9,450,000. 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	98
II. Market Outlook	103
III. Employee Information in the Last Two Years and Up to the Print Date of the Annual Report	107
IV. Environmental Protection Expenditure Information	108
V. Employer-employee Relationship	110
VI. Information Security Management	117
VII. Material Contracts	121

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 83%. Cleaning products accounted for approximately 7%. Other items accounted for approximately 10%.

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 2025, the global economy demonstrated resilience amid a cycle of interest rate cuts and geopolitical shifts. However, due to new tariffs and trade barriers imposed by various countries, businesses faced new challenges in supply chain deployment and cost management. Taiwan benefited from the momentum of the AI industry, with strong exports and rising national income. Despite the challenge of normalized inflation, the consumer market remained stable and resilient, continuing to shift toward a focus on quality and value. Consumers are increasingly pursuing both high cost-effectiveness and product value. Furthermore, as Taiwan entered a super-aged society in 2025, shifts in household structures and rising labor costs are expected to gradually drive consumer demand toward value-oriented product solutions that are more functional and environmentally sustainable.

1. Current trends of the industry

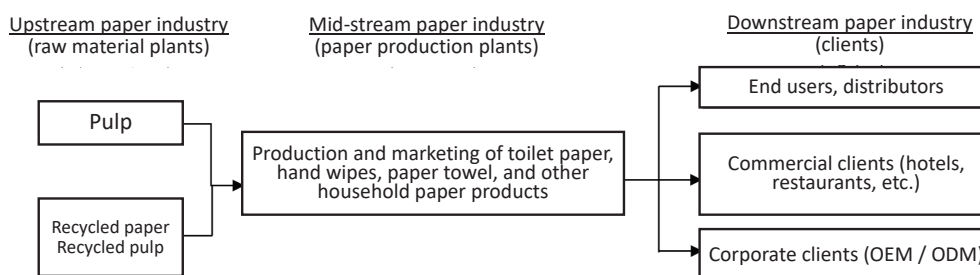
Household products supply general consumers' daily life demands, so the sales are mainly domestic. The Company's brands are leaders in the market. Regarding household paper, the Company meets consumers' diverse needs through differentiated products and manage different customer groups, thus maintaining 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 "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.

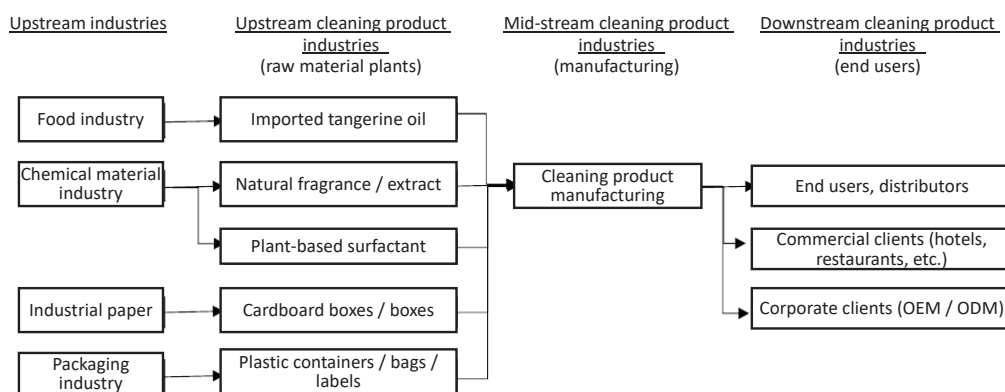
2. Relationships with upstream, mid-stream, and downstream companies

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 launch high-quality, innovative products to meet diverse consumer needs. Responding to green and sustainable business opportunities,

"Mayflower" not only launched the first 100% paper packed toilet pull-up tissue last year but also releases facial tissue box with paper opening to provide easily pulling-up feeling continuously to optimize the user experience. With the growing demand for kitchen paper towels in the situation of cooking and cleaning, "Delight" launches a new type of inverted pull-out kitchen paper towel, responding to consumers' needs for convenient hanging anywhere and one-handed use. Kimberly-Clark, Cheng Loong, and Golden Century Paper are main suppliers in Taiwan.

In terms of cleaning products, we persist in rolling out products of superior quality that reassure our consumers. In response to consumers' growing emphasis on health and green products, Orange House has upgraded and launched our entire product line, adhering to its consistent principles of being fragrance-free, fluorescent agent-free, and free of harmful chemical residues. Facing with the raging flu, enterovirus, and respiratory diseases, we go into schools to promote epidemic prevention concepts. We educate children on the correct hand-washing steps by using "color-changing foam hand-washing mousse," which employs "kinetic color-changing technology" and natural cold-pressed micro-cell orange oil technology. Children can see the foam change from light orange to white as they rub it. This guides children to rub their hands correctly for about 20 seconds, making the cleaning process visible and fostering good habits. Meanwhile, the packaging bottles are made from recycled materials, extending from protecting your own and your family's health to caring for the planet, continuing to be Taiwan's leading brand of healthy and natural cleaning products. Furthermore, our expansive marketing efforts for "Delight detergent" have effectively secured its place within the mid-tier segment of the 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.

Household tissue paper: 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. In 2025, we launched a brand new bottom-pull-off kitchen towel product. Each pack contains a large quantity and can be hung up anywhere, making it more convenient to pull off and providing consumers with another wonderful product option.

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 2026 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 2025 was 298 thousand tons, increased by 4.7% compared to 2024. The import was 130 thousand tons, increasing by 7.3%. In terms of sales volume, the domestic consumption was 414 thousand tons, increase by 5.7% compared to 2024; Exports were 14 thousand tons, decrease by 0.1%.

2. Business overview:

In 2025, the Company was 150 thousand tons, decreased by 5.6% compared to 2024. In 2025, the household product domestic sales were 93 thousand tons which was a 0.9% increase from 2024. Based on the operating foundation and performance of the previous year, our overall performance remained stable. Exports were 74 thousand tons, decreased by 9.6% from the previous year. The main reason is that China's production capacity still faces oversupply, an imbalance between supply and demand, and continued price competition affecting market performance.

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 not only launched the first 100% paper packed toilet pull-up tissue last year but also releases facial tissue box with paper opening to provide easily pulling-up feeling continuously to optimize the user experience. With the growing demand for kitchen paper towels in the situation of cooking and cleaning, "Delight" launches a new type of inverted pull-out kitchen paper towel, responding to consumers' needs for convenient hanging anywhere and one-handed use.

Facing with the raging flu, enterovirus, and respiratory diseases, we go into schools to promote epidemic prevention concepts. We educate children on the correct hand-washing steps by using "color-changing foam hand-washing mousse," which employs "kinetic color-changing technology" and natural cold-pressed micro-cell orange oil technology. Children can see the foam change from light orange to white as they rub it. This guides children to rub their hands correctly for about 20 seconds, making the cleaning process visible and fostering good habits. Meanwhile, the packaging bottles are made from recycled materials, extending from protecting your own and your family's health to caring for the planet, continuing to be Taiwan's leading brand of healthy and natural cleaning products.

3. Market share:

According to the data of EOL iSurvey (from January to December, 2025), 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, 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; %

	2024				2025			
Item	Name	Amount	% of net annual purchase	Relationship with issuer	Name	Amount	% of net annual purchase	Relationship with issuer
1	Company A	1,208,763	18.18	-	Company A	1,149,797	19.41	-
2	Company B.	653,090	9.82	-	Company B	655,749	11.07	-
3	Company C	681,221	10.25	-	Company C	381,232	6.44	-

Explanation of Changes : There were no significant changes in the procurement policy of the Company between the two fiscal years. Purchases from Company A and Company B changed between the two years mainly due to adjustments in our procurement strategy. Purchases from Company C changed mainly due to market changes. These are all normal parts of business planning.

2. Major sales clients in last two years:

Unit: NT\$1,000; %

	2024				2025			
Item	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	2,806,204	25.75	-	Company E	2,977,941	27.97	-

Explanation of Changes : There were no significant changes in the sales policy between the two fiscal years. Sales revenue and the percentage share for Company A both showed steady growth, which is normal business development.

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		2024	2025	Current year up to the print date of this annual report
Number of employees	General personnel	732	708	707
	Technical personnel	577	513	505
	Total	1,309	1,221	1,212
Average age (year old)		40.8	42.0	42.1
Average years of service		8.6	9.6	9.7
Gender ratio	Male	70.9%	69.4%	69.1%
	Female	29.1%	30.6%	30.9%
Academic qualification	Master's degree or higher	6.4%	6.2%	6.2%
	University/College	53.0%	52.7%	52.7%
	Senior high school and below	40.6%	41.1%	41.1%

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	1

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
Article: Violation of Article 14, Paragraph 1 of the Water Pollution Control Act and Article 45, Paragraph 2 of the Water Pollution Control Act Content: 1. Waste (sewage) water discharged from the industrial or sewage system shall meet effluent standards and be handled in accordance with the terms of the permit approved by the competent authority; discharge is prohibited if the requirements are not met. 2. For violations of Article 14, Paragraph 1, the competent authority may impose penalties in accordance with Article 45, Paragraph 2, and may order corrective action within a specified period; if the violation is not rectified by the deadline, the authority may impose repeated penalties or order the suspension of operations or business.	NT\$90,000	2025.10.27	30-114-100023	The Company has applied to amend its water pollution permit and optimize its drainage regulation and recycling mechanisms to strengthen discharge management and regulatory compliance.

* Scope of information: Production sites in Taiwan.

Key environmental protection work for the future:

1. Continuously strengthen the management and inspection mechanism of pollution control equipment, and implement regulatory compliance and risk prevention.
2. Improve environmental management systems and data monitoring to ensure the accuracy and legality of all emissions and reporting information.

(II) Environmental sustainability

1. Greenhouse gas emissions in the past two years

Inventory shows that the Company emitted 185,654 tons-CO₂e in 2025. Emission data for the year are provided below:

Year	2024			2025		
	Scope 1	Scope 2	Total emissions	Scope 1	Scope 2	Total emissions
Total	62,835	138,502	201,338	52,373	133,281	185,654

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 Ministry of Environment.

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 2025, the key energy conservation measures of Taiwan region are listed below:

- Continuously promote and optimize the operation of the ISO 50001 energy management system, improving overall energy efficiency through energy performance indicator tracking and continuous improvement mechanisms.
- Continuously promote the upgrading and efficiency improvement of papermaking process equipment, optimizing papermaking machine systems and updating related equipment to improve production efficiency and reduce energy consumption per unit product.
- Implement process automation and equipment integration improvements, including upgrading automatic pulp bale shearing and slitting equipment,

effectively reducing process energy consumption and improving production line operating efficiency.

- Replace high-efficiency turbine vacuum pump equipment, optimizing vacuum system operating performance and effectively reducing process power requirements.
- Continuously optimize the pulping system and process control system (DCS) to improve equipment stability and energy management efficiency.
- Strengthen power system management, installing digital meters and medium-voltage capacitors to enhance energy monitoring capabilities and reduce power loss.
- Establish an equipment monitoring and management system to enhance real-time energy usage management and process operating efficiency.

The effectiveness of each energy measure is as below:

Energy conservation item	2025
Energy conservation effectiveness (thousand Wh)	6,369,019
GHG reduction effect (t-CO ₂ e)	3,019

*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 Administration, 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

1. Employee benefits measures

The Company provides employees with a comfortable, safe and friendly work environment and values employee health. Regular employee physical checkups are

held. Non-scheduled company trips, family days, artistic and cultural events and diverse club activities are held to help employees balance work with life.

- 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

2. 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 the company's appropriation of labor pension reserve in 2025**

- (1) Year-round appropriation: NT\$4,408 thousand.
- (2) Balance of assets at the end of the year: NT\$101,733 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 2025 is as below:

Course type	No. of classes	Total number of people	Total hours	Total costs (thousand NT\$)
Professional competency	506	4,017	14,553	932.223
Management and general knowledge	381	5,982	13,393	2,208.221
New employee training	46	165	738	68.810

(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. Dedicated Units with Hierarchical Responsibility: Dedicated occupational safety and health (OSH) units and personnel are established at both headquarters and each factory. Responsibilities and duties are clearly defined at each level within the management structure. On-site supervisors assist in promoting safety management, ensuring the comprehensive implementation and effective execution of OSH work. Simultaneously, the implementation and effectiveness of existing management systems and control measures are regularly reviewed. Based on on-site operational needs and safety protection requirements, relevant safety operating procedures are adjusted in a timely manner to identify opportunities for improvement and optimization, ensuring workplace safety.
2. Risk Prevention and Operational Standardization: Relevant regulations and occupational accident information are regularly collected and tracked. Work environment measurements, hazard identification, and risk assessments are conducted. Through data collection, monitoring, and hazard identification, potential hazards within the factory are understood, and job safety analysis is performed to develop operating standards. By establishing standardized operating procedures and

specifications, work efficiency is improved while reducing work risks. Operating standards are regularly reviewed to ensure compliance with regulatory requirements and on-site operational needs, achieving best practice standards.

3. Company-wise Safety Training: Regular safety training activities are conducted, covering accident prevention, emergency response, selection and wearing of personal protective equipment (PPE), and JSA (Joint Safety Officer) assessment. Training is for both new and existing employees, and training programs are regularly updated and reinforced. To ensure contractors comply with company safety regulations and develop safety awareness, contractor work standards and joint work safety training are established to ensure the effective implementation of management systems.

4. Company-wise Safety Culture Promotion: The key to building a safety culture lies in employee awareness and behavior. Through education and training, various inspections, and behavioral observation, the hazard identification capabilities of management and all employees are strengthened, safety hazards are identified and improved, thereby reducing the probability of accidents and establishing a shared set of values and standards to promote a consensus on safe operations.

5. Improve Communication and Continuous Review and Improvement: Safety experts from each plant are invited to monthly safety meetings to exchange and discuss various safety issues, propose improvement suggestions, and promote the establishment and development of a safety culture. The head office and each factory have established a Safety and Health Committee, which holds quarterly meetings to participate in the formulation, planning, and supervision of the Safety and Health Plan, and to conduct related reports and reviews to ensure the effective implementation and continuous improvement of various measures. In addition, employees can participate in business consultation and communication through the selection of labor representatives, making safety and health policies more closely aligned with actual operational needs. Labor representatives also convey policy planning content, strengthening the collective effort towards the goal of zero accidents.

6. Strengthen fire safety and disaster prevention drills: Regularly inspect electrical and fire-fighting equipment, and collect information on industrial safety incidents in related industries, reviewing and conducting self-examinations of their causes to prevent similar incidents from occurring. A professional fire safety consulting company is outsourced to regularly conduct on-site maintenance and upkeep of fire-fighting equipment. A chemical management system has been implemented to track the types and quantities of chemicals in the factory. Emergency response drills are planned with different themes according to the needs of each factory to enhance the ability to respond to emergencies.

7. Emergency Rescue Training: Automated External Defibrillators (AEDs) are installed in all factory areas, and emergency rescue training courses are mandatory for all employees. Rescue drills are also incorporated into various disaster prevention drills

to continuously enhance employees' familiarity with emergency response and rescue procedures.

8. Accident Reporting System and Investigation: To ensure timely notification of relevant supervisors and occupational safety units in the event of an accident, and to facilitate immediate action, an accident reporting group has been established. Upon receiving a report, the occupational safety unit will immediately launch an investigation, collaborating with relevant units to clarify the cause of the accident and attribution of responsibility. Based on the investigation results, corresponding corrective measures will be proposed, and relevant operational processes will be reviewed and improved to prevent similar accidents from recurring. A major incident reporting group is also in place for immediate reporting of major incidents, assisting decision-makers in quickly grasping the situation.

9. Employee Health Management: Employee health management is one of the core projects of the safety and health plan, dedicated to maintaining the physical and mental health of every employee. Based on health check results, we arrange consultation services to identify potential health risks early. We also combine internal and external resources to hold diverse health lectures and activities, creating a healthy workplace environment, raising employee health awareness, and enhancing their sense of belonging to the company.

10. Health Care and Services: Our employed occupational health service nurses are responsible for employee health management, monitoring employee health status, and providing individualized health consultations and guidance. We also collaborate with hospital occupational medicine departments to conduct assessments before employees return to work, providing treatment and rehabilitation plans to ensure that employees' physical health meets the requirements for returning to work, allowing them to safely return to their jobs.

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	$\leq$ 2 times/year	
Unauthorized access in account access privilege management	All	$\leq$ 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 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



Chapter 5. Financial Position, Financial

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Financial Position, Financial Performance and Risk Analysis

I. Financial comparison analysis

Unit: NT\$1,000; %

Item	Year	2024	2025	Difference	
				Increase (decrease) in amount	Change
Current assets		5,010,507	4,769,997	(240,510)	-4.80%
Property, plant and equipment		4,195,411	4,191,522	(3,889)	-0.09%
Intangible assets		698,365	1,509,840	811,475	116.20%
Other non-current assets		9,904,283	10,471,359	567,076	5.73%
Total assets		2,336,128	2,632,905	296,777	12.70%
Current liabilities		1,755,849	2,064,182	308,333	17.56%
Non-current liabilities		4,091,977	4,697,087	605,110	14.79%
Total liabilities		2,671,290	2,671,290	0	0.00%
Share capital		1,214,116	1,190,107	(24,009)	-1.98%
Capital surplus		1,831,986	1,960,651	128,665	7.02%
Retained earnings		46,142	(47,776)	(93,918)	-203.54%
Other equity		5,812,306	5,774,272	(38,034)	-0.65%
Total equity		5,010,507	4,769,997	(240,510)	-4.80%
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. Other non-current assets: Primarily due to the rise in financial assets measured at amortized cost – specifically, non-current and right-of-use assets.					
2. 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	2024	2025	Difference	
			Increase (decrease) in amount	Change
Operating revenue	10,896,652	10,645,095	(251,557)	-2.31%
Operating costs	8,412,425	7,873,369	(539,056)	-6.41%
Gross profit	2,484,227	2,771,726	287,499	11.57%
Operating expenses	1,561,780	1,774,333	212,553	13.61%
Net operating profit	922,447	997,393	74,946	8.12%
Non-operating income and expenditure	25,625	28,444	2,819	11.00%
Pre-tax profit	948,072	1,025,837	77,765	8.20%
Income tax expense	198,232	216,696	18,464	9.31%
Net profit for the current period	749,840	809,141	59,301	7.91%
Total comprehensive income for the current period	939,546	716,345	(223,201)	-23.76%
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. Total comprehensive profit and loss for the period: Due to exchange differences arising from the translation of the financial statements of foreign operations.				

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
1,969,521	1,251,261	(1,816,104)	1,404,678	-	-

(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 involve acquiring non-current financial assets measured at amortized cost and capital expenditures for upgrading and maintaining equipment required for operations; financing activities mainly involve distributing 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) To invest NT\$220 million to optimize energy-saving equipment, improve production efficiency and energy effectiveness, support the development of new functional products for changes in consumer demand, and strengthen overall operational competitiveness.
- (II) 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 company's profit from investments accounted for using the equity method in fiscal year 2025 was NT\$169,510,000, an increase over the previous year, mainly due to the optimization of the product structure.

(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

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

The interest expenses of the Company 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 global economic environment for 2025 remained highly uncertain. The momentum of U.S. economic growth had slowed compared to previous periods, with signs of easing inflation. The Federal Reserve has begun a cycle of interest rate cuts; however, the overall policy approach remains prudent, and market interest rates are still within a relative range. Since President Trump took office, the actual direction of trade and tariff policies and their impacts on global supply chains and capital markets have remained the focus of international attention, keeping financial market volatility at elevated levels. Although the U.S. dollar has retreated from previous highs, it remains relatively strong overall.

In Mainland China, the government continues to promote stable growth policies; however, the recovery of the real estate market will take time and domestic demand momentum remains to be boosted, coupled with ongoing structural capacity adjustments. The RMB exchange rate has been fluctuating within a certain range. The New Taiwan Dollar is affected by fluctuations in the U.S. dollar and international capital flows, and its exchange rate fluctuates in line with movements in the international foreign exchange market.

The Company's primary foreign exchange risk exposure arises from transactions involving the purchase and sale of goods in foreign currencies. To manage the risks associated with fluctuations in exchange rates and interest rates, the Company has established a real-time monitoring mechanism, regularly assesses exposure positions in major currencies, and implements a strategy of dynamically adjusting hedging ratios. Depending on market conditions, the Company flexibly utilizes instruments such as forward foreign exchange contracts or foreign exchange swaps to balance hedging costs, capital flexibility, and risk diversification. This approach mitigates the impact of fluctuations in foreign exchange gains and losses on the Company's financial position, thereby maintaining the soundness of the overall financial structure and ensuring risks remain under control.

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

Impact on the Company's profit and loss from inflation and future response measures. In 2025, global inflationary pressures showed signs of easing due to monetary policy adjustments by major central banks and the gradual stabilization of supply chains. In Taiwan, despite cost factors such as an increase in the minimum wage, a rise in salaries for military, civil servants, and teachers, and the official levying of carbon fees, the trend of inflation was relatively controllable in the context of the stabilization of international raw material prices and the moderate growth of overall demand. The Central Bank projects the annual CPI to be approximately 1.89%, below the 2% warning threshold.

However, uncertainty remains regarding the direction of U.S. trade and economic policies and the pace of monetary policy adjustments by major economies. These factors could affect global capital flows and market interest rates, thereby indirectly impacting corporate funding costs and investment decision-making. Additionally, the global trend toward carbon reduction, competition between China and the U.S., and ongoing geopolitical risks continue to pose potential challenges to the stability of international logistics and supply chains. Raw material prices may still experience volatility.

The Company continues to monitor the impact of inflation and interest rate fluctuations on operating and financing costs. We are mitigating the impact of external environmental changes on overall operations and finances by strengthening budget control, flexibly adjusting product pricing strategies, optimizing supply chain resilience and procurement management mechanisms, and prudently planning capital allocation. As of the date of publication of this annual report, inflation has not yet exerted a material impact on the Company; however, we will continue to monitor changes in related risks to ensure the soundness of operational and financial structure.

(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 bottom-drawing series of kitchen towel and tissue 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. In the cleaning product category, we continue to reduce water resources and plastic use, reduce process water emissions, and use renewable raw materials (plants,

fermentation, paper packaging, etc.) to achieve our mission of ESG environmental sustainability.

(2) R&D expenditure to be invested

The Company plans to invest approximately NT\$59,867 thousand for R&D in 2026. 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 28%; 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:

Since 2025 till the date of publication of this annual report, there have been no instances of substantial transfers of shares by directors or major shareholders holding more than 10% of the shares. All transfer information has been publicly disclosed and reported on the public information observation platform in accordance with regulations. Share transfers or conversions are normal financial management activities of shareholders and will not have a significant impact on the company. The company has always maintained open and unimpeded communication with its directors and major shareholders.

(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.

YFY CONSUMER



Chairman of the Board
Felix Ho

A handwritten signature in blue ink, consisting of stylized, fluid characters that appear to be 'Felix Ho'.





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