

麗豐股份有限公司
Chlitina Holding Limited

2025 Annual Report

This annual report is available at: MOPS – <http://mops.twse.com.tw>

Company website: <http://www.chlitinaholding.com>

Prepared by Chlitina Holding Limited

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Chairman's Remarks

Deep Cultivation and Renewal: Navigating through Cyclical Change

In 2025, the Chlitina Group responded to the times through a strategy of “deep cultivation.” As the global economy continued to search for direction amid ongoing shifts, we chose to return to the fundamentals of business—placing our confidence in the strength of the brand and in the compounding effect of time. This year, with steady resolve and disciplined execution, we will continue to forge our own path to certainty amidst an uncertain environment.

In 2025, the Chlitina Group's overall operations showed a quarter-by-quarter upward trend. As consumer behavior returned to rationality and demand gradually recovered, the operating momentum of our core channel, the Chlitina franchise, improved steadily. Full-year performance stabilized progressively, laying a solid foundation for the journey ahead.

The continued increase of our brand's value is the strongest validation of our long-term approach

This year, the Chlitina Group once again received multiple industry accolades, with the CHLITINA brand firmly maintaining a leading position in the beauty sector. More notably, the Group's CEO Chao Chen-Yu was honored with several prestigious individual leadership awards. This not only recognizes his strategic vision and personal capabilities, but also reflects the professionalism of the Group's management team. Ultimately, competition between enterprises comes down to competition for talent; and the depth of that talent determines how far an enterprise can go.

It is precisely this team—professional and focused—that underpins the strength of the brand. We have always believed that a brand needs years of product refinement, service enhancement, and the steady accumulation of trust, in order to take root in the minds of consumers. This foundation may be intangible, yet it constitutes the Company's strongest protection against competitors.

Technology enablement and digital transformation are reshaping our core DNA

If our brand is our soul, then digitalization is our structural backbone. In 2025, the Chlitina Group fully transitioned to the Feishu platform. This was not a simple tool replacement, but a fundamental shift in how the organization collaborates. From senior management to frontline staff, we conducted multiple large-scale training programs to ensure that every individual could adopt both the tools and the mindset of the AI era.

The Royal Garden Essential Oil AI massage robot—highly regarded by our franchise partners—has continued to receive strong market feedback. What began as a single massage device has evolved into a system capable of supporting customer acquisition and retention at the store level. It is no longer merely a tool, but a “digital aesthetic therapist” that can be placed within each location. As I often note, future competition will not be between individuals per se, but between those who can efficiently use tools and those who are not able to. This year of sustained digital advancement has made our organization more streamlined, agile, and efficient.

Product Innovation and Brand Elevation as the Foundation for Breakthroughs

In May 2025, Chlitina launched its new regenerative medicine-grade anti-aging product line built on a cell-level rejuvenation concept, the “Skin Radiance Refining” Series. This launch positions us

at the forefront of the premium anti-aging segment. CHLITINA was also recognized by Euromonitor as the Chinese leading beauty brand which is the world's first to introduce Deer Amniotic Fluid Extract (active ingredients derived from deer amniotic stem cells, and combined with exosome-related technologies). This represents not merely a product launch, but a sustained and substantive response to the evolving paradigm of science-based skincare. As consumers become increasingly informed, and understand ingredients and technologies better, only brands with genuine research depth will earn their trust.

In October, we officially announced Ms. Cecilia Liu as our global brand ambassador. With her international profile and strong coherence with our brand positioning, her appointment injects renewed vitality while signaling a more confident and outward-looking CHLITINA as it expands onto a broader stage.

ESG as the Foundation of Sustainable Development

Over the past year, our progress in ESG has been equally strong. From green manufacturing to public welfare initiatives, from employee care to supply chain management, we have embedded sustainability principles into each layer of decision-making.

At the recent 15th China Philanthropy Festival, the Group was awarded the “2025 ESG Model Enterprise Award,” while the director of our philanthropic initiatives Ms. Su Yu-Shan received the “2025 Philanthropist of the Year” award. Our “Light Up Reading” program was also recognized as a 2025 Outstanding Public Welfare Project. These distinctions acknowledge not only our efforts over the past year, but also the Chlitina Group's long-term commitment to building a structured and sustainable social responsibility system. They reflect external recognition, but also reinforce our internal commitment. In my view, the purpose of an enterprise extends beyond profit generation; it lies equally in creating value for society. The farther we look ahead, the longer we can travel.

Outlook for 2026: Finding Certainty in a Changing World

As we stand at the threshold of 2026, I see not only challenges, but also opportunities. Demand for beauty has not diminished; it has evolved—from superficial appeal to healthy beauty, and from passive consumption to informed choice. This evolution precisely corresponds to our area of expertise.

In the year ahead, we will continue to refine our product capabilities, ensuring that technology truly serves beauty. We will accelerate our global expansion, extending the CHLITINA brand's reach to new markets. We will deepen our investment in talent development, enabling more individuals to grow within our ecosystem. We will also remain firmly committed to ESG principles, aligning corporate development with broader environmental and societal goals.

As our founder Dr. Chen Wu-Kang has observed, a tree grows tall not because it rushes upward, but because it steadily extends its roots where they cannot be seen. In 2026, we will continue to be that deeply rooted tree, steadfast in our hearts, and advancing toward a better tomorrow through intense cultivation.

Thank you.

I. Name, title, contact tel. and e-mail for spokesperson and vice spokesperson

Spokesperson:

Name: Yeh, Chien-Chih
Title: Senior Finance Director
TEL: (886)2-27238666 E-mail: ir@chlitinaholding.com

Vice Spokesperson:

Name: Marcout, Laurence
Title: Manager, Chairperson Office
TEL: (886)2-27238666 E-mail: ir@chlitinaholding.com

II. Address and tel. of headquarters, branches and plant:

(I) The Company

Name: Chlitina Holding Limited Website: <http://www.chlitina.com>
Address: Cricket Square, Hutchins Drive, P.O. Box 2681, TEL: (886)2-27238666
Grand Cayman, KY1-1111, Cayman Islands

(II) Subsidiaries and branches:

1. Subsidiaries:

Name: Chlitina Group Limited Website: <http://www.chlitinaholding.com>
Address: OMC Chambers, Wickhams Cay 1, Road TEL: (886)2-27238666
Town, Tortola, British Virgin Islands

Name: Chlitina International Limited Website: <http://www.chlitinaholding.com>
Address: OMC Chambers, Wickhams Cay 1, Road TEL: (886)2-27238666
Town, Tortola, British Virgin Islands

Name: Chlitina Intelligence Limited Website: <http://www.chlitinaholding.com>
Address: OMC Chambers, Wickhams Cay 1, Road TEL: (886)2-27238666
Town, Tortola, British Virgin Islands

Name: W-Amber International Limited Website: <http://www.chlitinaholding.com>
Address: OMC Chambers, Wickhams Cay 1, Road TEL: (886)2-27238666
Town, Tortola, British Virgin Islands

Name: W-Champion International Limited Website: <http://www.chlitinaholding.com>
Address: OMC Chambers, Wickhams Cay 1, Road TEL: (886)2-27238666
Town, Tortola, British Virgin Islands

Name: C-Asia International Limited Website: <http://www.chlitinaholding.com>
Address: OMC Chambers, Wickhams Cay 1, Road TEL: (886)2-27238666
Town, Tortola, British Virgin Islands

Name: Centre de Recherche et de Développement de Chlitina France EURL Website: <http://www.chlitinaholding.com>
Address: 102, avenue des Champs Elysées, 75008 Paris, TEL: (886)2-27238666
France

Name: Hong Kong Chlitina International Limited Website: <http://www.chlitinaholding.com>
Address: Room 308, 3rd Floor, Lippo Sun Plaza, 28 TEL: (852)-23763068
Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

Name: Chlitina Marketing Limited Website: <http://www.chlitinaholding.com>
Address: OMC Chambers, Wickhams Cay 1, Road TEL: (886)2-27238666
Town, Tortola, British Virgin Islands

Name:	W-Amber Marketing Limited	Website:	http://www.chlitinaholding.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	W-Champion Marketing Limited	Website:	http://www.chlitinaholding.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	Yong Li Trading Company Limited	Website:	http://www.chlitina.com.vn
Address:	102 Ha Huy Tap, Khu Pho Nam Thien1, Phuong Tan Phong, Quan 7, Ho Chi Minh City (3-5F) Vietnam	TEL:	(84)028-54130700
Name:	Vinh Le Company Limited	Website:	http://www.chlitina.com.vn
Address:	102 Ha Huy Tap, Khu Pho Nam Thien1, Phuong Tan Phong, Quan 7, Ho Chi Minh City, Vietnam	TEL:	(84)028-54130709
Name:	Huapao Sdn. Bhd.	Website:	http://www.chlitinaholding.com
Address:	Level 02.02A(I), Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	TEL:	(886)2-27238666
Name:	PT Pining Beauty Indonesia.	Website:	http://www.chlitinaholding.com
Address:	CEO Suite, Indonesia Stock Exchange Tower 2 Lantai 17, Jalan Jenderal Sudirman Kav 52-53, Kel. Senayan, Kec. Kebayoran Baru, Kota Adm. Jakarta Selatan, Prop. DKI Jakarta, Indonesia	TEL:	(886)2-27238666
Name:	Hong Kong W-Amber International Limited	Website:	http://www.chlitinaholding.com
Address:	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	TEL:	(852)-23763068
Name:	Hong Kong Crystal International Services Limited	Website:	http://www.chlitinaholding.com
Address:	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	TEL:	(852)-23763068
Name:	Hong Kong Jing Tai International Investment Limited	Website:	http://www.chlitinaholding.com
Address:	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	TEL:	(852)-23763068
Name:	Chlitina (Southeast Asia) Holding Pte., Ltd.	Website:	http://www.chlitinaholding.com
Address:	531A Upper Cross Street #03-108, Hong Lim Complex, Singapore (051531)	TEL:	(886-2) 27238666
Name:	Wan Ju International Investment Limited	Website:	http://www.chlitinaholding.com
Address:	10F., No.107, Songren Rd., Xinyi District, Taipei City	TEL:	(886-2) 27238666

Name:	K&S Biomedical Ltd.	Website:	https://kindtoshare.com
Address:	10F.-2, No. 266, Sec. 1, Wenhua 2nd Rd., Linkou Dist., New Taipei City	TEL:	(886-2)26095857
Name:	Chlitina (China) Trade Limited	Website:	http://www.chlitina.com.cn
Address:	Building F, Room 1201, 1033 Zhaojiabang Road, Xuhui District, Shanghai City, China	TEL:	(86)21-22201388
Name:	Weishuo (Shanghai) Daily Product Limited	Website:	https://www.weishuo-innovation.com/
Address:	1F and 3F of Building 2, No.58, Jingxi Rd., Songjiang Industrial Park, Shanghai City, China	TEL:	(86)21-57075707
Name:	Shanghai Zhe Mei Technology Training Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	No.2, Alley 100, Jingxi Rd., Songjiang Industrial Park, Shanghai City, China	TEL:	(86)21-33528811
Name:	Weihsu (Shanghai) Health Management Consulting Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	Room 213, No.1, Alley 180, Shaanxi S. Rd., Xuhui District, Shanghai City, China	TEL:	(86)21-22201388
Name:	Crystal Asia (Shanghai) Trade Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	Room A501, No. 18, Lane 3938, Huqingping Road, Qingpu District, Shanghai, China	TEL:	(86)21-22201388
Name:	Li Shuo Biotechnology (Shanghai) Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	Room 366, Building 2, No.692, Yongjia Rd., Xuhui District, Shanghai City, China	TEL:	(86)21-22201388
Name:	Shanghai Yuanshuo Management Consulting Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	Room 320, 9F., No.583 Lingling Rd., Xuhui District, Shanghai City, China	TEL:	(86)21-22201388
Name:	Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	2F, Jiakaicheng Group Building, No. 536 Hongqiao Road, Xuhui District, Shanghai, China	TEL:	(86)21-22201388
Name:	Shanghai Hedeng Clinic Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	Room 1403, No.666, Huaihai W. Rd., Changning Dist., Shanghai City, China	TEL:	(86)21-22201388
Name:	Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	Room 1404-1406, No.666, Huaihai W. Rd., Changning Dist., Shanghai City, China	TEL:	(86)21-22201388
Name:	Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	Website:	http://www.chlitina.com.cn
Address:	Shop No. 1F-16 and 2F-01, No.2-12, Shuiximen St., Qinhui District, Nanjing City, Jiangsu Province, China	TEL:	(86)21-22201388

Name: Hainan Shoumao Investment Limited Website: <http://www.chlitina.com.cn>
Address: B025, B026, B027, 2F, Building F, Kangxiang Rd., Boao Lecheng International Medical Industrial Center, No. 1, Kangle Road, Boao Lecheng International Medical Tourism Pilot Zone, Qionghai City, Hainan Province TEL: (86)21-22201388

Name: Shanghai Jiekan Trading Co., Ltd. Website: <http://www.chlitina.com.cn>
Address: Room 1701, No.666, Huaihai W. Rd., Changning Dist., Shanghai City, China TEL: (86)21-22201388

Name: Shanghai Yongshang Trading Co., Ltd. Website: <http://www.chlitina.com.cn>
Address: 9F, No. 583 Lingling Road, Xuhui District, Shanghai, China TEL: (86)21-22201388

2. Branches:

Name: British Virgin Islands Chlitina Marketing Limited, Taiwan Branch Website: <http://www.chlitina.com/tw>
Address: 4F, No. 1, Alley 38, Lane 358, Ruiguang Road, Neihu District, Taipei City TEL: (886)2-22311698

Name: British Virgin Islands Chlitina Intelligence Limited, Taiwan Branch Website: <http://www.chlitina.com/tw>
Address: 10F., No.107, Songren Rd., Xinyi District, Taipei City TEL: (886)2-27238666

Name: Chlitina (China) Trade Limited, Ningbo Haishu Branch Website: <http://www.chlitina.com.cn>
Address: 21-3, 21-4, No. 36, Zhenming Road, Haishu District, Ningbo City, Zhejiang Province, China TEL: (86)574-87354885

Name: Chlitina (China) Trade Limited, Dalian Branch Website: <http://www.chlitina.com.cn>
Address: Room 2209, Hongyuan Building, No. 23, Renmin Rd., Zhongshan District, Dalian City, Liaoning Province, China TEL: (86)411-82563000

Name: Chlitina (China) Trade Limited, Jiangxi Branch Website: <http://www.chlitina.com.cn>
Address: Room 2011, Site A, Building 16, Hengmao Guoji Huacheng, No. 205, Guangchang South Rd., Xihu District, Nanchang City, Jiangxi Province, China TEL: (86)791-86100920

Name: Chlitina (China) Trade Limited, Beijing Branch Website: <http://www.chlitina.com.cn>
Address: 201, 2F., No. 11, Dongda Rd., Zhushikou, Dongcheng District, Beijing City, China TEL: (86)10-87923880

Name: Chlitina (China) Trade Limited, Chengdu Branch Website: <http://www.chlitina.com.cn>
Address: No. 228, Zhiquan Section, Dongda St., Jinjiang District, Chengdu City, Sichuan Province, China TEL: (86)28-86139017

Name: Chlitina (China) Trade Limited, Chengdu Second Branch Website: <http://www.chlitina.com.cn>
Address: No. 3904, 3905, 39F, Building 2, No. 530, Tianfu Avenue Middle Section, Gaoxin District, Chengdu City, Sichuan Province, China TEL: (86)28-86132535

Name: Chlitina (China) Trade Limited, Changning Website: <http://www.chlitina.com.cn>

Branch			
Address:	Room 1402, No. 666, Huaihai W. Rd., Changning District, Shanghai City, China	TEL:	(86)21-22201388
Name:	Chlitina (China) Trade Limited, Hebei Branch	Website:	http://www.chlitina.com.cn
Address:	Room 1632, Ximei Building, No. 6, Jianshe S. Main St., Shijiazhuang City, Hebei Province, China	TEL:	(86)311-66611366
Name:	Chlitina (China) Trade Limited, Fujian Branch	Website:	http://www.chlitina.com.cn
Address:	Unit 06,07-01, 21F, Rongqiao Center Office Building, No. 100, Jiangbin West Avenue, Ninghua Street, Taijiang District, Fuzhou City, Fujian Province, China	TEL:	(86)591-87388010
Name:	Chlitina (China) Trade Limited, Shaanxi Branch	Website:	http://www.chlitina.com.cn
Address:	Room 301, 3F., Jinding Building, No. 116, Beilin District, Xian City, Shaanxi Province, China	TEL:	(86)29-87206345
Name:	Chlitina (China) Trade Limited, Wenzhou Branch	Website:	http://www.chlitina.com.cn
Address:	Room 1904, Wenzhou Fortune Center, No. 577, Station Avenue, Lucheng District, Wenzhou City, Zhejiang Province, China	TEL:	(86)577-88309620
Name:	Chlitina (China) Trade Limited, Xuhui Branch	Website:	http://www.chlitina.com.cn
Address:	No. 2, Alley 1390, Huaihai W. Rd., Xuhui District, Shanghai City, China	TEL:	(86)21-64077905
Name:	Chlitina (China) Trade Limited, Nanjing Qinhuai Branch	Website:	http://www.chlitina.com.cn
Address:	Room 3F-01, 3F, No. 2 Shuiximen Street, Qinhuai District, Nanjing, China	TEL:	(86)25-52601169
Name:	Chlitina (China) Trade Limited, Shandong Branch	Website:	http://www.chlitina.com.cn
Address:	Room 1504, 15F, Shandong Chamber of Commerce Building, No. 51, Weier Road, Shizhong District, Jinan City, Shandong Province, China	TEL:	(86)531-86905166
Name:	Chlitina (China) Trade Limited, Jilin Branch	Website:	http://www.chlitina.com.cn
Address:	Room 1514, 15F., Building 2, Hengxing International Building, Jiefangda Road and Dajing Road Intersection, Nanguan District, Changchun City, Jilin Province, China.	TEL:	(86)431-89695919
Name:	Chlitina (China) Trade Limited, Qingdao Branch	Website:	http://www.chlitina.com.cn
Address:	Room 908, Zhongtianheng Building, No. 8, Fuzhou S. Rd., Shinan Dist., Qingdao City, Shandong Province, China	TEL:	(86)532-66886796
Name:	Chlitina (China) Trade Limited, Inner Mongolia Branch	Website:	http://www.chlitina.com.cn
Address:	Room 904, 906, 908, Jinding Business	TEL:	(86)472-5125628

Building, No. 46, Gangtie St., Qingshan Dist.,
Baotou City, Inner Mongolia Autonomous
Region, China

Name: Chlitina (China) Trade Limited, Anhui Branch Website: <http://www.chlitina.com.cn>
Address: Room 6-1109, 6-1109, 6-1110, Zone C, Wanda TEL: (86)551-62628988
Plaza, No. 130, Ma'anshan Rd., Baohe Dist.,
Hefei City, Anhui Province, China

Name: Name: Chlitina (China) Trade Limited, Website: <http://www.chlitina.com.cn>
Guangzhou Branch
Address: Room 2008–2010, Yian Plaza, No. 33, TEL: (86)20-83278819
Jiansheliuma Rd., Yuexiu Dist., Guangzhou
City, Guangdong Province, China

Name: Chlitina (China) Trade Limited, Shanxi Branch Website: <http://www.chlitina.com.cn>
Address: 7F., Suite B, Sunshine International Business TEL: (86)351-7883498
Center, No. 103, Changzhi Rd., Xiaodian Dist.,
Taiyuan City, Shanxi Province, China

Name: Chlitina (China) Trade Limited, Tianjin Second Website: <http://www.chlitina.com.cn>
Branch
Address: No. 1661, 1660, 1659, 13-1658-3, No.11, 13, TEL: (86)22-27552680
Nanma Rd., Nanshi St., Heping Dist., Tianjin
City, China

Name: Chlitina (China) Trade Limited, Hangzhou First Website: <http://www.chlitina.com.cn>
Branch
Address: Room 907, No. 203, Zhaohui Rd., Xiacheng TEL: (86)13616542676
District, Hangzhou City, Zhejiang Province,
China

Name: Chlitina (China) Trade Limited, Hubei Branch Website: <http://www.chlitina.com.cn>
Address: 10F., Room 4 and 5, Pacific Financial Building, TEL: (86)27-85515152
No. 548, 550, 552, 556 Jianshe Avenue,
Jiangnan District, Wuhan City, Hubei Province,
China

Name: Chlitina (China) Trade Limited, Hunan Branch Website: <http://www.chlitina.com.cn>
Address: 41F., 01, 02 & 03, Shimao World Financial TEL: (86)731-88318299
Center, No. 393, Jianxiang Road, Furong
District, Changsha City, Hunan Province, China

Name: Chlitina (China) Trade Limited, Henan Branch Website: <http://www.chlitina.com.cn>
Address: No. 229, Jinshui Road, Weilailu Subdistrict, TEL: (86)0371-65896272
Jinshui District, Zhengzhou City, Henan
Province, China

Name: Chlitina (China) Trade Limited, Shenzhen Website: <http://www.chlitina.com.cn>
Branch
Address: 16B, Jinrun Building, No. 6019, Shennan TEL: (86)0755-82326992
Avenue, Tianan Community, Shatou
Subdistrict, Futian District, Shenzhen City,
China

Name: Chlitina (China) Trade Limited, Chongqing Website: <http://www.chlitina.com.cn>
Brand Management Branch
Address: No. 6, 9F, Branch Road No. 10, Guihua Street, TEL: (86)023-88280158
Jiangbei District, Chongqing City, China

Name:	Chlitina (China) Trade Limited, Guizhou Branch	Website:	http://www.chlitina.com.cn
Address:	Building A, Jinli Building, No. 89, Duyun Road, High-tech Zone, Guiyang City, Guizhou Province, China	TEL:	(86)0851-84812324
Name:	Chlitina (China) Trade Limited, Suzhou Branch	Website:	http://www.chlitina.com.cn
Address:	Room 2301, Building 1, Nisheng Plaza, No. 205, Suzhou Avenue West, Suzhou Industrial Park, China (Jiangsu) Pilot Free Trade Zone, Suzhou Area	TEL:	(86)025-52601169
Name:	Chlitina (China) Trade Limited, Gansu Branch	Website:	http://www.chlitina.com.cn
Address:	Room 003-1214, 12 th floor, No. 188, Xijin West Road, Dunhuang Subdistrict, Qilihe District, Lanzhou City, Gansu Province	TEL:	(86) 021-22201388

III. Name, address, website and tel. for stock transfer organization

Share Administration Department, Fubon Securities Co., Ltd.
Address: 11F, No. 17, Xuchang St., Taipei City
Website: <http://www.fubon.com/securities/home/index.htm>
TEL: (886)2-23611300

IV. Name, office, address, website, and telephone of the CPA for the most recent financial reports

Name: CPA Hsieh, Wei-Li
CPA Wang, Sung-Tse
CPA firm: PwC Taiwan Certified Public Accountants
Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City
Website: <http://www.pwc.tw>
TEL: (886)2-27296666

V. Name, title, tel. and e-mail of litigation and non-litigation agent within the Republic of China

Name: Chen, Pi-Hua Title: Chairman
TEL: (886) 2-2723-8666 Email: investor@chlitina.com

VI. Name of the Overseas Securities Exchange Office and the method for inquiring into information regarding securities: None

VII. Company website: <http://www.chlitinaholding.com>

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Eight. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred in the most recent year and up to the publication date of the annual report, such situations shall be listed one by one.

One. Letter to Shareholders

Chlitina Holding Limited 2025 Business Report

Chlitina Holding Limited's (hereinafter referred to as the "Company") 2026 operating results and 2025 business plan are presented as follows:

I. 2025 Annual operating results

1. Business plan and implementation:

Consolidated revenue of the Company in 2025 was NT\$3,878,155 thousand, down 4.63% as compared to NT\$4,066,587 thousand in 2024. Net income after taxes was NT\$588,001 thousand in 2025, as compared to NT\$472,675 thousand in 2024, or a 24.40% increase.

In terms of geographical breakdown, 96.87% of sales, or NT\$3,717,869 thousand, were made in Mainland China, as the region remained the largest market for the Company and focus for business expansion.

2. Analysis of financial revenues and expenditures and profitability:

In terms of financial revenue and expenditure as well as financial structure, the assets to liabilities ratio in 2025 was 44.59%, the current ratio was 186.16%, and the net profit margin was 15.16%, with a net cash inflow from operations of NT\$775,777 thousand. These figures demonstrate that the Company maintains ample cash flow, a stable profitability, and an excellent financial structure.

3. Performance in research and development

The Company endeavors to apply the concept of a "medicine-based, beauty-oriented" skincare by providing professional solutions to women's skin issues. Introducing advanced technology to the industry and focusing on various consumer groups in different market segments, the Company continues to launch new products and broaden the distribution of its lines of products. In 2025, two major product lines were launched—CHLITINA's Skin Radiance Refining Series and White Crystal Dark Spot Correcting Series (Upgraded Certification)—and both product lines delivered strong performance in terms of product efficacy, consumer word-of-mouth feedback, and market sales. They successfully strengthened the brand's professional image in the high-performance skincare segment while generating tangible revenue growth and upgrading the Company's product portfolio.

Different products are launched through different channels in order to satisfy the needs of each individual consumer to the greatest extent possible, in terms of personalized skincare and healthy lifestyles.

4. Status of budget implementation

As there was no disclosure of any financial forecast in 2025, there is no information on budget achievement.

II. 2026 Business operating plan

1. Operating principles

1.1. The Company will implement a comprehensive upgrade of its business strategy centered on four strategic pillars: brand leadership, product leadership, dual-engine growth, and client co-prosperity, with the objective of fulfilling the corporate vision of creating a beautiful life worthy of trust and sharing. At the same time, the Company's mission is to provide customers with high-quality products and precise solutions with care, and to provide partners with a long-term platform for symbiotic and mutually beneficial development. In terms of the operating model,

the Company will gradually evolve from a product scale-oriented model to a refined customer value-oriented model, seeking to place customer value at the core and to deliver high-quality products and services that meet customers' needs throughout their entire life cycle.

1.2. In accordance with the Group's strategic layout, the Company will continue to upgrade both products and services in order to promote the elevation of consumer concepts. Management of existing franchise stores will be further strengthened to enhance their profitability and improve overall franchise quality, thereby supporting sustained long-term and stable growth.

In Mainland China, the Company will actively tap the consumption potential and demand in untouched markets. Differentiated management will be strengthened across regions so as to maintain a high pace of store expansion while ensuring the quality of new outlets.

In Hong Kong, Taiwan, and Southeast Asia, efforts will focus on strengthening brand recognition and accelerating store expansion. By gaining deeper insight into local beauty markets, the Company will refine and implement franchise management strategies suited to local development and develop beauty and wellness products tailored to local consumer needs.

1.3. As far as e-commerce is concerned, we optimized our product portfolio, upgraded the consumption model, introduced the "HOMESPA" concept, and improved the franchise channel structure and product coverage through a round-the-clock, countrywide, marketing strategy.

1.4. In the field of aesthetic medicine, we are promoting the development of self-owned aesthetic medicine clinics. Combining aesthetics, medicine and science, we are providing consumers with comprehensive beauty, health, and anti-ageing services. We also set foot in the high-end cosmetic medicine industry, taking advantage of artificial intelligence and regenerative medicine to bring additional momentum to the Company's revenue.

2. Future development strategy:

In order to expand the Group's operational map, the Company will continue to implement the strategies of "product diversification," "multi-channel selling," and "diversified marketing" in accordance with the macro environment, industry characteristics, and market preferences. In addition, the Company will use technology to lead beauty, continuously explore and innovate at the frontiers of skincare technology, and provide consumers with more high-quality and high-performance products and services, thereby expanding the Group's overall business footprint.

III. Impact of the external competitive environment, regulatory environment, and overall business operating environment

1. Impact of the external competitive environment and overall business operating environment

In 2025, China's economic performance remained generally stable while showing steady progress, with development moving toward new and higher-quality directions. The construction of a modern industrial system continued to advance, social welfare protection became stronger, and overall social stability was maintained, marking further solid progress in the advancement of Chinese-style modernization. According to the "2025 National Economic and Social Development Statistics Bulletin" published by the National Bureau of Statistics of China, China's GDP reached RMB140.19 trillion for the year, representing a year-on-year growth of 5.0%. The value added by the tertiary industry accounted for 57.7% of GDP. Supported by factors such as industrialization, digitalization, and the upgrading of household consumption, the tertiary sector—particularly the services industry—continued to develop steadily. Consumption remained an important contributor to economic growth, with final consumption expenditure contributing 2.6% to GDP growth for the year. Urbanization continued to advance, and the income gap between urban and rural residents further narrowed. Residents' income growth outpaced overall economic growth. Nationwide per capita disposable

income reached RMB 43,377, representing a real growth of 5.0% over the previous year, while per capita consumption expenditure was RMB 29,476, increasing by 4.4% year on year. The expansion of the services sector, the progress of urbanization, and the increase in urban residents' disposable income all indicate significant potential in China's consumer goods market. Total retail sales of consumer goods in China exceeded RMB 50 trillion for the first time, reaching RMB 50.12 trillion, up 3.7% from the previous year. Among retail sales of goods by enterprises above the designated size, cosmetics retail sales increased by 5.1% year on year, despite being affected by multiple factors.

In 2025, China adhered to the overall policy principle of pursuing progress while maintaining stability, fully and accurately implementing the new development philosophy, accelerating the formation of a new development paradigm, and focusing on high-quality development. Through strengthened macroeconomic regulation and responses to unexpected external shocks, the economy maintained growth, development quality steadily improved, and innovation-driven growth continued to deepen. Supported by a series of innovation and entrepreneurship initiatives and achievements, new industries, new business formats, and new models expanded significantly and continued to serve as key drivers of economic growth and structural adjustment. During the year, China's total e-commerce transaction value reached RMB 46.73 trillion, representing a year-on-year growth of 2.5%. Online retail sales of physical goods totaled RMB 13.09 trillion, increasing by 5.2% year on year and accounting for 26.1% of total retail sales of consumer goods.

In a rapidly changing external environment, the markets for beauty and skincare franchise and consumer goods are becoming more and more competitive. In a fragmented competitive market, high-quality brands have a strong market appeal and more opportunities for market integration. At the same time, franchisees' business operations are directly affected by the macroeconomic environment and consumers' disposable income. Under the current urbanization and mass entrepreneurship drives, the development of e-commerce will help break down geographical limits and expand consumer groups, which will bring more business opportunities to the Company. The transformation and upgrading of traditional industries and the online-and-offline integrated marketing methods have further highlighted the Company's competitive advantage in combining unique products and services.

2. Impact from the Legal Environment:

To operate a skin care products manufacturing and franchise business in China, companies need to obtain numerous licenses and approvals and comply with the following regulations: "Hygienic Standard for Cosmetics," "Regulations Concerning the Hygiene Supervision over Cosmetics," "Detailed Rules for the Implementation of the Regulation on the Hygiene Supervision over Cosmetics," "Industrial Production Authorization Regulations," "Domestic Non-special Purpose Cosmetics Record Management Method," and "Cosmetics Labels Instructions Management Regulations," as well as "Regulation on the Administration of Commercial Franchises." Obtaining relevant licenses in accordance with the laws and regulations has a significant impact on the Company's business operations. As of the date of publication of this annual report, the Company does not need to renew any of the licenses or permits required for business operations.

Chairman:
Chen, Pi-Hua

President:
Chao, Chen-Yu

Accounting Director:
Yeh, Chien-Chih

Two. Company Profile

I. Date of establishment, and Company and Group presentation

Chlitina Holding Limited was established on July 3, 2012, in the Cayman Islands as an investment holding company. The Group's main business activities include the research and development, manufacturing, and sales of skincare and beauty products. With a strong franchise network and high brand recognition, the Group has built a comprehensive advantage through vertical industry integration.

II. Company and Group history

Year	Important Company Milestones
1989	Creation of the "CHLITINA" brand in Taiwan.
1997	First "CHLITINA" beauty salon opened in Shanghai, marking the official entry on the Mainland China market
1999	First "CHLITINA" flagship store on Shanghai's Huai Hai Road.
2002	A training center was established in Shanghai and offers various professional training programs.
2003	The Songjiang Factory in Shanghai, where CHLITINA products are manufactured, was equipped with advanced production equipment, adhering to strict scientific production management and quality control systems, and it obtained the Cosmetics Good Manufacturing Practice (GMPc) certification from Intertek Testing Services Ltd., Shanghai. The factory's excellent quality control standards also earned it the International URS ISO 9001 and Shanghai Quality System Certification Center ISO 9001 international quality certifications, making it one of the few domestic daily products and cosmetics companies to receive both certifications.
2004	Customer services were strengthened to accelerate market expansion, establishing branches in Beijing, Guangzhou, Chengdu, and Dalian, thus enhancing customer awareness and recognition of the brand.
2005	The company expanded around Mainland China, its franchise network surpassed 2,000 CHLITINA beauty salons.
2006	Shanghai Yongji Trade Co., Ltd. (hereafter referred to as Yongji) was established, and the number of franchises reached 2,475.
2007	-A CHLITINA self-owned store was inaugurated in Chengdu. -Weishuo (Shanghai) Daily Product Company Limited (hereafter referred to as Weishuo) was established. -Chlitina International Limited was established.
2008	-A CHLITINA self-owned store was inaugurated in Dalian. -The Centre de Recherche et de Développement de Chlitina France was established in Paris, and entered a Research & Development partnership with a French laboratory.
2009	-Hong Kong Chlitina Limited was established -Weishuo officially started mass production.
2011	-Both CHLITINA's Chinese (克麗緹娜) and English brand names were included in the list of "China Well-Known Trademarks" announced by China's State Administration for Industry and Commerce. -The Chlitina Group was established.
2012	-Chlitina Intelligence Limited was established. -Chlitina took part in the 7th China (Shanghai) International Beauty Expo, where it received a "Most Influential brand" award as well as the "2012 Most Influential Beauty Franchise" award.

Year	Important Company Milestones
	<ul style="list-style-type: none"> -Chlitina Holding Limited was established in the Cayman Islands, the first step towards going public. -Chlitina was awarded the “Asia Brand Grand Prize” and the “Most Promising Chain Store Organization in China” by the China Entrepreneurship and Franchise Industry Association. -At the 4th Hers Quality Life Awards organized by <i>Hers</i> magazine, the Chlitina brand received the “Most Loved Brand by Millions of Women” award. -Chlitina was recognized as one of the 2012 China High-Growth Chain Enterprises at the Top 50 Forum and Awards Ceremony organized by <i>Chuangyebang</i> online news media, in recognition of the brand’s reputation, prestige, and strong future growth potential. -Chlitina Marketing Limited and its Taiwan Branch were established.
2013	<ul style="list-style-type: none"> - The CHLITINA brand was awarded “Top 10 Most Valuable Brands in Asia” at the Asia Brand Annual Meeting and China Brand Annual Awards Ceremony. -Weishuo received the “Advanced Enterprise” award from the Songjiang District People’s Government. -In May, Chlitina received the “2013 Most Influential Entrepreneurial Investment Brand Award” and the “2013 Annual Entrepreneurial Expo Golden Award” at the National Brand Project Franchise and Entrepreneurship Exhibition. -In May, <i>Beauty Salon Magazine</i> awarded the Chlitina Group the “Top 10 Business Model” award. -In May, Chlitina was honored with the “Leading Brand” and “2013 Most Valuable Beauty Chain Organization” awards at the 18th China Beauty Expo. -In August, Chlitina was awarded “2013 China High-Growth Chain Top 50” by <i>Chuangyebang</i> online news media. -In November, CHLITINA was honored with the “2013 Trusted Brand in China’s Hair and Beauty Industry” award by the Shanghai Commerce Commission, <i>Morning News</i>, and the Shanghai Hair and Beauty Industry Association. -On November 27, CHLITINA HOLDING LIMITED was listed on the Taiwan Stock Exchange.
2014	<ul style="list-style-type: none"> -In January, CHLITINA was honored with a “City Light” award as the most beloved brand by 7.6 million readers of <i>Fengshang</i> magazine at the Fengshang Gala. -In January, “CHLITINA E.P.O. Facial Cleanser” was recognized as “2014 Most Classic Cleansing Product” at the Fengshang Gala. - In February, the company was honored with a “2013 China Public Welfare Collective Award” at the 3rd China Public Welfare Festival. -In February, the Company’s Light Up Project was honored with the “2013 Best Public Welfare Spirit Award” at the 3rd China Public Welfare Festival. -On March 3, the Company held the Women Love Bravely - CHLITINA Blossoming 25th Anniversary Brand Gala, unveiling its new slogan: “Women Love Bravely.” In May, the Chlitina Group was honored with the “Investors’ Favorite Brand” award at the 15th China (Shandong) Wealth Creation Expo. -In June, “CHLITINA E.P.O. Facial Cleanser” was honored with the “2014 Best Potential Entrepreneurial Project Award” and the “2014 Annual Entrepreneurial Expo Gold Award” at the 20th National Brand Project Franchise and Entrepreneurship Exhibition. -In June, the Company was honored with the “2014 Best Brand Image Award” at the 3rd China Financial Summit. -In September 2014, the Company was honored with the “2014 China Fragrance, Essential Oils, and Cosmetics Industry Excellent Product Tour Exhibition Special Contribution Award” and the “China Fragrance, Essential Oils, and Cosmetics Industry

Year	Important Company Milestones
	<p>Leading Enterprise Award.”</p> <ul style="list-style-type: none"> -In September, the Company received the “2014 Most Fashionable Beauty Chain Organization” award. -In November, the Company was honored with the “2013 Annual China Franchise Entrepreneurship Contribution Award” and the “2013 China Top 120 Franchise” award by the China Chain Store & Franchise Association. -In November, the Company was honored with the “Outstanding Contribution Award for 25 Years of Project Hope” by the China Youth Development Foundation.
2015	<ul style="list-style-type: none"> -In January, Mrs. Chen Pi-Hua, Chairman of the Chlitina Group, was honored with the “2014 China Public Welfare Personality Award.” -In January, the Company was honored with the “2014 China Public Welfare Collective Award.” -In June, CHLITINA collaborated with Hubei TV to create the legendary reality show “Perhaps Love” around the “Women Love Bravely” theme. -In July, a grand event was held in Xiamen for the launch of Xinmeili, the company’s new beauty business. -In October, CHLITINA was listed as one of the “2015 Top 20 International Brands in Taiwan” by Interbrand, the world’s largest marketing consultancy firm. -In November, CHLITINA’s Deluxe Renew Firming Cream won the “Best 4D Contouring Award” from <i>Femina</i> magazine after a successful blind test.
2016	<ul style="list-style-type: none"> -In January, Chairman Chen Pi-Hua was honored with the “2015 China Public Welfare Personality Award.” -In January, the Chlitina Group was honored with the “2015 Responsible Brand Award.” -In March, the company held a press conference in cooperation with the 19th Shanghai International Film Festival. -In March, the Company held a gala at the Shanghai Culture Square, hosted by its brand ambassador the mandopop star A-Lin, and introduced the new brand concept of “Cocoon Spirit.” -In March, the Company partnered with the Shanghai International Film Festival to launch a global fundraising campaign for the “Women Love Bravely” documentary project. -In April, TV and print advertisements featuring brand ambassador A-Lin were simultaneously released on both sides of the Taiwan Strait. -In April, computers donated by the Company’s Light Up Charity reached Anzhai County, Anhui Province. -In April, CHLITINA’s Intensive Boosting Treatment Whitening Essence was honored with the “Annual Best Whitening and Repair Award” by <i>Femina</i> magazine. -From May 11 to 16, Chlitina’s Light Up Charity held a training session in Shanghai for teachers from all regions in China. -In June, Chlitina became the official partner of the 19th Shanghai International Film Festival, with CHLITINA being the only designated skincare brand for the festival. -In June, Chairwoman Chen Pi-Hua was elected chapter president of the National Medical Beauty Industry Association in China. <p>From April to July 2016, Taiwan invested in the mainland’s high-profile TV drama “The Legend of Mi Yue,” enhancing brand awareness.</p> <ul style="list-style-type: none"> -In July, Chlitina received the “2016 Outstanding Brand Image Award” at the 5th China Finance Summit, and Chairman Chen Pi-Hua was honored with the “2016 Best Financial Intelligence Personality Award.” -In August, Chief Operating Officer Chao Chen-Yu was the only representative from the beauty industry invited to attend the Hangzhou B20 Summit. -In November, Chlitina’s new concept store debuted on Huaihai Road, in the central

Year	Important Company Milestones
	<p>commercial district of Shanghai, offering a unique five-sense experience to introduce the brand’s new luxury skincare concept, the “Cocoon Spirit”.</p> <p>-In November, Chlitina was selected for the second consecutive year as one of Taiwan’s Top 20 Global Brands. It was the sole representative from the beauty industry, with a brand value yearly growth rate of 19%, higher than the average growth rate of nearly 18% for all top 20 brands.</p> <p>-In November, Chairman Chen Pi-Hua was awarded an Honorary Doctorate in Humanities by Keuka College, New York State, for her outstanding long-term commitment to humanitarian care and continuous support for cultural exchange between the two sides of the Taiwan Strait.</p> <p>-In November, CHLITINA’s Protein Cream was honored with the “Annual Best Firming Award” by <i>Femina</i> magazine.</p>
2017	<p>-In January, the company received the “2016 Annual Special Tribute Award” at the 6th China Public Welfare Festival.</p> <p>-In January, Chairman Chen Pi-Hua was honored with the “2016 Public Welfare Personality Award” at the 6th China Public Welfare Festival.</p> <p>-In February, Chlitina held a press conference to announce its cooperation with the 20th Shanghai International Film Festival.</p> <p>-In February, the Company collaborated with Shanghai Hongqiao International Airport to create the 2017 Women Art Exhibition around the theme of “Women Love Bravely”.</p> <p>-In February, the Company hosted the “Soaring to New Heights for 20 Years” brand gala, upgrading its brand slogan to “Women Love Bravely and Become More Beautiful” in honor of every brave and loving woman.</p> <p>-In May, the Company made a donation to the Tongji University Education Development Foundation to support the development of medical and management talents and scientific research at university.</p> <p>-In May, the Company’s UPLIDER Medical Beauty Clinic was officially established.</p> <p>-In June, the Company’s Light Up Charity held a teacher training session in Shanghai.</p> <p>-In June, Chlitina became the official partner of the 20th Shanghai International Film Festival, with CHLITINA being the only designated skincare brand for the festival.</p> <p>-In June, Chlitina collaborated with the 20th Shanghai International Film Festival to launch the “Women Love Bravely” documentary creation and investment project, and funded the production of documentary “Gangla Medo.”</p> <p>-In June, Chlitina held the “Pink Power Ambassador” Gala in Shanghai.</p> <p>-In July, the brand was featured in the popular TV series “The First Half of My Life.”</p> <p>-In July, Chlitina was honored with the “2017 Outstanding Brand Image Award” at the 6th China Finance Summit.</p> <p>-In July, Chairman Chen Pi-Hua was honored with the “2017 (Industry) Influential Personality Award” at the 6th China Finance Summit.</p> <p>-In July, Chief Operating Officer Chao Chen-Yu was honored with the “2017 Best Financial Intelligence Personality Award” at the 6th China Finance Summit.</p> <p>-In October, the Tongji University-Lifeng Group Regenerative Medicine Research Institute was officially established. (Lifeng is the transcription of Chlitina Holding Limited’s Chinese name)</p> <p>-In November, the Company was selected as one of Taiwan’s Top 20 Global Brands for the third consecutive year, setting a new record in the local beauty industry.</p> <p>-In December, the Company received the “Best Classic Skincare Series Award” at the 2017 Sina Taste Awards.</p> <p>-In December, the Company was awarded the “2017 Best Cooperative Partner & Annual Hope Project Contribution Award” by the China Youth Development Foundation.</p>
2018	<p>-In January, Chlitina was awarded the “2017 Annual Special Tribute Grand Prize” at</p>

Year	Important Company Milestones
	<p>the 7th China Charity Festival.</p> <ul style="list-style-type: none"> -In January, Chairman Chen Pi-Hua was awarded the “2017 Annual Charity Figure Award” at the 7th China Charity Festival. -In February, the number of CHLITINA franchise stores surpassed the 4,000 mark. -In February, Chlritina received the “Golden Classic Award for Top 10 Innovative Cases in the National Service Industry” from <i>China Business News</i>. -In March, the Chlritina Gala was held at the Kerry Center in Pudong, Shanghai. -In March, in cooperation with the China Youth Development Foundation, the Company established the Light Up Fund, the first domestic fund dedicated to promoting reading. -In June, the Company was again declared an official partner of the 21st Shanghai International Film Festival & the 21st Shanghai TV Festival, with CHLITINA the only designated skincare brand for the Shanghai International Film Festival. -In June, the Company was awarded the “2017 China Top 100 Franchises” and “2018 China Excellent Franchise Brand” by the China Chain Store & Franchise Association. -In July, CHLITINA was featured in the dating show “Love at First Sight” on Anhui TV. -In October, CHLITINA’s Advanced Lightening Eye Serum was awarded the “Radiant Eye Pioneer Award” in the 2018 Beauty Example of <i>Rayli Her Style</i> magazine. -In October, COO Chao Chen-Yu attended the 18th Forbes Global CEO Conference as a representative of the domestic beauty industry. -In November, Chlritina was awarded the “2018 Annual Influential Enterprise” grand prize at the 2018 China Finance Summit, and COO Chao Chen-Yu was awarded the “2018 New Economy Person of the Year” grand prize. -In December, the Chlritina-funded documentary “Gangla Medo” was awarded the “Golden Ribbon” Excellent TV Program Award, with translations in 6 languages and broadcasts in 9 countries.
2019	<ul style="list-style-type: none"> -In January, the Company was awarded the “2018 Annual Public Welfare Group Award,” and COO Chao Chen-Yu was awarded the “2018 Annual Public Welfare Person Award.” -In January, the Company was honored as one of the “Top 100 Enterprises in Xuhui District,” and COO Chao Chen-Yu was appointed Vice President of the Xuhui District Committee of the Shanghai Taiwan Investors Association. -In March, Chlritina won three awards: “2018 China Top 100 Franchises,” “2019 China Excellent Brand Award,” and “Excellent Franchisee Award.” -In June, Chlritina was again chosen as an official partner of the 22nd Shanghai International Film Festival & the 20th Shanghai TV Festival, and was the only designated skincare brand for the Shanghai International Film Festival. -In July 2019, the first “Reading for Beauty” Public Welfare Reading Summer Camp organized by the Chlritina Light Up Fund was successfully held in Duchang, Jiangxi. -In July 2019, Chlritina was awarded the “Corporate Social Responsibility Model Award” at the 8th China Finance Summit, and COO Chao Chen-Yu was awarded the “Industry Influential Person Award.” -In October 2019, Chlritina set a new industry record by being selected as one of Taiwan’s Top 20 Global Brands for the fourth consecutive year. -In October 2019, Chlritina once again collaborated with actress Ma Yili, writing a new chapter of the “Women Love Bravely” slogan. -In October 2019, COO Chao Chen-Yu attended the 17th Global Vision Leaders Forum as a representative of the domestic beauty industry. -In November 2019, Chlritina was honored by the China Youth Development Foundation with the “Outstanding Contributor to the 30th Anniversary of Project Hope” award. -In December 2019, Chlritina was awarded the “Popular Skincare Gift Box Full Effect

Year	Important Company Milestones
	<p>Care Award” and the “Popular Anti-Aging Cream Award” at the PC Lady 2019 Beauty Awards.</p> <p>-In December 2019, the CHLITINA brand was featured in the urban legal drama “The Best Partner.”</p> <p>-In December 2019, Chlitina (transcribed as “Lifeng”) held an unveiling ceremony for the Tongji University-Lifeng Group Regenerative Medicine Research Institute at the Tongji University Jicheng Building.</p>
2020	<p>-In January, the Company is awarded the 2019 Social Responsibility Public Welfare Charity Award.</p> <p>-In January, the “Reading for Beauty” public welfare project organized by the Company’s Light Up Fund was awarded the “2019 Public Welfare Practice Award” at the 9th China Charity Festival, and Ms. Su Yu-Shan, the founder of the Light Up Fund, was awarded the “2019 Public Welfare Person Award.”</p> <p>-In February, the CHLITINA brand was featured in the urban legal drama “I Will Find You a Better Home.”</p> <p>In February, Chlitina was awarded the “Fighting the Epidemic with Love” donation certificate by the China Youth Development Foundation.</p> <p>-In March, Chlitina joined the China Chain Store & Franchise Association’s “Consumer Confidence Pledge.”</p> <p>-In July, Chlitina was awarded the “2019 China Top 100 Franchises” for the third consecutive year.</p> <p>-In July, Chlitina was awarded the “2020 Influential Quality Brand” and “2020 Influential Consumer Satisfaction Brand” at the 7th China Brand Influence Awards.</p> <p>-In August, the CHLITINA brand was awarded the “2020 Industry Influential Brand” at the 9th China Financial Summit, and CEO Chao Chen-Yu was awarded the “2020 Industry Influential Person” award.</p> <p>-In August, the Shanghai TV Festival held an awards ceremony at the Shanghai Theater, with Chlitina being the official partner and designated skincare brand of the Shanghai TV Festival for the fourth consecutive year, and the only brand sponsor of that year’s festival.</p> <p>-In September, the second phase of the Light Up Fund project in Shaanxi was officially launched.</p> <p>-In October, the first mini-series “Her and Their Stories,” co-produced by CHLITINA and Miao Yan Entertainment, premiered on the Youku platform.</p> <p>-In November, Chlitina’s new product, the Youthkeeper Serum received the “Youth Rejuvenation Award” at the ELLE Beauty Star 75th Anniversary.</p> <p>-In November, the Company was awarded “Top 25 Taiwan Global Brand” for the fifth time.</p> <p>-In November, Chlitina (China) Trade Co., Ltd. was awarded “Outstanding Taiwan Enterprise.”</p> <p>-In November, the Company was listed among Forbes Asia’s “Top 200 Best Under A Billion.”</p> <p>-In December, “Her and Their Stories” was awarded “Best Commercial Video” at the Golden Touch 2020 Global Business Innovation Awards.</p>
2021	<p>-In January, the Company was honored with the “2020 Enterprise with Outstanding Anti-epidemic Contribution” at the 10th China Philanthropy Festival while the founder of the Light Up Fund, Ms. Su Yu-Shan, received the “2020 Public Welfare Personality Award.”</p> <p>-In February, CHLITINA Youthkeeper Serum won the Top Innovation Award of Les Victoires de la Beauté in France in the professional SPA category.</p> <p>-In March, Chlitina received two honors: “2021 Consumer Rights Advanced Unit” and</p>

Year	Important Company Milestones
	<p>“2021 National 3.15 Quality Brand (Product) Award.”</p> <ul style="list-style-type: none"> -In March, the popular science entertainment show “Doctors’ Tips” with CHLITINA’s exclusive sponsorship went online. -In May, the Company’s Light Up Fund worked with the Jackie Chan Charitable Foundation Beijing to donate funds to earthquake-affected Maduo County, Qinghai. -In May, the Phase II of the Light Up Fund: The Power of Reading” was launched in Huyi District, Shaanxi. -In June, the Company held a press conference for its “Beauty + New Consumption Strategy”, introducing the new concept of “Water, Microbiome, Regenerative Medicine” and emphasizing human health and beauty as a holistic cycle — “From Beauty to Health: Enhancing the Quality of Life.” -In June, the Company was awarded the “CCFA Top 100 Chain-Style Business of China” for the fourth consecutive year. -In June, Chlitina was the only designated skin care brand of the Shanghai International Film Festival and Shanghai Television Festival for the sixth consecutive year. -In July, the Company’s Light Up Fund worked with the China Youth Development Foundation to donate RMB 500,000 and 1,000 boxes of BabuLong drinking water to support flood disaster relief efforts in Henan. -In July, Chlitina Group was honored with the “2021 Most Investment Value Award” and “2021 Most Growth Value Award” at the 10th China Finance Summit. Chlitina Group CEO, Mr. Chao Chen-Yu, received the “2021 Outstanding Digital Pioneer” award. -In July, the P113 + oral care series was launched. -In August, the Company was recognized as a “2021 Model Enterprise for Social Responsibility and Charity Implementation” by <i>Consumption Daily</i>. -In October, the Company’s Light Up Fund worked with the Jackie Chan Charitable Foundation Beijing to make a donation for flood disaster relief in Shanxi. -In November, the CHLITINA brand made an impressive debut at the 2021 China International Import Expo. -In November, Chairman Chen Pi-Hua was recognized as one of the Top 20 Chairwomen of Listed Companies in Taiwan. -In December, Chlitina made “Top 25 Taiwan Global Brands” for the sixth consecutive year.
2022	<ul style="list-style-type: none"> -In January, the Company was honored with the “Corporate Social Responsibility Model Award” and the founder of the Light Up Fund, Ms. Su Yu-Shan, received the “Public Welfare Person Award” at the 11th China Philanthropy Festival. -In January, the BabuLong Mineral Water was awarded the 2022 Superior Taste Award by the International Taste Institute in Belgium. -In March, the Company received three honors during the “China Association for Quality Inspection March 15 Event” for its leading role in the national product and service quality integrity as well as its premium quality and brand. -In May, the 3,676 franchise stores of the CHLITINA network took part in the “Home Protection and Care Program” by providing healthcare personnel, community personnel, and community volunteers with free beauty and skincare services in recognition for their contribution during the pandemic. -In June, the Company was awarded the “CCFA Top 100 Chain-Style Business of China” for the fifth consecutive year, and three Chlitina store managers received the “CCFA Golden Store Manager Award”. -In June, the Company won the 2022 (Industry) Leading Brand Award, CHLITINA Youthkeeper Serum was selected as the “2022 Excellent Popular Product”, and CEO Chao Chen-Yu won the “2022 (Industry) Leading Player Award” with his innovative

Year	Important Company Milestones
	<p>“Beauty + New Consumption Strategy” at the 2022 Brand Innovation Development Conference (BIDC).</p> <p>-In June, the BabuLong Mineral Water won the Monde Selection 2022 Grand Gold Award in Belgium.</p> <p>-In July, the Company won the “2022 Sustainability Model Award” and CEO Chao Chen-Yu won the “Outstanding Influential Entrepreneur Award 2022” at the 11th China Finance Summit.</p> <p>-In September, the Company won the “Quality Integrity Benchmark Enterprise” in the 2022 Quality Month organized by China Association for Quality Inspection.</p> <p>-In November, the Company was awarded “Top 25 Taiwan Global Brands” for the seventh consecutive year.</p> <p>-In November, CHLITINA Youthkeeper Serum 50ML was launched and promotion events were organized together with actor Fei Qiming.</p>
2023	<p>-In January, the Company was honored with the “Corporate Social Responsibility Model Award” and the founder of the Light Up Fund, Ms. Su Yu-Shan, received the “Public Welfare Person Award” at the 12th China Philanthropy Festival.</p> <p>-In March, the Company received three honors during the “China Association for Quality Inspection March 15 Event,” namely “National Leading Company in Quality and Integrity”, “National Quality Leading Brand in the Beauty Sector”, and “National Quality Leading Company in the Beauty Service Sector.”</p> <p>-In May, the Company won three major awards at the 4th Brand Innovation Development Conference (BIDC): CHLITINA won the “2023 Industry Leading Brand” award; CEO Chao Chen-Yu received the “2023 (Industry) Leading Person” award; and CHLITINA Youthkeeper Serum won the “2023 Outstanding Popular Product” award.</p> <p>-In June, the Company was selected as one of the “CCFA’s Top 100 Consumer Service Franchises in 2022” for the sixth consecutive time and was ranked Top 1 in the beauty sector category. Three of our store managers were awarded the “CCFA Gold Store Manager” award.</p> <p>-In July, the Company received the “2023 Sustainability Model Award” at the 12th China Finance Summit, and CEO Chao Chen-Yu won the “Outstanding Influential Entrepreneur Award 2023.”</p> <p>-In August, after an unprecedented rainstorm hit the Beijing-Tianjin-Hebei region, the Company’s Light Up Fund immediately made a donation of RMB 200 000 to the Jackie Chan Charitable Foundation Beijing to help purchase relief supplies.</p> <p>-In September, the Company won the “Quality and Integrity Benchmark Enterprise” in the 2023 Quality Month organized by China Association for Quality Inspection.</p> <p>-In November, CHLITINA was selected as one of the “Top 25 Taiwan Global Brands” for the eighth year.</p> <p>-In December, after an earthquake in Qinghai, Gansu Province, Chlritina’s Light Up Fund immediately donated RMB 300,000 to the Jackie Chan Charitable Foundation Beijing to help purchase relief supplies.</p>
2024	<p>-In January, the Company was honored with the “Corporate Social Responsibility Model Award” at the 13th China Philanthropy Festival, and the founder of the Light Up Fund, Ms. Su Yu-Shan, received the “Public Welfare Person Award” for the fifth consecutive year.</p> <p>-In March, Chlritina was listed in the Top 100 Beauty Brands by Forbes China, and Group CEO Chao Chen-Yu received the honor of “Forbes China Young Leader in the Beauty Industry.”</p> <p>-In March, the Company received three honors during the China Association for Quality Inspection March 15 Event, namely “National Stable and Qualified Product for Quality Inspection”, “Leading Brand in the National Beauty Service Industry”, and “National</p>

Year	Important Company Milestones
	<p>Trusted Brand in Product and Service Quality.”</p> <ul style="list-style-type: none"> -In April, the Youthkeeper Serum won the Monde Selection Gold Award in Belgium; the Le spa Jolie Rose Face Cleansing Balm received a Top Innovation Award at the Victoires de la Beauté in Paris. -In May, the Company was listed as one of the “CCFA’s Top 100 Consumer Service Franchises” for the seventh consecutive time, and for the first time on the Top 280 Franchises list; Three store managers were honored with the “CCFA Gold Store Manager” award. -In June, through the Light Up Fund, the Company supported underprivileged students in Jiang County, Shanxi Province and Duchang, Jiangxi Province by donating 347 daily necessities gift packs. -In July, at the 13th China Finance Summit, the Company won “2024 Model Enterprise for Sustainable Development” and CEO Chao Chen-Yu won the “Outstanding Influential Entrepreneur Award 2024.” -In July, the Company was named “2024 Best Partner” by the Changming Education Foundation. -In September, the Company was honored as a “Quality Integrity Benchmark Enterprise” during the 2024 National Quality Month by the China Association for Quality Inspection. -In October, on the “Double Ninth” Festival, Chlitina partnered with local communities to distribute health gift packages to elderly residents and do home repair at the homes of isolated teachers. -In October, Chlitina was honored as one of the “Top 500 Asian Brands.” -In December, CHLITINA was selected as one of the “Top 25 Taiwan Global Brands” for the ninth time.
2025	<ul style="list-style-type: none"> -In January, the Company was honored with the “2024 ESG Model Enterprise Award” at the 14th China Philanthropy Festival, and Ms. Su Yu-Shan, Chairperson of the Group’s Public Welfare Department, received the “Philanthropist of the Year Award” for the sixth consecutive time. -In January, the Company received the “Brand Powerhouse –Influential Enterprise of the Year” award at the 2024 Brand Powerhouse Economic Forum; CEO Chao Chen-Yu received the “Brand Powerhouse – Economic Person of the Year” award. -In February, CHLITINA was recognized by the industry as “China’s leading beauty brand and the world’s first to introduce skincare products formulated with Deer Amniotic Fluid Extract.” -In February, CHLITINA was named to “2025 Forbes China Top 100 Outstanding Beauty Brands.” -In March, the Company received three authoritative certifications from the China Quality Inspection Association: “National Quality and Integrity Advanced Enterprise,” “National Leading Brand in the Beauty Service Industry,” and “National Leading Enterprise in Quality in the Beauty Service Industry.” -In April, the BabuLong Mineral Water won the Monde Selection Gold Award from the International Quality Institute in Brussels, Belgium. -In May, the CHLITINA Youthkeeper Eye Serum was shortlisted for the Pure Beauty Global Awards (UK) 2025 Best Eye Product. -In June, the Company was ranked No.1 in the “Beauty & Body Care” category of the China Chain Store & Franchise Association’s Top 100 list for the eight consecutive time. -In June, at the 2025 Brand Influence Development Conference, the Company won a “Beauty Chain Industry Benchmark Brand” award, and CEO Chao Chen-Yu won a “Leader of the Year” award.

Year	Important Company Milestones
	<ul style="list-style-type: none"> -In July, at the China Finance Summit, the Company won “2025 Model Enterprise for Sustainable Development” and CEO Chao Chen-Yu won the “2025 Outstanding Influential Entrepreneur Award.” -In September, the Company was listed in the “500 Top Asia Brands.” -In October, CHLITINA announced Cecilia Liu as its Global Brand Ambassador. -In November, CEO Chao Chen-Yu was honored with the 2025 Hurun Rich List “Future Star” award. -In November, RnD Eternal Nude Feel Air Cushion Cream Foundation won “Most Innovative Makeup Product” and RnD Beautiful Liquid Matt Foundation was shortlisted for the “Best Ingredient Makeup Product” at the 2025 Global Beauty & Wellness Awards. -In November, the Company’s production base and subsidiary Weishuo was awarded “High-tech Enterprise” and “Shanghai Songjiang District Enterprise Technology Center” titles. -In December, Chlitina was listed in the Top 100 Beauty Brands by Forbes China -In December, the CHLITINA advertisement campaign featuring global brand ambassador Cecilia Liu was displayed inside the Lujiazui subway station in Shanghai, China, and won Best Marketing Event of 2024-2025 at the 10th China Advertising Top awards.

III. Group structure

Please refer to Chapter Seven, Special items, in this annual report for further details.

IV. Risk factors

Please refer to Chapter Six, Risk analysis and assessment for the most recent year and up to the publication date of this annual report, in this annual report for further details.

Three. Corporate Governance Report

I. Information concerning the directors, supervisors, presidents, vice presidents, assistants, and department and branch managers

1. Directors and Supervisors: General information (1)

March 31, 2026; Units: 1,000 shares; %

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Female/Male)	Date of Election (Appointment) (Note 1)	Term (years) (Note 1)	Date when first elected (Note 1)	Shareholding when elected		Current shareholding		Current shareholdings of spouse and underage children		Shareholding under another name		Education and selected past positions	Concurrent positions at the Company and other companies	Other senior managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio			Title	Name	Relationship	
Chairman	R.O.C.	Chen, Pi-Hua	F 61~70	2024.6.25	3 years	2012.7.3	82	0.10	406	0.49	-	-	-	-	EMBA, Tongji University PhD of Keuka College, USA	Chlitina Holding Limited Chief Strategy Officer (Note 2)	Director	Chen, Pei-Wen; Chao, Chen-Yu	Sister; Parent-child	(Note 5)
Director	British Virgin Islands	Wealthy Garden Investment Limited	-	2024.6.25	3 years	2012.8.23	28,056 (Note 2)	35.29	28,056	34.01	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Chen, Pei-Wen	F 61~70	2024.6.25	3 years	2015.6.17	-	-	-	-	-	-	-	-	MBA, US Seton Hall University Stillman School of Business	(Note 3)	Director	Pi-Hua a Chen	Sister	-
Director	R.O.C.	Chao, Chen-Yu	M 41~50	2024.6.25	3 years	2021.7.6	110	0.14	123	0.15	20	0.02	-	-	Master's, School of Economy and Management, Tongji University Bachelor of Communication, Fudan University	Chlitina Holding Limited CEO (Note 4)	Director	Chen, Pi-Hua	Parent-child	(Note5)
Director	Mainland China	Wu, Si-Zong	M 71~80	2024.6.25	3 years	2012.8.23	-	-	-	-	-	-	-	-	Master of Economics, Shanghai University of Finance and Economics Bachelor of Economics, Jiangxi University of Finance and Economics, Vice Dean of the School of Economics and Management, Tongji University	Top Spring International Holdings Limited Independent Director Shanghai Guanzong Investment Limited Chairman	-	-	-	-
Independent Director	R.O.C.	Tsai, Yu-Chin	F 61~70	2024.6.25	3 years	2012.8.23	-	-	-	-	-	-	-	-	PhD, School of Accounting, Shanghai University Finance and Economics Master's, College of Accounting, National Chengchi University Director of the Audit Dept., KPMG Assistant Professor, Dept. of Finance, China University of Technology Passed High Level CPA Civil Test	Jiu Han System Technology, Co., Ltd. Independent director /Audit Committee chair/ Member of the Remuneration Committee	-	-	-	-

Independent Director	R.O.C.	Hsu, Wen-Kuan	F 61~70	2024.6.25	3 years	2024.6.25	-	-	-	-	-	-	-	-	-	BA, Dept. of Accounting, Soochow University CPA, PwC Lead Accountant, Suzhou Branch of PwC China Qualified to practice as a CPA in China	Eclatorq Technology Co., Ltd Independent Director / Audit Committee chair / Remuneration Committee chair Boretech Resource Recovery Technology Co., Ltd /Independent Director / Audit Committee chair / Remuneration Committee chair Omnihealth Group, Inc. / Auditor Daphne International Holdings Ltd / Nomination Committee chair / Audit Committee member / Remuneration Committee member	-	-	-	-
Independent Director	R.O.C.	Huang, Lei-kang	M 51~60	2024.6.25	3 years	2024.6.25	-	-	-	-	-	-	-	-	-	Juris Doctor, Tulane University, Louisiana. Bachelor of Arts in Psychology from UCLA, Licensed Attorney in California Senior Counsel, Han Kun Law Offices, Shanghai, China Senior Counsel, Clifford Chance LLP, Shanghai Office Senior associate at Preston Gates Law Firm in San Francisco, California Attorney at R&F Law Firm in San Francisco, California	China Campus, Keuka College, New York, USA President Lotus Education Foundation Chairman	-	-	-	-

Table 1: Major shareholders of institutional shareholders

March 31, 2026

Institutional shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)
Wealthy Garden Investment Limited	Best Honour Development Limited (51.33%)
	De Sheng Global Limited (18.67%)
	J&R International Holding Limited (8.33%)
	Fortune Radiance Holdings Limited (5%)
	Yong Shun Group Limited (3.67%)
	Fortune Radiance Investment Limited (8%)
	Smart Fortune Asia Limited (5%)

Note 1: Directors and supervisors are the representatives of legal-person shareholders, which shall be listed with the name of the legal person (institution).

Note 2: List the name of the main shareholder for the legal-person shareholder (whose shareholding ratio ranks the top 10) and their shareholding ratio. If its main shareholder is also a legal person, the following (Table 2) shall be filled in.

Note 3: For those who are not the juristic person of the Company, the Company shall disclose the name of the shareholder and the shareholding ratio, i.e. the name of the contributor or donator and their contribution or donation ratio.

Table 2: Major institutional shareholders of institutional shareholders

March 31, 2026

Name of juristic person (Note 1)	Major shareholders of juristic person (Note 2)
Best Honour Development Limited (51.33%)	Chen, Wu-Kang (100%)
De Sheng Global Limited (18.67%)	J&R International Holding Limited (30.14%)
	Yong Shun Group Limited (11.97%)
	Smart Fortune Asia Limited (15.97%)
	Fortune Radiance Investment Limited (25.95%)
	Fortune Radiance Holdings Limited (15.97%)
J&R International Holding Limited (8.33%)	Chen, Pi-Hua (100%)
Fortune Radiance Holdings Limited (5%)	Chen, Le-Wei (100%)
Yong Shun Group Limited (3.67%)	Chen, Ssu-Fan (100%)
Fortune Radiance Investment Limited (8%)	Chen, Pei-Wen (100%)
Smart Fortune Asia Limited (5%)	Chen, Chao-Ching (100%)

Directors and supervisors: General Information (2)

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

March 31, 2026

Situation Name	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of positions as an Independent Director in other public listed companies
Chairman Chen, Pi-Hua	Honorary PhD degree in Humanities from Keuka College in New York, EMBA from Tongji University, current Chairman and COO of Chlitina Holding Limited and a member of the Taiwan Women on Boards Association. She has more than five years of commercial and work experience required to perform the duties of the Company, being dedicated to the beauty industry, having extensive knowledge of the industry, and capable of professional leadership, marketing, and business management.	None of the circumstances under Article 30 of the Company Act apply to the person.	-
Director Chen, Pei-Wen	MBA from Seton Hall University Stillman School of Business in the US. Currently serving as a legal representative of Chlitina Holding Limited, and as the Executive Secretary of the Gem Fortune Group president's office, Chairman of Phiwing International Co., Ltd., and brand founder of Tutu&Bow. Has more than five years of commercial and work experience required to perform the duties of the Company with knowledge of the industry and business management capabilities.		-
Director Chao, Chen-Yu	Bachelor's of Communication, Fudan University. Currently responsible for product development and media advertising for Chlitina Group. Master's, School of Economy and Management, Tongji University. Currently the CEO of Chlitina Holding Limited. Has more than five years of commercial, financial, and work experience required to perform the duties of the Company with market strategy and business management capabilities.		-
Director Wu, Si- Zong	Master's degree of Economics, Shanghai University of Finance and Economics. Currently a professor and doctoral advisor of Tongji University and the Associate Dean of its School of Economics & Management, giving economics and international trade courses with business administration, marketing, and international trade as the major subjects. Has more than five years of financial, accounting, and work experience required to perform the duties of the Company with professional trading, marketing, finance, and accounting capabilities.		-
Independent Director Tsai, Yu-Chin	Former Director of the Audit Dept., KPMG. Has a Taiwan CPA license and doctoral degree from the School of Accounting, Shanghai University of Finance and Economics. Currently a full-time assistant professor in the Department of Accounting, China University of Technology. Has more than five years of commercial, financial, accounting, and work experience required to perform the duties of the Company with professional financial planning and accounting capabilities.		1

		<p>affiliated companies:</p> <ul style="list-style-type: none"> ◆ Is not holding any company shares; ◆ Is not serving as a director, supervisor or employee of a company with a specific relationship with the Company; ◆ Does not provide business, legal, financial, accounting and other services to the Company or its affiliated companies. <p>The above assessment shows that the company meets the independence requirements.</p>	
Independent Director Hsu, Wen-Kuan	<p>Graduated from Soochow University with a major in accounting, qualified to practice as a CPA in China, and once served as the lead accountant of the internal control team in PricewaterhouseCoopers Certified Public Accountants and as the lead accountant of the Suzhou Branch of PwC China. Has more than five years of commercial, financial, accounting, and work experience required to perform the duties of the Company with professional financial planning and accounting capabilities.</p>		2
Independent Director Huang Lei-Kang	<p>Doctor of Law degree from Tulane University in Louisiana, USA, and a BA in Psychology from the University of California, Los Angeles, USA. Former President of the Hefeng Education Foundation. Currently President of International Campus, Keuka College, New York, USA, and practicing attorney in California, USA</p> <p>More than five years of experience in business, finance, accounting, and corporate affairs, as well as the ability to handle risk management and legal professional matters.</p>		-
Independent Director Lee Jin-Wei	<p>Master's Degree in Biomedical Engineering from the University of Southern California, USA. Bachelor's degree in Power Mechanical Engineering from Taiwan's Tsinghua University.</p> <p>Founder and CEO of Jinqu Co., Ltd., Momentx Co., Ltd. General Manager and CEO.</p> <p>More than five years of experience in business, sales and corporate affairs, with information management, business and sales management capabilities.</p>		-

Note 1: Professional qualifications and experience: The professional qualifications and experience of each director and supervisor shall be described. When the person is a member of the Audit Committee and has accounting or financial expertise, such accounting or financial background and related work experience shall be specified. Also, whether none of the circumstances under Article 30 of the Company Act applies to the person shall be specified as well.

Note 2: The status of independence of each independent director shall be specified, including but not limited to whether the person or the person's spouse or relative within the second degree of kinship is a director, supervisor or employee of the Company or an affiliate; the number of company shares held by the person and the person's spouse and relatives within the second degree of kinship (or held in the name of others) and the percentage thereof; whether the person is a director, supervisor or employee of any of the Company's affiliates (in reference to Subparagraphs 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration in the last two years for providing the Company or affiliates with commercial, legal, financial, accounting or related services.

A “√” is marked in the relevant space when a director and a supervisor has met a condition during the two years prior to election and during his or her period of service. The conditions are as follows:

- (1) Not an employee of the company or an affiliate.
- (2) Not a director or supervisor of the Company's affiliates (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
- (3) Not the director, or his or her spouse or minor who holds, in his or her own name or in another name, more than 1% of the Company's total outstanding shares, or is one of the Company's ten largest natural-person shareholders.
- (4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct blood

- relative within the third degree of kinship of a person listed in (2) and (3).
- (5) Not a director, supervisor, or employee that has 5% or higher ownership interest in the company, being the top-5 corporate shareholders or the institutional shareholders who designate representative as the corporate director or supervisor in accordance with Paragraph 1 or 2, Article 27 of the Company Act (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
 - (6) Not a director, supervisor or employee of other Company in which the number of directors or more than half of the voting shares is under the control of the same person (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
 - (7) Not a director, supervisor, or employee of another Company or institution in which the Chairman, president, or personnel with equivalent positions are the same person or have a spousal relationship (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
 - (8) Not a director, supervisor, manager, or shareholder holding more than 5% of the outstanding shares of a specific company or institution in a business or financial relationship with the Company (the same does not apply, however, in cases where the specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of the public Company and the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
 - (9) Not a professional who provides audits or commercial, legal, financial, or accounting services accumulating more than NT\$ 500,000 in remuneration obtained in the most recent two years to the company or its affiliates, nor is an owner, partner, director, supervisor, manager, or the spouse of any of the above of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates. However, this shall not apply to members of the remuneration committee, review committee for public acquisitions or special committee for mergers executing their duties in accordance with the Securities and Exchange Act or Business Mergers and Acquisitions Act.
 - (10) Is not the spouse or relative within the second degree of kinship of another director.
 - (11) None of the circumstances under Article 30 of the Company Act apply to the person.
 - (12) Has not been elected as a government unit, institution, or their representative as prescribed in Article 27 of the Company Act.

(II) Diversity and independence of the Board of Directors:

Proposal for Chapter 3 “Enhancing the Functions of the Board of Directors” of the “Practice Principles for Corporate Governance” and a diversified strategy. The Company’s nomination and election of the Board of Directors is conducted in accordance with the “Guidelines and Procedures for Election of the Board of Directors” and the “Practice Principles for Corporate Governance”. It adopts the nomination method which, in addition to assessing the nominee’s education and experience, also stipulates seeking the opinions of key stakeholders. This ensures compliance with the conditions of diversity and independence.

A. Diversity of the Board of Directors:

1. Among the eight directors (including four independent directors) of the Company’s 5th Board of Directors, Chairman Chen, Pi-Hua, Director Chen, Pei-Wen, and Director Chao, Chen-Yu, are specialized in medical beauty and marketing, healthcare and biotechnology, and international trade. Director Wu, Sizong is specialized in finance. As for the four independent directors, Tsai, Yu-Chin and Hsu, Wen-Kuan are specialized in finance and accounting; Lee, Jin-Wei, is specialized in business operation and information technology; and Huang, Lei-Kang is specialized in law and risk management. The eight directors have backgrounds and expertise in beauty and distribution, healthcare and biotechnology, accounting an information, to ensure implementation of the director diversity policy and help the Company in the improvement of its corporate governance and business management performance.
2. Among the eight directors of the Company’s 5th Board of Directors, seven are

nationals of the R.O.C., while one of them is a national of P.R. China. There are four independent directors, accounting for 50% of the members of the board, and two directors who are also employees of the Company, accounting for 25% of the members of the board. In terms of the age distribution of the members, one is aged between 71-80 years old, four are aged between 61-70 years old, one is aged between 51-60 years old, and two are aged between 41-50 years old.

Furthermore, the Company places great importance on gender equality in the composition of the Board of Directors. The Board includes four female members (two of whom are independent directors), accounting for 50%.

3. According to Article 20 of the Company’s “Practice Principles for Corporate Governance,” gender equality shall be taken into account for the composition of the Board of Directors, and the members shall be equipped with the knowledge, skills, and competency required to perform their duties. The Company has complied with the requirement, and will make timely adjustments based on the Company’s operation and development to ensure that all the members of the Board of Directors possess the skills, knowledge and competency required to perform their duties.

The specific management objectives of the diversity policy and their achievements are described below:

Management objectives	Status
The Board of Directors includes at least one female director	Achieved
The number of company managers concurrently serving as directors should be under one third of the total of seats on the board.	Achieved
More than half of the independent directors shall not serve for more than three consecutive terms.	Achieved
At least one third of the directors have expertise in beauty and distribution, healthcare, and biotechnology.	Achieved
At least one third of the independent directors have expertise in finance, accounting, law or risk management.	Achieved

Implementation of the board members diversity policy:

Criteria	Basic Information								Business Experience				Expertise				
	Nationality	Gender	Concurrently employed by the Group	Age				Tenure of independent directors		Beauty, Business	Health, Biotechnologies	Information Technologies	International Trade	Finance, Accounting	Law	Business	Risk Management
				41-50	51-60	61-70	71-80	Under 3 years	Above 9 years								
Name																	
Dir. Chen, Pi-Hua	R.O.C.	F	✓			✓				✓	✓		✓		✓	✓	
Dir. Chen, Pei-Wen	R.O.C.	F				✓				✓	✓		✓				
Dir. Chao, Chen-Yu	R.O.C.	M	✓	✓						✓	✓		✓		✓		

Dir. Wu Sizong	Mainland China.	M				✓					✓		✓	✓		
Ind. Dir. Tsai, Yu-Chin	R.O.C.	F			✓			✓			✓		✓	✓	✓	
Ind. Dir. Hsu Wen- Kuan	R.O.C.	F			✓		✓						✓	✓		✓
Ind. Dir. Huang, Lei- Kang	R.O.C.	M			✓		✓				✓		✓			✓
Ind. Dir. Lee, Jin-Wei	R.O.C.	M		✓			✓				✓	✓		✓		✓

B. Independence of the Board of Directors:

Among the eight members of the Company's 5th Board of Directors, four are independent directors, accounting for 50%. All the independent directors are compliant with the regulations of the Securities and Futures Bureau, FSC. Their independence status is described below:

Criteria Name	Whether the independent director or his/her spouse or relative within the second degree of kinship is a director, supervisor, or employee of the Company or an affiliate:	The number of company shares held by independent directors or his/her spouse or relative within the second degree of kinship (or held in the name of others) and the percentage thereof:	Whether the independent director is a director, supervisor, or employee of any companies in a special relationship with the Company:	The amount of compensation that the independent directors receive for providing the Company or affiliates with commercial, legal, financial, accounting, or related services in the most recent two years
Tsai, Yu-Chin	No	None	No	None
Hsu, Wen-Kuan	No	None	No	None
Huang, Lei-Kang	No	None	No	None
Lee Jin-Wei	No	None	No	None

None of the circumstances under Article 30 of the Company Act applies to the eight members of the Company's 5th Board of Directors. Among them, three directors (Chairman Chen, Pi-Hua, Director Chen, Pei-Wen, and Director Chao, Chen-Yu) are relatives within the second degree of kinship, while not making up more than half of the directors. Thus, the circumstances described in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act do not apply. The description above demonstrates that the Company's Board of Directors has the independence to perform the duties.

II. Information concerning the presidents, vice presidents, assistants, and department and branch managers

March 31, 2026; Unit: 1,000 shares

Title	Nationality	Name	Gender	Date of appointment	Shares held		Shareholdings of spouse and underage children		Shareholding under another		Education and selected past positions	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio			Title	Name	Relationship	
CSO	R.O.C.	Chen, Pi-Hua	Female	August 11, 2020	406	0.49	-	-	-	-	PhD of Keuka College, USA EMBA, Tongji University	Note 2	CEO	Chao, Chen-Yu	Parent-child	Note 1
CEO	R.O.C.	Chao, Chen-Yu	Male	November 12, 2019	123	0.15	20	0.02	-	-	Master's, School of Economy and Management, Tongji University Bachelor of Communication, Fudan University	Note 2	CSO	Chen, Pi-Hua	Parent-child	Note 1
Group President	Mainland China	Yang, Chi-Chih	Male	August 08, 2017	146	0.18	-	-	-	-	EMBA, Business Administration Section, National Sun Yat-sen University President, Mainland China and Asia Pacific, Tianlufen (Shanghai) Cosmetics Co., Ltd. Chlitina (China) Trade Co., Ltd. General Manager	None	-	-	-	-
President of Taiwan branch	R.O.C.	Chen, Pai-Ying	Female	December 22, 2022	6	0.01	-	-	-	-	EMBA, Business Administration Section, National Taiwan University Vice President of Marketing Department, Mikobeauté International Co., Ltd.	None	-	-	-	-
CFO and Head of Corporate Governance	R.O.C.	Yeh, Chien-Chih	Male	August 08, 2017	49	0.06	-	-	-	-	Bachelor of Accounting, Tunghai University Assistant Manager, PwC Certified Public Accountants Supervisor of Strategic Development Department and Finance Department, Cowealth Investment Co., Ltd.	Note 2	-	-	-	-

Note 1: If the Chairman, President, or person holding an equivalent position (top manager) of the Company is the same person, has a spousal relationship, or relative relationship within the first degree of kinship, the Company shall describe the reason, rationality, necessity, and information related to the response measures (such as increasing the number of seats for independent directors and ensuring that the directors with concurrent positions as employees or managers shall not exceed half of the directors).

The Company's Chairman Chen, Pi-Hua and the CEO Chao, Chen-Yu are relatives within the first degree of kinship. The description is as follows:

- (1) Reason, legitimacy, and necessity: The CEO Chao, Chen-Yu once served as the COO of CHLITINA and Zhe Mei Vocational Training School and as Special Assistant to the Chairman, therefore he is familiar with the product development and marketing affairs of the Group with sharp and precise market insights. Having studied and lived abroad, CEO Chao, Chen-Yu can lead the development of the Company from a more internationalized perspective.
- (2) Response measures: The Company followed the corporate governance blueprint promoted by the competent authorities and elected one additional independent director on December 27, 2023. More than half of the Company's directors do not presently have concurrent positions as employees or managers.

Note 2: The concurrent positions in the Company and other companies that the President, Vice President, Associate President and the supervisor of each department and branch hold are listed as follows:

Title	Name	Concurrent positions in the Company (including companies within the Group)	Concurrent positions in other companies (excluding companies within the Group)
CSO	Chen, Pi-Hua	Director of (BVI) Chlitina Group Limited Director of (BVI) Chlitina International Limited Director of (BVI) Chlitina Intelligence Limited Director of (BVI) Chlitina Marketing Limited Director of (BVI) W-Amber International Limited Director of (BVI) W-Amber Marketing Limited Director of (BVI) W-Champion International Limited Director of (BVI) W-Champion Marketing Limited Director of (BVI) C-Asia International Limited Director of Centre de Recherche et de Développement de Chlitina France EURL Director of Hong Kong Chlitina International Limited Director of Hong Kong W-Amber International Limited Director of Hong Kong Crystal International Services Limited Director of Hong Kong Jing Tai International Investment Limited Director of Huapao Sdn. Bhd. Director of PT Pining Beauty Indonesia Director of Chlitina (Southeast Asia) Holding Pte. Ltd. General Manager of (BVI) Chlitina Marketing Limited Taiwan Branch General Manager of (BVI) Chlitina Intelligence Limited Taiwan Branch Director's Representative of Wan Ju International Investment Limited	Representative of Juristic Person of General Biologicals Corporation Representative of Juristic Person of U-Neuron Biomedical Inc. Director of (BVI) Desheng Global Limited Ltd. Director of (BVI) Wealthy Garden Investment Limited Director of (BVI) J&R International Holding Limited Director of (BVI) Pure Sky International Limited Director of Dida Biomedical Limited Director of San Yen So International Co., Ltd. Director of Cheng Yang Trading Co., Ltd. Supervisor of Chlitina International Trade Co., Ltd. Director of Gem Fortune Investment Co., Ltd. Director of Jin Yong Ji Co., Ltd. Director of Chaoneng Biochemical Technology Co., Ltd.
CEO	Chao, Chen-Yu	Director of Chlitina (Southeast Asia) Holding Pte. Ltd. CEO of Chlitina (China) Trade Limited CEO of Weishuo (Shanghai) Daily Product Limited Executive Director, Manager of Shanghai Zhe Mei Technology Training Co., Ltd. Supervisor of Shanghai Lunxin Medical Beauty Clinic Co., Ltd. Supervisor of Shanghai Hedeng Clinic Co., Ltd. Executive Director, General Manager of Shanghai Yongshang Trading Co., Ltd. Executive Director of Shanghai Jiekan Trading Co., Ltd. Director of Yongli Trading Co. Ltd. Director of Vinh Le Co., Ltd.	Executive Director, General Manager of Shanghai Cheng Yang Trading Co., Ltd. Director of Yahe Consulting Co., Ltd. Director of (BVI) Capital Faith Development Limited

CFO and Head of Corporate Governance	Yeh, Chien-Chih	None	Legal representative of General Biologicals Corporation director
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II. Remuneration to directors, supervisors, presidents and vice presidents for the most recent fiscal year

1. Remuneration to Directors and Independent Directors

December 31, 2025; Unit: NT\$1,000

Title	Name	Remuneration to directors								Sum of A, B, C, and D, and the percentage in net income after tax (Note 10)		Remuneration from concurrently servings as employees						Sum of A, B, C, D, E, F, and G, and the percentage in net income after tax (Note 10)		Remuneration from investees other than the subsidiaries or parent company (Note 11) (Note 11)		
		Wages (A) (Note 2)		Pension upon retirement (B)		Directors' remuneration (C) (Note 3)		Service Expenses (D) (Note 4)		Wages, bonuses, and special allowances, etc. (E) (Note 5)		Pension upon retirement (F)		Employee Compensation (G) (Note 6)								
		The Company	Companies included into the financial statement (Note 7)	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement (Note 7)	The Company	Companies included into the financial statement (Note 7)	The Company	Companies included into the financial statement (Note 7)	The Company	Companies included into the financial statement (Note 7)	The Company	Cash dividend amount	Share dividend amount	Cash dividend amount	Share dividend amount	The Company		Companies included into the financial statement (Note 7)	
Director	Chen, Pi-Hua	-	11,035	-	-	3,184	3,184	114	114	3,298	14,333	-	25,719	-	-	-	-	300	-	3,298	40,352	-
	Wealthy Garden Investment Limited Representative: Chen, Pei-Wen	-		-	-																	
	Wu, Si-Zong	-		-	-																	
Independent Director	Chao, Chen-Yu	-		-	-																	
	Tsai, Yu-Chin	-		-	-																	
	Hsu, Wen-Kuan	-		-	-																	
	Huang, Lei-Kang	-		-	-	3,184	3,184	336	336	3,520	3,520	-	-	-	-	-	-	-	-	3,520	3,520	-
	Lee, Jin-Wei	-		-	-																	

1. Please specify the policy, system, standard, and structure of the remuneration for independent directors and its relation to factors including the responsibility assumed, risks, and amount of time invested:
In compliance with Article 63 of the Articles of Incorporation (after amendment), the remuneration to independent directors of the Company is resolved by the Board of Directors after being reviewed by the Remuneration Committee based on the following factors: a. involvement in the operation of the Company, b. contribution to the Company, c. evaluation result of directors' performance, d. reference to the typical pay levels adopted by peer companies and e. suggestions from the Remuneration Committee and other relevant factors.
2. In addition to the disclosures in the above table, the remuneration of directors from providing services (e.g. serving as a non-employee consultant) to all companies in financial statements in the most recent year: None.

- Note 1: The names of directors shall be listed separately (for legal-person shareholder, the names of the shareholder and its representative shall be listed separately) with general directors and independent directors listed respectively and their remuneration details shall be summarized for disclosure. If any of the directors have concurrent position of President or Vice President, they shall be listed in this table or the following Table (3-1) or Table (3-2-1) and (3-2-2).
- Note 2: The remuneration of directors in the recent fiscal year, including wages, position bonuses, severance pay, rewards and other bonuses.
- Note 3: The listing of the remuneration amount of directors resolved and distributed by the Board of Directors in the recent fiscal year.
- Note 4: Expenses related to business execution of directors, (including traveling expense, special disbursement, allowance, dormitory, vehicles and other physical materials provided). For example, when providing houses, cars and other transportation tools or exclusive personal expenditure, the characteristic and cost of the asset provided, rent evaluated at actual or fair market value, refuel expense and other expenditures shall be disclosed. Besides this, if there is any director accompanied with a driver, please explain the related salary that the Company pays to the driver in footnotes, but the salary shall not be calculated into remuneration.
- Note 5: The remuneration that a director receives for the concurrent position of employees (including concurrent President, Vice President, and other managers and employees) in the recent fiscal year, such as wages, position bonuses, severance pay, rewards and bonuses, traveling expenses, special disbursements, allowances, dormitories, vehicles, and other physical materials provided. For example, when providing houses, cars and other transportation tools or exclusive personal expenditure, the characteristic and cost of the asset provided, rent evaluated at actual or fair market value, refuel expense and other expenditures shall be disclosed. Besides this, if there is any director accompanied with a driver, please explain the related salary that the Company pays to the driver in footnotes, but the salary shall not be calculated into remuneration. According to "Share-based Payment" of IFRS 2, the wage expenses recognized include obtaining employees' share option certificates, issuing new restricted employee shares and participating in share issuance by cash, which shall also be calculated into remuneration.
- Note 6: The directors with concurrent positions as employees (including concurrent President, Vice President, and other managers and employees) who obtained employee remuneration in the recent fiscal year shall disclose the remuneration amount resolved and distributed by the Board of Directors in the latest year. If the amount could not be estimated, the expected distributed amount for this year shall be calculated based on the actual distribution percentage last year, and shall be listed in the attached Table 1-3.
- Note 7: The total amount of remuneration distributed to the Company's directors by all the companies (including the Company) in the Consolidated Financial Report.
- Note 8: The subtotal of remuneration distributed to each of the director along with their names shall be disclosed in their corresponding remuneration ranges.
- Note 9: The total amount of remuneration distributed to the Company's directors by all the companies (including the Company) in the Consolidated Financial Report along with the name of director shall be disclosed in the corresponding remuneration ranges.
- Note 10: Net income after tax is the after-tax net income in the recent fiscal year. For companies having adopted the IFRS, net income after tax is the after-tax net income in the individual financial statement in the recent fiscal year.
- Note 11: a. In this column, the related remuneration amount that the Company's directors received from investees other than the Company's subsidiaries or the parent company shall be listed (if none, please fill in "None" in the column).
b. If the Company's directors received remuneration from investees other than the Company's subsidiaries or the parent company, the Company shall list their remuneration received from investees other than the subsidiaries or the parent company in Column I of the remuneration range table, and change the column name into "Parent Company and All Joint Ventures".
c. The remuneration is the wages, bonuses (including the bonuses of employees, directors, and supervisors), and business execution expenses that the Company's directors have obtained from their positions as directors, supervisors, or managers of any investee other than subsidiaries or the parent company.

2. Remuneration to Presidents and Vice Presidents

December 31, 2025; Unit: NT\$1,000

Title	Name	Wages (A) (Note 2)		Pension upon retirement (B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee compensation (D) (Note 4)				Sum of A, B, C, and D, and the percentage in net income after tax (%) (Note 8)		Remuneration from investees other than the subsidiaries or parent company (Note 9)
		The Company	Companies included into the financial statement (Note 5)	The Company	Companies included into the financial statement (Note 5)	The Company	Companies included into the financial statement (Note 5)	The Company		Companies included into the financial statement		The Company	Companies included into the financial statement (Note 5)	
								Cash dividend amount	Share dividend amount	Cash dividend amount	Share dividend amount			
President of Mainland China Area (Note 1)	Yang, Chi- Chih	-	10,693	-	-	-	2,934	-	-	300	-	-	13,927 2.37	-
President of Taiwan Branch	Chen, Pai- Ying													

Note 1: Mr. Yang Chi-Chih was appointed President of the Group in March 2026.

Note 2: The remuneration of the President and Vice President in the recent fiscal year, including wage, position bonus and severance pay.

Note 3: Expenses related to business execution of the Presidents and Vice Presidents, including reward, traveling expense, special disbursement, allowance, bonus, dormitory, vehicles, physical materials and other remuneration amount. For example, when providing houses, cars and other transportation tools or exclusive personal expenditure, the characteristic and cost of the asset provided, rent evaluated at actual or fair market value, refuel expense and other expenditures shall be disclosed. Besides this, if there is any director accompanied with a driver, please explain the related salary that the Company pays to the driver in footnotes, but the salary shall not be calculated into remuneration. According to “Share-based Payment” of IFRS 2, the wage expenses recognized include obtaining employees’ share option certificates, issuing new restricted employee shares and participating in share issuance by cash, which shall also be calculated into remuneration.

Note 4: The employee remuneration amount resolved and distributed to the Presidents and Vice Presidents by the Board of Directors in the recent year (including shares and cash). If the amount could not be estimated, the expected distributed amount for this year shall be calculated based on the actual distribution percentage last year, and shall be listed in the attached Table 1-3. Net income after tax is the after-tax net income in the recent fiscal year. For companies having adopted the IFRS, net income after tax is the after-tax net income in the individual financial statement in the recent fiscal year.

Note 5: The total amount of remuneration distributed to the Company’s Presidents and Vice Presidents by all the companies (including the Company) in the Consolidated Financial Report.

Note 6: The subtotal of remuneration distributed to each Presidents and Vice Presidents along with their names shall be disclosed in their corresponding remuneration ranges.

Note 7: The total amount of remuneration distributed to the Company’s Presidents and Vice Presidents by all the companies (including the Company) in the Consolidated Financial Report along with the name of Presidents and Vice Presidents shall be disclosed in the corresponding remuneration ranges.

Note 8: Net income after tax is the after-tax net income in the recent fiscal year. For companies having adopted the IFRS, net income after tax is the after-tax net income in the individual financial statement in the recent fiscal year.

Note 9: a. In this column, the related remuneration amount that the Company’s Presidents and Vice Presidents received from investees other than the Company’s subsidiaries shall be listed (if none, please fill in “None” in the column).
b. If the Company’s Presidents and Vice Presidents receive remuneration from investees other than the Company’s subsidiaries or the parent company, the Company shall list their remuneration received from investees other than the subsidiaries or the parent company in Column E of the remuneration range table, and change the column name into “Parent Company and All Joint Ventures”.
c. The remuneration is the wages, bonuses (including the bonuses of employees, directors, and supervisors), and business execution expenses that the Company’s Presidents and Vice Presidents have obtained from their position as a director, supervisor, or manager of investees other than subsidiaries or the parent company.

* Remuneration disclosed herein is different from the term “income” as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.

3. Name of managerial officers to whom employee compensation was distributed and the status of the distribution:

December 31, 2025; Unit: NT\$1,000

	Title	Name	Share remuneration amount	Cash remuneration amount	Total	The sum as a percentage of net income (%)
Managers	CSO	Chen, Pi-Hua				
	CEO	Chao, Chen-Yu		-	750	
	President of Mainland China Area (Note)	Yang, Chi-Chih			750	0.13%

President of Taiwan branch	Chen, Pai-Ying				
Senior CFO and Head of Corporate Governance	Yeh, Chien-Chih				

Note: Mr. Yang Chi-chih was appointed President of the Group in March 2026.

4. Ratio of total remuneration distributed to the Company’s directors, supervisors, President, and Vice President in the most recent two fiscal years to the net income after tax stated in the individual financial reports, the policy, standards, and combination of remuneration, procedure for setting remuneration, and the relation between operating performance and future risk.

(I) Analysis regarding the ratio of total remuneration distributed to the Company’s Directors, Supervisors, Presidents and Vice Presidents in the recent two fiscal years to the net income after tax stated in the individual financial reports.

Unit: NT\$1,000

Item	2024		2025	
	Amount	%	Amount	%
Directors	41,884	8.86	43,872	7.46
Presidents and Vice Presidents	13,582	2.87	13,927	2.37
Consolidated net profit	472,675	100.00	588,001	100.00

(II) Remuneration policies, standards and packages; procedures for determining remuneration and its connection with job performance and future risks value:

(1) The remuneration distributed to directors includes NT\$ 11,035,000 in wages, NT\$ 6,368,000 in directors’ compensation, and NT\$ 450,000 in business execution expenses, among which:

A. The wages were approved by the Board of Directors.

B. The bonuses to directors are those regulated by the Company’s Articles of Association (Article 90-2) (before amendment) revised and passed on May 26, 2025. If there are profits at the fiscal year end, the Company can distribute at most 3% to directors as bonuses, and the distribution shall be resolved by at least one half of the directors on the board and with at least two thirds of them attending the meeting. But if the Company still has accumulated losses, the bonuses shall be first retained. The remuneration to directors is determined with reference to the result of the evaluation conducted according to the “Regulations on Evaluation of Board of Directors’ Performance.” The evaluation items specified in the Regulations include involvement in the operation of the Company, improvement of the Board of Directors’ decision quality, formation and structure of the Board of Directors, election and continuing education of directors, internal control, and so on. The evaluation of the Board of Directors’ performance in 2025 was conducted and the results were acquired. They were reported to the

Board of Directors meeting on March 2, 2026 and filed according to the regulations.

C. Business execution expense is the expense directly related to execution.

(2) According to Article 90-1 of the Company's Articles of Association, if the Company has profit for the current year, 1% to 5% shall be appropriated as remuneration for the staff. The remuneration to the Presidents and the Vice Presidents (including equivalent positions) consists of their salary and bonuses. Their salary is based on the typical pay levels adopted by peer companies and the person's position, job level, education, experience, professionalism, and responsibility, while the bonuses, are calculated based on the comprehensive consideration of the manager's target completion rate, profit margin, operating performance, contributions, etc., so that a reasonable amount of remuneration is given. In addition, the considerations of a manager's participation in the Company's operations include the practice of corporate core values and operation management capabilities, participation in continuing education, and sustainable operations, as well as the measurement of other special contributions and handling of major events. These aspects are taken into account for performance evaluation and remuneration distribution. The contents and legitimacy of the remuneration to the managers have been reviewed and approved by the Remuneration Committee and the Board of Directors, and the remuneration system will be promptly reviewed depending on the actual operation and relevant laws and regulations to strike a balance between the sustainable operation and risk control of the Company.

(3) The payment standard and system of the Company's remuneration policy is reviewed with the Company's overall operation status as the main consideration, and the payment standard is determined based on the performance completion rate and contribution, so as to boost the organizational effectiveness of the Board of Directors and the management departments.

The remuneration standard in the industry is also taken as a reference to ensure that the remuneration for the Company's management has the competitiveness to retain outstanding management talents. The "risk management" factor is taken into account for the performance goals of the Company's managers to ensure that the possible risks in the scope of their responsibilities can be managed and prevented. Ratings are given based on the evaluation of their actual performance, and are related to the remuneration policy. All the important decisions of the Company's management are made upon the consideration of various risk factors, and the effects of the relevant decisions are reflected in the Company's profits. Therefore, the remuneration for the management is related to the performance of risk control.

(4) Policy linking Senior Executive compensation to ESG performance: 96% of the Company's revenue is derived from mainland China, where its manufacturing subsidiary, WS, is also located. To support long-term sustainable operations, in 2025 the Company incorporated an ESG-related objective—"achievement of environmental sustainability (recycling and environmental protection) targets"—into the performance goals of the China General Manager. Fulfillment of this objective adds 10 points to the annual strategic performance score, which is directly linked to the weighting used in calculating the year-end bonus.

5. Succession planning of the Board members and important management of the Company:

(1) The Company's directors are nominated by the main shareholders and elected at the shareholders' meeting. In alignment with board succession planning, following the 2024 board re-election, the current board composition includes two directors under the age of 50 and one director aged between 50 and 60. This trend toward a younger and more diverse board is expected to support the Company's long-term development.

The Company will arrange 12 hours of continuing education for new directors in their year of appointment and provide directors and internal personnel with reference materials for the relevant laws, precautions, and regulation promotion manuals. During the director's term of office, the Company will arrange 6 hours of continuing education every year and assist the directors with obtaining the professional knowledge required to execute their duties.

(2) The management of the Company is currently planning the succession plan. Besides excellent professionalism and performance, the successor must identify with our corporate culture and business philosophy and is equipped with the qualities to create value, assist the team, and never give up.

The successor training model of the CEO adopts methods of management and professionalism learning, participation in development of specific projects and job rotation. The training includes the human resources, financial risks, brand marketing and management of supply chains to cultivate trainees' decision-making abilities to plan strategies and integrate operations.

With the training and experience plan for successors, we elected the candidates for CEO in 2019 and will follow this model subsequently to develop our senior management and form our succession team.

(5) The Company is implementing an accelerator program for senior executives (including presidents), and organizing courses on how to implement strategies based on organizational strength. The courses mainly address strategic planning, the core management capabilities and system upgrades needed to build a company backbone, and the keys to achieving performance growth.

III. Corporate governance status

1. Operation of the Board of Directors

In 2025 (the fifth term of the Board runs from June 25, 2024 to June 25, 2027), the Board of Directors held 5 meetings (A), and the attendance was as follows:

Title	Name	Number of actual attendance (B) (Note)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Chen, Pi-Hua	5	0	100%	
Director	Wealthy Garden Investment Limited (Representative: Chen, Pei-Wen)	5	0	100%	
Director	Chao, Chen-Yu	4	1	80%	
Director	Wu, Sizong	5	0	100%	
Independent Director	Tsai, Yu-Chin	5	0	100%	
Independent Director	Hsu, Wen-Kuan	5	0	100%	
Independent Director	Huang, Lei-Kang	5	0	100%	
Independent Director	Lee Jin-Wei	5	0	100%	

Other disclosures:

- Where any of the following circumstances occur in the operation of the Board of Directors, the Company shall disclose the board meeting date, session, agenda content, opinions of all independent directors, and the Company's handling of such opinions:
 - Matters set forth in Article 14-3 of the Securities and Exchange Act: please refer to the significant resolutions of the Board of Directors.
 - Apart from the above, any other board resolutions to which independent directors have expressed dissenting or qualified opinions, with records or written statements: none.
- The implementation of directors' recusal from deliberation and voting on proposals involving conflicts of interest shall state the director's name, the content of the proposal, the reason for recusal due to conflicts of interest, and the details of participation in voting:

Date of the Board of Directors	Proposal contents	Reasons for avoiding conflicts of interest	Actual voting
2025.02.27 5th term 1 st meeting in 2025	1. Proposal for the distribution of employee compensation to managers for 2024	Chairman Chen, Pi-Hua and Director Chao, Chen-Yu are both interested parties.	After all non-voting attendees had left the meeting, Chairman Chen, Pi-Hua and Director Chao, Chen-Yu recusing themselves, the acting Chair Hsu Wen-Kuan, an independent director, consulted with all remaining attending directors, and the resolution was passed unanimously as submitted.

	2.	Proposal for the subsidiary Chlitina (China) Trade Co., Ltd. to acquire right-of-use assets for real estate from a related party.	Chairman Pi-Hua Chen, Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited, and Director Chao, Chen-Yu are all interested parties.	After all non-voting attendees had left the meeting, Chairman Chen, Pi-Hua, Director Chao, Chen-Yu and Wealthy Garden representative Chen Pei-Wen recusing themselves, the acting Chair and Independent Director Tsai, Yu-Chin consulted with all remaining attending directors, and the resolution was passed unanimously as submitted.
	3.	Proposal regarding new related-party transactions and their transaction models for the Company and its subsidiaries.	Chairman Pi-Hua Chen, Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited, and Director Chao, Chen-Yu are all interested parties.	After all non-voting attendees had left the meeting, Chairman Chen, Pi-Hua, Director Chao, Chen-Yu and Wealthy Garden representative Chen Pei-Wen recusing themselves, the acting Chair and Independent Director Tsai, Yu-Chin consulted with all remaining attending directors, and the resolution was passed unanimously as submitted.
2025.05.08 5th term 2nd meeting in 2025	1.	Proposal for the subsidiary Chlitina (China) Trade Co., Ltd. to acquire right-of-use assets for real estate from a related party.	Chairman Chen, Pi-Hua and Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited are interested parties.	After all non-voting attendees had left the meeting, Chairman Chen, Pi-Hua and Wealthy Garden representative Chen Pei-Wen recusing themselves, the acting Chair and Independent Director Tsai, Yu-Chin consulted with all remaining attending directors, and the resolution was passed unanimously as submitted.
	2.	Proposal for the subsidiary, Weishuo (Shanghai) Daily Product Co., Ltd., to acquire right-of-use assets for real estate from a related party.	Chairman Chen, Pi-Hua and Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited are interested parties.	After all non-voting attendees had left the meeting, Chairman Chen, Pi-Hua, and Wealthy Garden representative Chen Pei-Wen recusing themselves, the acting Chair and Independent Director Tsai, Yu-Chin consulted with all remaining attending directors, and the resolution was passed unanimously as submitted.
2025.12.18 5th term 5th meeting in 2025	1.	Proposal for the year-end bonus for managers for 2025.	Chairman Chen, Pi-Hua and Director Chao, Chen-Yu are both interested parties.	After all non-voting attendees had left the meeting, Chairman and Director Chao, Chen-Yu recusing themselves, the acting Chair Hsu Wen-Kuan, an independent director, consulted with all remaining attending directors, and the resolution was passed unanimously as submitted.
	2.	Proposal of donations to related parties.	Chairman Chen, Pi-Hua, Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; and Director Chao, Chen-Yu are interested parties.	After all non-voting attendees had left the meeting, chairman Chen, Pi-Hua and Director Chao, Chen-Yu recusing themselves, the proposal was approved unanimously after acting Chair and Independent Director Tsai, Yu-Chin consulted with all remaining attending directors.

3. TWSE/TPEX listed companies shall disclose information of the cycle and period, scope, method, and contents of the evaluation regarding the self (or peer) evaluation of the Board of Directors. The implementation of the Board of Directors' evaluation are as follows:

Cycle	Period	Scope	Method	Contents
Once a year	January 1, 2025 to December 31, 2025	Performance evaluation of the Board, directors and functional committees	Internal evaluation of the Board, self-evaluation of directors, and self-evaluation of functional committees	<ol style="list-style-type: none"> 1. Board performance evaluation indicators and options <ol style="list-style-type: none"> A. Involvement in the operation of the Company B. Improvement of the Board of Directors' decision-making quality C. Formation and structure of the Board of Directors D. Election and continuing education of directors E. Internal control F. Others 2. Indicators and options for self-evaluation of director's performance <ol style="list-style-type: none"> A. Understanding of the goals and tasks of the Company B. Understanding of the director's functions C. Involvement in the operation of the Company D. Internal relationship management and communication E. Specialty and continuing education of directors F. Internal control 3. Performance evaluation indicators and options of functional committees <ol style="list-style-type: none"> A. Involvement in the operation of the Company B. Understanding of the responsibilities of the functional committee. C. Improvement of the functional committee's decision-making quality D. Formation of functional committees and election of their members E. Internal control F. Others

The Company evaluates the overall operational performance of the Board of Directors and functional committees annually. Please see the table above for details of the 2025 performance evaluation. The above performance evaluation is conducted through internal self-evaluation by the entire board of directors, the remuneration committee, and the audit committee; the evaluation is conducted through internal questionnaire.

The average overall performance score of the board of directors was 4.75 (out of a total of 5 points), the board members' self-assessment was 4.84 points, and the functional committees' score was 4.88 points.

No further recommendations were made by the Board members and the corporate governance team in 2025. The assessment results were reported at the first Board meeting on March 2, 2026.

4. Measures undertaken during the current year and past year in order to strengthen the functions of the Board of Directors (such as the establishment of an audit committee and

improvement of information transparency) and assessment of their implementation:

1. Establishment of functional committees: The Company’s functional committees include the Audit Committee and Remuneration Committee, whose members are all independent directors. The committees were set up on August 31, 2012, and the members of the 2nd term were elected on June 17, 2015, those of the 3rd term were elected on June 5, 2018, those of the 4th term were elected on July 6, 2021, and those of the 5th term were elected on June 25, 2024. The conveners of the 5th term were elected by the members of the committees as follows: Ms. Tsai, Yu-Chin with a PhD from the School of Accounting at Shanghai University of Finance and Economics serves as the convener of the Audit Committee; Ms. Hsu Wen-Kuan serves as the convener of the Remuneration Committee.
2. Transparent disclosure of information: The Company has its own financial reporting capabilities, and the financial reports (quarterly/yearly) are all commissioned for (checking/auditing) certification by PwC Taiwan. In terms of disclosure, the Company publishes information on the Market Observation Post System of the TWSE in accordance with the laws, and discloses related business information on the (traditional Chinese/simplified Chinese/English) section of the Company’s website (including the investor section/and stakeholder section), for shareholders and stakeholders to refer to.

2. Operation of the Audit Committee:

The Company established the Audit Committee on August 31, 2012. It is comprised of all the independent directors and operates in accordance with the “Articles of Association for the Audit Committee”. The Audit Committee aims at supporting the Board of Directors to supervise the quality and integrity of the Company’s implementation of accounting, auditing, financial reporting procedures, and financial control. Professional qualifications and experience:

Members	Professional qualifications and experience
Tsai, Yu-Chin (Convener)	Former Director of the Audit Dept., KPMG. Has a Taiwan CPA license and doctoral degree from the School of Accounting, Shanghai University of Finance and Economics. Currently a full-time assistant professor in the Department of Accounting, China University of Technology. Has more than five years of commercial, financial, accounting, and work experience required to perform the duties of the Company with professional financial planning and accounting capabilities.
Hsu Wen-Kuan	Graduated from Soochow University with a major in accounting, qualified to practice as a CPA in China, and once served as the lead accountant of the internal control team in PricewaterhouseCoopers Certified Public Accountants and as the lead accountant of the Suzhou Branch of PwC PricewaterhouseCoopers China. Has more than five years of commercial, financial, accounting, and work experience required to perform the duties of the Company with professional financial planning and accounting capabilities.
Huang Lei-Kang	Doctor of Law degree from Tulane University in Louisiana, USA, and a BA in Psychology from UCLA, USA. Licensed to practice law in California, he has worked as a lawyer in several law firms in Shanghai, China, and in California, USA. President of the Hefeng Education Foundation. Currently President of International Campus, Keuka

	College, New York, USA. Has more than five years of experience in business, finance, accounting, and corporate affairs, as well as the ability to handle risk management and legal professional matters.
Lee Jin-Wei	Bachelor's degree in Power Mechanical Engineering from Taiwan's Tsinghua University, Master's Degree in Biomedical Engineering from University of Southern California, USA. Founder and CEO of Jinqu Co., Ltd. Founder and CEO of Momentx Co., Ltd Has more than five years of experience in business, sales and corporate affairs, with information management, business and sales management capabilities.

The Audit Committee held 5 meetings in 2025. The matters to be reviewed by the Audit Committee mainly include:

1. Adequate expression of the Company's financial statements.
2. The election (resignation), independence, and performance of the CPA.
3. Appointment or dismissal of an attesting CPA or the compensation given thereto.
4. Effective implementation of the Company's internal control system.
5. The Company's compliance with related laws and rules.
6. Control of the Company's existing or potential risks.
7. Transaction of material assets of the Company or derivatives.
8. Loaning of funds to others, endorsements, and guarantees of great significance.
9. Review of the matters involving the personal interests of a director.
10. Other major matters regulated by the competent authority or the Company.

➤ **Review of financial statements**

The Board of Directors prepared the Company's 2025 Annual Report, Financial Statements, and Profit Distribution Proposal, among other documents. The Financial Statements were audited by PricewaterhouseCoopers, who issued an audit report. The Audit Committee reviewed the aforementioned Report, Financial Statements, and Profit Distribution Proposal and found no discrepancies.

The Board of Directors also prepared the Company's Financial Statements for the First, Second, and Third Quarters of 2025, which were reviewed by the Audit Committee.

➤ **Effectiveness of the internal control systems**

The Audit Committee assessed the effectiveness of the policies and procedures for the internal control systems (including control measures for finance, business operations, risk management, information security, outsourcing, and legal compliance) and reviewed the periodic reports prepared by the Company's audit department, CPAs and management, including on risk management and legal compliance. The Audit Committee finds that the risk management and internal control systems of the Company are effective, and that the Company has taken the required control mechanisms to monitor and rectify irregularities.

➤ **Appointment of Certified Public Accountants**

The Audit Committee is responsible for monitoring the independence of the external auditing firm to ensure the fairness of the financial statements. In general, the CPAs shall not provide the Company with services other than tax-related or specially permitted services. All the services that the CPA provides shall be subject to the approval of the Audit Committee.

To ensure the independence of the CPAs, the Audit Committee has established an independence assessment form with reference to Article 47 of the Certified Public Accountant Act and Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants of the Republic of China relating to integrity, objectivity and independence. This framework evaluates the independence, professionalism, and competence of the CPAs to confirm whether the Company and the CPAs are mutually related parties or have business or a financial relationship with each other. The Company has received the Audit Quality Indicators (AQIs) from PwC Taiwan.

The Audit Committee (5th term, 3rd meeting in 2025) and the Board of Directors (5th term, 3rd meeting in 2025), both held on August 21, 2025, reviewed and approved that CPAs Hsieh Wei-Li and Wang Sung-Tse of PwC Taiwan meet the independence assessment criteria and are qualified to serve as the Company's financial and tax auditors. Hsieh, Wei-Li and Wang, Sung-Tse replaced the former CPAs in line with the internal rotation system of PwC Taiwan starting from the second quarter of 2025.

In 2025 (fifth term: from June 25, 2024 to June 25, 2027) the Company's Audit Committee held 5 meetings (A). The attendances of independent directors are presented below:

Title	Name	Number of actual attendance (B) (Note)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Tsai, Yu-Chin	5	0	100%	
Independent Director	Hsu, Wen-Kuan	5	0	100%	
Independent Director	Huang Lei-Kang	5	0	100%	
Independent Director	Lee Jin-Wei	5	0	100%	

Other items to be stated:

- I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the date, term, contents of motions of the Audit Committee meeting, the disagreements, reserved opinions, or major suggestions from independent directors thereof, the Audit Committee's resolutions, and the Company's resolutions on the Audit Committee's opinions.
 1. The circumstances referred to in Article 14-5 of the Securities and Exchange Act.

Audit Committee	Proposal contents	Resolution result	Response of the Company to the audit committee's opinions
2025.02.27 5th term 1st meeting in 2025	<ol style="list-style-type: none"> 1. Acknowledged the internal audit business report for the fourth quarter of 2024. 2. Acknowledged the report on related-party transactions. 3. Approved the 2024 Internal Control System Statement. 4. Approved the 2024 Business Report, Financial Statements, and the draft of the CPA Audit 	All attending directors unanimously approved the proposal after the chair's consultation.	The Board of Directors was requested to pass the resolutions with all directors in attendance or all directors except those with conflicts of interest.

	<p>Report.</p> <ol style="list-style-type: none"> 5. Approved the 2024 Earnings Distribution Proposal. 6. Approved the Company's 2025 assessment of CPA independence, appointment of the attesting CPA, and audit fees. 7. Approved the proposal for the subsidiary, Chlitina (China) Trade Co., Ltd., to acquire right-of-use assets for real estate from a related party. 8. Approved the new reinvestment proposal of the subsidiary, Chlitina International (Hong Kong) Co., Ltd. 9. Approved the new reinvestment proposal of the subsidiary, Chlitina (China) Trade Co., Ltd. 10. Approved the Company's loan of funds to others. 11. Approved the addition of a new related-party business and its transaction model for the Company and its subsidiaries. 		
2025.05.08 5th term 2nd meeting in 2025	<ol style="list-style-type: none"> 1. Acknowledged the internal audit business report for the first quarter of 2025. 2. Acknowledged the report on related-party transactions. 3. Approved the Company's consolidated financial report for the first quarter of 2025. 4. Approved amendments to certain provisions of the Company's "Related Party Transaction Management Guidelines." 5. Approved amendments to certain provisions of the Company's "Rules for the Operation of the Board of Directors." 6. Approved amendments to certain provisions of the Company's "Audit Committee Charter." 7. Approved the proposal for the subsidiary, Chlitina (China) Trade Co., Ltd., to acquire right-of-use assets for real estate from a related party. 8. Approved the proposal for the subsidiary, Weishuo (Shanghai) Daily Product Co., Ltd., to acquire right-of-use assets for real estate from a related party. 	All attending directors unanimously approved the proposal after the chair's consultation.	The Board of Directors was requested to pass the resolutions with all directors in attendance or all directors except those with conflicts of interest.
2025.08.21 5th term 3rd meeting in 2025	<ol style="list-style-type: none"> 1. Acknowledged the internal audit business report for the second quarter of 2025. 2. Acknowledged the report on related-party transactions. 3. Approved the report of the subsidiary, Yongli Trading Co., Ltd. (Vietnam) capital increase. 4. Approved the replacement of the CPA responsible for attesting the Company's financial reports. 5. Approved the Company's consolidated financial report for the second quarter of 2025. 6. Approved the earnings distribution proposal for the second quarter of 2025. 7. Approved the extension and additional loan application for the Company's medium-term 	All attending directors unanimously approved the proposal after the chair's consultation.	The Board of Directors was requested to pass the resolutions with all directors in attendance or all directors except those with conflicts of interest.

	credit facility with Cathay United Bank.		
2025.11.06 5th term 4th meeting in 2025	<ol style="list-style-type: none"> 1. Acknowledged the internal audit business report for the third quarter of 2025. 2. Acknowledged the report on related-party transactions. 3. Approved the Company's consolidated financial report for the third quarter of 2025. 4. Approved the earnings distribution proposal for the third quarter of 2025. 5. Approved amendments to certain provisions of the Company's "Board Performance Evaluation Measures." 	All attending directors unanimously approved the proposal after the chair's consultation.	The Board of Directors was requested to pass the resolutions with all directors in attendance or all directors except those with conflicts of interest.
2025.12.18 5th term 5th meeting in 2025	<ol style="list-style-type: none"> 1. Approved the Company's internal audit plan for fiscal year 2026. 2. Approved case of donation to related party. 	All attending directors unanimously approved the proposal after the chair's consultation.	The Board of Directors was requested to pass the resolutions with all directors in attendance or all directors except those with conflicts of interest.

2. Aside from the said circumstances, resolution(s) not passed by the audit committee but receiving the consent of two thirds of the Board of Directors: None.

II. In instances where an independent director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the proposal and resolution thereof, reason for not voting and actual voting counts: None.

III. The Communication between the independent directors, the internal audit supervisor, and the CPAs (including the major matters, methods, and results regarding the communication of the Company's financial and business conditions):

1. Since the establishment of the Company's Audit Committee on August 31, 2012, the internal audit supervisor regularly reports the implementation of audit activities to the Audit Committee every year, including the implementation of audits, internal operating matters, and the implementation of improvement. Meetings shall be called at any time in case of significant and extraordinary events.
2. The communication between the independent directors and the internal audit supervisor in the most recent year (2025) and up to the publication date of the annual report. The Audit Committee of the Company is comprised of all the independent directors. The internal audit supervisor regularly reports the implementation of audit activities to the Audit Committee every year (at least once), including the implementation of audits, internal operating matters and the implementation of improvement etc.; the meeting shall be called at any time in case of significant and extraordinary events.

Date	Item of Communication	Results of Communication
2025.02.27	At the 5th term Audit Committee's 1st meeting in 2025, the items discussed were as follows: <ol style="list-style-type: none"> 1. The internal audit report for Q4 for 2024. 2. The internal control statement for 2024. 	No objection.
2025.05.08	At the 5th term Audit Committee's 2nd meeting in 2025, the items discussed were as follows: <ol style="list-style-type: none"> 1. The internal audit report for Q1 of 2025. 	No objection.
2025.08.21	At the 5th term Audit Committee's 3rd meeting in 2025, the items discussed were as follows: <ol style="list-style-type: none"> 1. The internal audit report for Q2 of 2025. 	No objection.

2025.11.06	At the 5th term Audit Committee's 4th meeting in 2025, the items discussed were as follows: 1. The internal audit report for Q3 of 2025.	No objection.
2025.12.16	Topics discussed at the meeting between the internal audit supervisor and independent directors were as follows: (Only the four independent directors and the internal audit supervisor attended the meeting) 1. Explanation of the 2026 annual audit plan. 2. Report on the work of the Audit Committee in 2025.	1. No objection. The principle and logic for establishing the 2026 annual audit plan were explained. 2. No objection.
2025.12.18	At the 5th term Audit Committee's 5th meeting in 2025, the items discussed were as follows: 1. 2026 Annual internal audit plan.	No objection.

In addition, the internal audit supervisor of the Company periodically reports to the independent directors on the implementation of the annual internal audit plan. Regarding the implementation results of the internal audit plan, the improvement conditions for misconduct, and the related financial affairs, we have not found the Company to have significant flaws in internal control execution that have not been improved as of the date when the annual report was published.

3. The communication between the independent directors and CPAs in the most recent year (2025) up to the publication date of the annual report:

The Audit Committee of the Company is comprised of all the independent directors. The CPAs regularly report the Company's and subsidiaries' financial statuses, the overall operation and internal audit to the independent directors every year (at least once), and communicate whether there are any significant adjusting journal entries or impact on the account records due to the amendment of related laws.

Date	Items discussed	Results of Discussion
2025.02.27	<ol style="list-style-type: none"> 1. CPAs explained the significant audit adjustments to the Company's financial statements and income statement for 2024. They reported the scope and method of the inspections and assessments with respect to the internal control systems. 2. CPAs discussed and communicated with attendees regarding the questions they raised. 3. Communication was conducted with respect to the key audit matters in the audit report. 4. Explanations were given with respect to the impact of recently amended important regulations and their application. 5. Reminder for the corporate governance evaluation. 6. Explanation of the Audit Quality Indicators (AQIs). 	The Audit Committee approved the annual financial statements. They were then submitted and approved by the Board of Directors and announced and filed to the competent authority.

3. Status of corporate governance, departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
	Yes	No	Summary	
I. Does the company set out and disclose its practice principles for corporate governance in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established its “Practice Principles for Corporate Governance” based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” which has been approved by the Board of Directors and is disclosed on the Market Observation Post System and on the Company’s website.	None
II. Equity structure and shareholders’ rights of the corporation				
(1) Has the company defined an internal operating procedure to deal with the suggestions, questions, disputes, and legal actions of the shareholders and implemented the procedure?	✓		The Company has established procedures in its “Corporate Governance Practices Guidelines” for handling shareholder suggestions, inquiries, disputes, and litigation matters. Dedicated units, including litigation and non-litigation agents, spokespersons, deputy spokespersons, and shareholder services, are responsible for managing these issues and coordinating with relevant company departments as needed.	None
(2) Does the company control the list of the company’s major shareholders and of their ultimate owners?	✓		The actual information provided by the stock agency is tracked monthly, and the shareholdings of directors, managers and shareholders with shareholdings exceeding 10% are regularly disclosed in accordance with the laws. The Company also files monthly reports as required by the “Regulations Governing Information Reporting by Public Companies.”	None
(3) Has the company implemented some risk control and firewall mechanisms between the corporation and its affiliates?	✓		The Company has established “Related Party Transaction Management Guidelines,” and implemented risk control and information barriers between the Company and its related parties. The Company adopts the principle of independent financial operations as the basis for business dealings.	None

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
	Yes	No	Summary	
(4) Does the company set out internal standards to prohibit insiders from using non-public information on the market to buy and sell securities?	✓		<p>(I) On December 22, 2022, the Board of Directors approved the amendment to the “Procedures for Handling Material Inside Information,” which stipulates that from the day company insiders become aware of the contents of the company’s financial reports or related performance information, including (but not limited to) directors, they are prohibited from trading the company’s stocks during the closed period, which is 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report.</p> <p>(II) The Company conducts education and training annually for its current directors, managers, and employees on preventing insider trading and related laws and regulations. On December 3, 2025, training sessions on preventing insider trading and related laws and regulations were conducted via email for the eight current directors and three internal managers. The content of the training includes: confidentiality procedures for material information, explanations of the causes, determination process, and examples of insider trading, the scope of internal material information, confidentiality procedures, disclosure procedures, and handling of violations. The presentation materials are also made available on the internal employee system for reference by relevant personnel.</p> <p>(III) The Company also sends monthly email reminders to directors to avoid insider trading dates. Additionally, each quarter, the company sends email reminders to directors not to trade the company’s stocks on the date of the monthly revenue announcement, the day before and after an investor conference and a board meeting, as well as 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report.</p>	None
III. Composition and responsibilities of the Board of Directors				

<p>(1) Has the Board of Directors established and implemented a policy of diversification and specific management objectives?</p>	<p>✓</p>	<p>(I) On April 19, 2022, the Board of Directors approved the amendment to the “Corporate Governance Practices Guidelines,” which includes a diversity policy in Chapter 3, “Strengthening the Functions of the Board of Directors.” The nomination and selection of Board members are conducted in accordance with the company’s articles of incorporation, using a candidate nomination system. In addition to evaluating the qualifications and experience of each candidate, the opinions of interested parties are also considered, adhering to the “Director Appointment Procedures” and the “Corporate Governance Practices Guidelines” to ensure the diversity and independence of the Board members.</p> <p>(II) The list of the eight members of the fifth Board of Directors (including four independent directors) is as follows: - Chairman Chen, Pi-Hua, Director Chen, Pei-Wen, and Director Chao, Chen-Yu, are specialized in medical beauty and marketing, healthcare and biotechnology, and international trade. - Director Wu, Si-Zong is specialized in finance. - The four independent directors are Tsai, Yu-Chin and Hsu, Wen-Kuan, who are specialized in finance and accounting; Lee Jin-Wei, who is specialized in business operation and information technology; and Huang, Lei-Kang, who is specialized in law and risk management.</p> <p>(III) Among the eight directors of the Company’s 5th Board of Directors, seven are nationals of the R.O.C., while one is a national of P.R. China. There are four independent directors and two directors who are also employees of the Company, accounting for 50% and 25%, respectively, of the Board of Directors. In terms of the age distribution of directors, one of them is aged between 71–80 years old, four are aged between 61–70 years old, one is aged between 51–60 years old, and two are aged between 41–50 years old.</p> <p>(IV) The Company also places importance on gender equality in the composition of the Board of Directors. The Board includes four female members (three of whom are independent directors), accounting for 50%.</p> <p>(V) According to Article 20 of the Company’s “Corporate Governance Best practice Principles,” gender equality shall be taken into account for the composition of the Board of Directors, and the members shall be equipped with the knowledge, skills, and competency required to perform their duties. The Company has complied with the requirement, and will make timely adjustments based on the Company’s operation and development to ensure that all the members of the Board of Directors possess the skills, knowledge and competency required to perform their duties.</p> <p>The diversity policy developed by the Board of Directors for the composition of its members is disclosed on the Company’s website.</p>	<p>None</p>
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Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
	Yes	No	Summary	
(2) Is the company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, willing to establish any other functional committees voluntarily?		✓	In addition to establishing the remuneration committee and audit committee, pursuant to laws, the remaining corporate governance operations are under the supervision of each dedicated department. Other functional committees have not been established but may be established if needed in the future.	As per the descriptions in the column on the left
(3) Has the Company established guidelines and methods for evaluating the performance of the Board of Directors, conducted regular performance evaluations every year and reported the results to the Board of Directors? Has the Company utilized the results as the reference for the individual remuneration and reelection of directors?		✓	<p>The Company established the “Board Performance Evaluation Procedures” on December 29, 2020. According to Article 3 of these regulations, an annual internal evaluation of the Board of Directors’ performance shall be conducted at least once every three years by an external professional independent institution or a team of external experts and scholars. The results of the internal and external performance evaluations of the Board of Directors shall be completed before the end of the first quarter of the following year.</p> <p>Internal evaluation According to the “Rules for Performance Evaluations of Board of Directors,” the Board of Directors shall conduct internal performance evaluations pursuant to the procedures and indicators specified in the Regulations annually at the end of the year, and shall distribute self-evaluation questionnaires to all the directors and functional committees annually at the beginning of each year. The evaluation covers the performance of the Board of Directors, individual directors and functional committees The evaluation methods include internal self-assessment of the Board of Directors, self-evaluation of directors, and self-evaluation of functional committees. The performance evaluation of the Board of Directors and functional committees in 2025 was completed before the end of Q1 2026. The self-assessment of the Board was 4.75, and the self-assessment score of directors was 4.84 points (out of 5 points). The score was 4.88 points for functional committees, including the Audit and Remuneration Committees. The directors generally strongly agreed on the evaluation indicators, and the overall operation of the Board of Directors and of the functional committees was evaluated as good and complying with the spirit of corporate governance. The results of the evaluation were reported to the Board of Directors on March 2, 2026.</p> <p>External evaluation In 2025, the Company engaged the Taiwan Association for</p>	None

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
	Yes	No	Summary	
			<p>Board Governance to conduct the external board performance evaluations. The institution and the evaluation team have no business dealings with the Company and maintain full independence. Relevant details are as follows:</p> <ol style="list-style-type: none"> 1. Evaluation Institution: Taiwan Association for Board Governance 2. Evaluation Period: January 1, 2023 – September 30, 2025 3. Evaluation Team Members: Chen Shen-Yuan, Wang Tay-Chang, Chen Dar-Hsin 4. Evaluation Scope and Items: The performance evaluation covered seven major dimensions with a total of 40 evaluation indicators to assess the governance effectiveness of the Board of Directors. The indicators within the seven dimensions also reflect the five pillars of the “Corporate Governance 3.0 – Sustainability Blueprint.” The seven dimensions are: <ol style="list-style-type: none"> (1) Board Composition and Structure (2) Director Appointment and Continuous Education (3) Board Engagement in Company Operations (4) Enhancing the Quality of Board Decision-Making (5) Internal Control (6) Sustainability (7) Value Creation 5. Evaluation Methodology: The evaluation was conducted through review of questionnaires completed by the Company, on-site interviews with Board members and relevant management personnel, and verification of necessary documents and records to assess the governance effectiveness of the Board. 6. Evaluation Findings and Recommendations of the TABG: The governance and operations of the Company’s Board of Directors comply with the relevant regulations and best practices for board performance evaluation issued by the Taiwan Stock Exchange. Key strengths of the Board: <ol style="list-style-type: none"> (1) The Board consists of eight directors, with 50% independent directors and 50% female directors, demonstrating strong independence and gender diversity. Members have professional backgrounds spanning business management, beauty, law, and biomedical sciences, contributing to governance robustness and decision-making quality. (2) Directors actively attend meetings and apply their professional expertise, reflecting a diligent and responsible governance spirit. (3) Since 2025, the Company has engaged an external 	

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
	Yes	No	Summary	
			<p>professional institution for performance evaluation, demonstrating the Board's commitment to self-improvement and continuous enhancement of governance effectiveness.</p> <p>(4) The director concurrently serving as CEO leads the ESG Planning Taskforce, driving sustainability initiatives from the top down. The Company's sustainability performance has received external recognition, translating sustainability strategy into market reputation.</p> <p>(5) The Company actively innovates and develops iconic products with lasting appeal, while promoting green design and manufacturing, effectively establishing a high-end brand protective moat and enhancing corporate value.</p> <p>7. Recommendations:</p> <p>(1) Establish a Board Handbook to help new directors understand their roles and responsibilities, board practices, and the industry and operating environment, enabling them to perform effectively from the start.</p> <p>(2) Consider setting up a Sustainability Committee under the Board to demonstrate the Company's commitment to sustainability.</p> <p>(3) Increase the frequency of separate meetings between the Audit Committee, the Chief Internal Auditor, and the Certified Public Accountant to at least twice a year, to strengthen oversight of the internal control system.</p> <p>8. Future Improvement Plan or Action:</p> <p>(1) In 2027, a "Director's Handbook" will be given to newly elected directors, in order to help them understand their responsibilities, board operations, and the Company's industry and operating environment, thus enabling them to quickly fulfill their duties.</p> <p>(2) Evaluating in the second quarter of 2025 the addition of a "Sustainability Committee to the functional committees.</p> <p>(3) The frequency of separate meetings between the Audit Committee and the Internal Audit Director and Certified Public Accountants will be increased to twice a year to deepen the supervision of the company's internal control system.</p>	
(4) Does the company assess the independence of its CPAs periodically?	✓		In accordance with the relevant regulations, the Company conducts an annual assessment of the independence and competence of the CPAs. The indicators to assess the CPA firm include the scale and reputation of the CPA firm, the number of years that the CPA firm has continuously provided audit services, the nature and scope of non-audit	None

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
	Yes	No	Summary	
			services provided, audit fees, peer reviews, whether or not it is engaged in any legal action or under investigation by the relevant authorities, quality of audit services, status of regular continuous training, and interaction with management and internal audit supervisors. For these, the Company has received the Audit Quality Indicators (AQIs) (Note 4) from PwC Taiwan and requested the accountants and the firm to provide their respective information and the CPA Declaration of Independence. The evaluation results were submitted to the Board of directors for a decision, and the most recent evaluation was approved on March 2, 2026.	
(IV) Does the company, which is also an exchange-listed and OTC-listed Company, delegate qualified personnel dedicated to corporate governance in an appropriate number and designate one chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, the provision of information required by directors and supervisors for carrying out business, assisting directors and supervisors to comply with the laws and regulations, organization of directors' meetings and shareholders' meetings according to the laws and production of directors' meetings and shareholders' meeting minutes)?	✓		<p>On May 11, 2023, the Company resolved to establish a Corporate Governance Officer position. The Corporate Governance Officer position was approved by the Board of Directors on February 27, 2025, and Chief Financial Officer Yeh Chien-chih was appointed to the position, reporting directly to the Chairman. Yeh Chien-chih has at least three years of experience as a financial officer in a publicly traded company, and his qualifications meet legal requirements. The Company's Investor Relations and Stock Affairs Department is responsible for corporate governance-related matters. Its main responsibilities include supervising and implementing corporate governance operations, including:</p> <ol style="list-style-type: none"> 1. Planning and organizing the annual Board meeting schedule and other related matters. 2. Providing materials necessary for directors to perform their duties and deliver meeting materials at least seven days prior to each Board meeting. 3. Preparing minutes for Board meetings, functional committee meetings, and shareholders meeting, and ensuring they are provided to directors within 20 days after the meetings. 4. Assisting directors in their appointments and continuous professional development. 5. Supporting the Board of Directors and functional committees in conducting self-performance evaluations. 6. Supervising and improvising the implementation of corporate governance within the Company. 7. Assisting directors in complying with laws and regulations. <p><u>2025 Corporate governance implementation status:</u> 1. Planned and scheduled the Board of Directors and</p>	None

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
	Yes	No	Summary	
			<p>functional committee meetings, draft meeting agendas, notify directors and functional committee members 7 days prior to each meeting, and provide meeting materials. For proposals requiring directors to abstain from conflict of interest, provide advance reminders and send meeting minutes within 20 days after the meeting.</p> <p>In 2025, the Board of Directors held 5 meetings; the Audit Committee held 5 meetings; and the Remuneration Committee held 4 meetings.</p> <p>2. Regularly scheduled communication meetings between independent directors, accountants, and the head of internal audit. For details of communication in 2025, please refer to the “Functional Committees – Audit Committee” section on the Company's website.</p> <p>3. A report on stakeholder engagement activities carried out during 2025 was submitted to the Board of Directors on March 2, 2026.</p> <p>4. On March 2, 2026, the Board of Directors approved purchasing liability insurance for all directors. The insurers are American International Insurance Pte. Ltd. (Singapore) Taiwan Branch and Chubb Insurance Ltd (USA) Taiwan Branch. The insured amount is US\$10 million, and the insurance period is from March 21, 2026 to March 21, 2027.</p> <p>5. Uploaded the Chinese and English versions of the Shareholders’ Meeting Agenda Handbook and supplemental materials on April 25, 2025 (30 days prior to the annual general meeting).</p> <p>6 Uploaded the 2024 English translation of the Annual Financial Report on May 7, 2025 (within two months after the filing deadline for the Chinese-language interim financial report).</p> <p>7. Uploaded the Chinese and English versions of the 2024 Annual Report on May 7, 2025 (18 days prior to the annual general meeting, and within two months following the filing deadline of the Chinese interim financial report).</p> <p>8. Convened the 2025 Annual General Meeting earlier than usual, on May 26, 2025, and prepared bilingual (Chinese and English) meeting materials and annual reports.</p> <p>9. Arranged annual internal and external performance evaluations of the Board of Directors, Board members, and functional committees. The 2025 internal performance evaluation was reported to the Board on March 2, 2026. The 2025 external performance evaluation was commissioned to the Taiwan Association for Board Governance and was</p>	

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures																								
	Yes	No	Summary																									
			<p>completed in the fourth quarter of 2025. Please refer to the “Board of Directors” page of this website for details on the Board of Directors performance evaluation.</p> <p>10. Assisted directors in arranging appropriate training courses. In 2025, each director completed at least 6 hours of continuing education.</p> <p>11. In compliance with the “Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies,” directors were notified of closed trading periods during which they are prohibited from trading company shares: 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report.</p> <p>2025 Corporate Governance Officer Training Status:</p> <table border="1"> <thead> <tr> <th>Training Date</th> <th>Training Organization</th> <th>Course</th> <th>Duration</th> </tr> </thead> <tbody> <tr> <td>2025.4.23</td> <td>Accounting Research and Development Foundation</td> <td>Analyzing key corporate financial information and strengthening early warning capabilities</td> <td>6hrs</td> </tr> <tr> <td>2025.8.21</td> <td>Business Development Foundation of the Chinese Straits</td> <td>ESG strategy – the path to a naturally positive growth</td> <td>3hrs</td> </tr> <tr> <td>2025.11.16</td> <td>Business Development Foundation of the Chinese Straits</td> <td>Personal Data and Cybersecurity Governance Practices and Directors’ Responsibilities</td> <td>3hrs</td> </tr> <tr> <td>2025.12.24</td> <td>Taiwan Project Management Association</td> <td>Applications of Generative AI and ChatGPT</td> <td>3hrs</td> </tr> <tr> <td>2025.12.26</td> <td>Taiwan Project</td> <td>SDGs and ESG Sustainable</td> <td>3hrs</td> </tr> </tbody> </table>	Training Date	Training Organization	Course	Duration	2025.4.23	Accounting Research and Development Foundation	Analyzing key corporate financial information and strengthening early warning capabilities	6hrs	2025.8.21	Business Development Foundation of the Chinese Straits	ESG strategy – the path to a naturally positive growth	3hrs	2025.11.16	Business Development Foundation of the Chinese Straits	Personal Data and Cybersecurity Governance Practices and Directors’ Responsibilities	3hrs	2025.12.24	Taiwan Project Management Association	Applications of Generative AI and ChatGPT	3hrs	2025.12.26	Taiwan Project	SDGs and ESG Sustainable	3hrs	
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V. Has the company established communication channels with its stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a stakeholder section on the company's website, and responded appropriately to stakeholders regarding the important CSR issues of concern?	✓		<p>To effectively communicate with various stakeholders, the Chliting Group refers to the five following principles for stakeholder engagement: dependency, responsibility, influence, diverse perspective, and tension. Through these principles, the Company understands the significant environmental, social, and governance issues that stakeholders are concerned about, and categorizes its main stakeholders into seven groups: employees, investors (shareholders), customers, franchisees, suppliers, banks, and government. The Company has established dedicated communication channels to receive and respond to the concerns and needs of stakeholders in these seven groups.</p> <p>(I) The Company has a spokesperson and acting spokesperson, and all relevant contact information is published on the Market Observation Post System (MOPS) in accordance with regulations. The Company values communication with investors and is committed to improving information transparency. We issue monthly revenue reports and quarterly reports after each board meetings, hold at least one investor conference per quarter, and disclose audio-visual materials on our company website and the MOPS.</p> <p>(II) The Company has dedicated hotlines and email boxes for communication with employees. An annual employee satisfaction survey is conducted, covering areas such as career development, employee benefits, performance management, and environmental health satisfaction. This allows us to receive employee feedback; results are analyzed and improvement measures are proposed to better understand and respond to employee needs. In 2025, the employee satisfaction survey covered 66% of the workforce, with an overall satisfaction score of 83 out of 100 (83.9% for male employees and 82.7% for female employees). Employee satisfaction with career development was relatively high (95 points), indicating a clear understanding of job responsibilities and requirements. However, satisfaction with work-related stress was low, making work-related stress management a key focus for improvement in the next phase. In 2026, the Group will increase team-building activities to strengthen</p>	None								

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
	Yes	No	Summary	
			<p>team cohesion, alleviate stress, and help employees relax appropriately after a busy work schedule, gradually adjusting their mindset and pace to improve their overall well-being. This will allow the survey to achieve greater comprehensive benefits and support the continued development of a happy workplace environment.</p> <p>(III) The Company conducts regular reconciliations with vendors to maintain up-to-date visibility over transactions with suppliers. In addition, a dedicated unit is responsible for maintaining effective communication with suppliers.</p> <p>(IV) The Company has established customer service hotlines and email channels, managed by dedicated units, to maintain effective communication with consumers. The Company's primary customers are CHLITINA beauty salon franchisees. Communication with franchisees is handled by the Franchise Management Department, with each franchisee assigned a dedicated contact person. Company supervisors conduct regular store visits. Franchisees may also contact the Company through customer service hotlines and email channels.</p> <p>An annual customer satisfaction survey is conducted for franchisees. The questionnaire covers four key dimensions: brand (33%), training (25%), service (25%), and products and packaging (17%). The survey results are analyzed to assess whether adjustments are needed to the brand's future development direction and strategy.</p> <p>In 2025, the customer satisfaction survey targeted franchise stores in Mainland China (accounting for 94% of all Group franchise stores), with 2,179 responses collected (a response rate of 55%). Analysis of the survey indicators shows that, across all four dimensions, more than 83% of respondents in Mainland China reported being either "very satisfied" or "satisfied."</p> <p>The highest satisfaction indicators (combined "very satisfied" and "satisfied") were: satisfaction with the CHLITINA brand placement or sponsorship in TV dramas and variety programs (90%), and satisfaction with the CHLITINA brand image (89%). Both indicators reflect strong recognition of the Company's brand marketing efforts among franchisees.</p>	

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
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			<p>The two indicators with satisfaction levels below 86% were: whether the Company responds to and resolves daily issues reported by stores in a timely manner (83%), and satisfaction with the Company's professional training on treatment techniques (85%). These results indicate that there is room for further improvement in service and training support.</p> <p>In 2026, franchise training programs will focus on the practical implementation of service-driven sales, directly addressing key pain points at the store level, namely insufficient service standardization and weak sales conversion capabilities. The objective is to comprehensively support franchisees in achieving profitability targets. Post-training satisfaction surveys will also be conducted to further understand store needs and enable continuous adjustments.</p> <p>On the service side, the Company will further enhance communication efficiency at the store level, ensuring faster responses and resolution of franchisee issues. In addition, a multi-channel communication framework will be established. Beyond existing branch-level contact windows, franchise stores will be able to directly contact the Company to provide feedback and receive real-time corporate updates.</p>	
VI. Has the company appointed a professional stock agency to handle the shareholders' meeting affairs?	✓		The Company has appointed the Stock Transfer Agent of Fubon Securities Co., Ltd., for dealing with the Company's various stock matters.	None
VII. Information disclosure				
1. Has the company established a corporate website to disclose information concerning financial affairs and corporate governance?	✓		The Company announces and reports its financial operations and corporate governance matters on the Market Observation Post System in accordance with the law, and simultaneously discloses them on the Company's Investor Relations website (http://www.chlitiholding.com/).	None
2. Has the company adopted other information disclosure channels (e.g. an	✓		The Company has set up an investor website in both Chinese and English language and has dedicated staff to collect and publish various information about the Company. It also has set up and reported information relevant to the	None

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
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English-language website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, and the broadcasting of investor conferences via the company website)?			spokesperson in accordance with the regulations, published information related to legal representative briefings. The Company holds at least four investor conferences each year, and the briefing files of each investor conference are disclosed on the Market Observation Post System. Starting from 2025, the Company has provided the video link for at least two of these conferences every year, to allow investors to understand the Company's financial and business information.	
3. Does the Company publicly announce and file the annual financial report within two months after the close of fiscal year and announce and file the financial reports of Q1, Q2 and Q3 and the monthly operation status prior to the regulated deadline?		✓	In accordance with regulatory requirements, the Company announces and files its annual financial report within three months after the end of each fiscal year. The consolidated financial statements for 2025 were announced on March 11, 2026. The financial reports for the first, second and third quarters, as well as the monthly operating results, were announced and filed ahead of the prescribed deadlines, and were simultaneously uploaded to the Company's website. In addition, the English versions of the quarterly financial reports are announced and uploaded to the Company's website within two months after the filing deadline for the Chinese versions, for reference.	None
VIII. Does the company have other important information enabling a better understanding of its corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement criteria, implementation of customer policies, and purchasing of liability insurance by the corporation for directors	✓		(I) Employee rights and interests and employee care: Please refer to chapter IV. (Social Issues) of the Sustainable development promotion pages of this report and to the Shareholder/Governance/Employee Care and Environmental Safety of the Company's website. (II) Implementation of risk management policy and risk measurement criteria: The Company's risk management across all aspects is led by the Board of Directors, which ensures that each unit effectively implements various internal control systems. Independent auditing units, following audit plans, conduct regular and irregular internal audit procedures. These units have the authority to require departments to strengthen and implement various management mechanisms and to continuously follow up on areas that need improvement. The goal is to establish a sound management system, reduce operational risks, and ensure that internal control systems and various management procedures are continuously and effectively executed. The Audit Department is independent of other departments	None

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
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and supervisors)?			<p>and has a dedicated audit supervisor and personnel. It reports directly to the Audit Committee and the Board of Directors. The audit supervisor and the certified public accountant report separately to the Audit Committee at least once a year to ensure the independence of their audit work.</p> <p>(III) Implementation of customer policy: The Company upholds the business philosophy of putting the customer first, and providing the best products to consumers and franchise stores. We also provide various practical courses on product training, customer management, social marketing, brand image, etc. to store managers and beauticians of franchised stores, hoping to increase or maintain consumers' loyalty to the Company. This can not only offer consumers the best beauty services, but also enhance the business development of the Company.</p> <p>For other details, please refer to the "Status of corporate governance" section of this annual report.</p>	

IX. Please specify the status of correction based on the corporate governance assessment report released by the Corporate Governance Center of the TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies. (Note 2)

Improvements in the corporate governance evaluation:

1. The Board of Directors has approved the Board Performance Evaluation Procedures, which stipulate that an external evaluation shall be conducted at least once every three years. An evaluation was completed in 2025, and the implementation status and results have been disclosed on the Company's website and/or in this annual report.
2. The Company has disclosed on its website and in its annual report the measures adopted to safeguard employees' personal safety and working environment, as well as the implementation status of such measures.
3. Policies on workplace diversity and gender equality have been established, with disclosure of their implementation status.
4. Resources have been allocated to support the development of local culture, with the methods of support and related outcomes disclosed on the Company's website, in its annual report, and in its sustainability report.
5. Disclosure has been made of Scope 3 greenhouse gas category and total annual emissions for the past year.
6. A personal data protection policy has been established, with its content and implementation status duly disclosed.
7. Uploading the English version of the Company's Sustainability Report to the Market Observation Post System and the Company's website: the English version was uploaded in January 2026.

Priority areas for improvement and strengthening measures:

1. Reporting at regular shareholders meetings the remuneration received by directors, including the remuneration policy, individual remuneration content and amount: not implemented following internal assessment by the Company.
2. Formulating specific measures to enhance corporate value, submitting them to the Board of Directors, and disclosing them in the "Corporate Value Enhancement Plan" section of the Market Observation Post System;

Scope of Assessment	Status of operation (Note)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such departures
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currently under internal assessment.

3. Establishing a Nomination Committee, with more than half of its members being independent directors, and chaired by an independent director, with disclosure of its composition, responsibilities, and operations: currently under internal assessment.
4. Assigning the Audit Committee to oversee risk management, establishing risk management policies and procedures approved by the Board, disclosing the risk management framework, processes, and operational status, and reporting to the Board at least annually: currently under internal assessment.
5. Formulating an intellectual property management plan aligned with operational objectives, disclosing its implementation status on the Company’s website or in the annual report, and reporting to the Board at least annually: the intellectual property management plan has been completed and will be submitted to the Board during the second quarter of 2026.
6. Obtaining third-party verification for the Company’s Sustainability Report: a third-party verification of the 2025 Sustainability Report is planned.
7. Investing in energy-saving or green energy-related equipment, or in domestic green energy industries (e.g., renewable energy power plants), or issuing/investing in sustainability-linked bonds, with disclosure of investment status and specific benefits: currently under internal assessment.
8. Introducing internal carbon pricing to assess the financial impact of climate change on the Company: currently under internal assessment.
9. Establishing a Board-level Sustainability Committee, with members possessing expertise in corporate sustainability, at least one director participating in oversight, and disclosing its composition, responsibilities, and operations: planned for May 2026.

Note 1: Regardless of “Yes” or “No,” the status shall be stated in the “Summary” section.

Note 2: Considering that the Corporate Governance Center of the Taiwan Stock Exchange has been disclosing the results of its annual corporate governance assessments of listed (OTC) companies since April 2025, strengthening certain corporate matters based on the assessment results will help improve the Company’s governance.

Note 3: Evaluation criteria of CPA’s independence:

Independence Criteria		Compliance of independence	
Item No.	Description	Yes	No
1	CPAs shall avoid and recuse themselves from any engagement which may involve any direct or significant indirect interests that could impair their impartiality and independence.	✓	
2	CPAs shall maintain substantive independence and formal independence when performing audits, reviews, re-audits or special examinations of financial statements and issuing opinion reports. Accordingly, members of the audit team, the partners of the firm or the shareholders of CPA firms, accounting firms, affiliates of the firms, and network firms must always maintain independence from their clients.	✓	
3	The CPAs shall uphold integrity, objectivity and the spirit of independence to serve the public interest. (1) Integrity: The CPAs shall be upright and rigorous when providing the professional services, and shall act with honesty and impartiality in all professional and business	✓	

	relationships. (2) Objectivity: When providing professional services, CPAs shall maintain an objective and impartial stance, avoiding bias, conflicts of interest, or undue influence that could impair professional judgment. Objectivity includes presenting information without bias between providers and users and exercising due professional care. (3) Independence: When conducting audits, reviews, re-audits, or special examinations of financial statements and issuing opinion reports, CPAs shall maintain independence both in form and in substance, and express their opinions impartially.		
4	Independence is related to the integrity and objectivity. The lack or loss of independence will impact the integrity and objectivity.	✓	
5	Independence may be impaired by self-interest, self-review, advocacy, familiarity and intimidation.	✓	
6	Impairment of independence due to self-interest refers to any financial interest acquired from the audit client or any conflict of interest created by other interests with the client. The circumstances that might lead to such impairment may be as follows: (1) Having a direct or significant indirect financial interest with the audit client. (2) Having undue dependence on the total fees from a single client. (3) Having a significant close business relationship with an audit client. (4) Being concerned about the possibility of losing a significant client. (5) Entering into a potential employment negotiation with the audit client. (6) Entering into a contingent fee arrangement related to an audit engagement. (7) Discovering a significant error by a previous professional service performed by other practitioners of the same firm.	✓	
7	Impairment of independence due to self-review means that a CPA uses the reports or judgments resulting from the non-audit services as an important basis for concluding the audit or review of financial information, or a member of the audit team is the audit client's former director/supervisor or is in a key position with direct and significant influence over the audit engagement. The circumstances that might lead to such impairment may be as follows: (1) The firm issues an assurance report on the effectiveness of the operation on the financial information systems which were designed by or implemented with the assistance of the firm before. (2) An original document prepared by the firm was used to certify the significant or important matters of the assurance engagement. (3) A member of the audit team is currently, or was within the recent two years, a director, supervisor, or manager of the audit client, or in a position to exert significant influence on the audit engagement. (4) The non-audit services provided for the audit client would directly affect the material item of the audit engagement.	✓	

Note 4: AQI disclosure framework – 5 categories and 13 indicators

Professionalism	Quality control	Independence	Monitoring	Innovation
<ul style="list-style-type: none"> ● Auditing experience ● Training hours ● Attribution rate ● Professional support 	<ul style="list-style-type: none"> ● CPA's Workload ● Involvement of audits ● Engagement Quality Control Review (EQCR) ● Quality supporting capacity 	<ul style="list-style-type: none"> ● Non-audit services (NAS) ● Familiarity 	<ul style="list-style-type: none"> ● External inspection results & enforcement ● Number of letters issued by the authorities 	<ul style="list-style-type: none"> ● Innovative planning or initiatives



資誠

函

受文者：麗豐股份有限公司

日期：民國 115 年 3 月 2 日

文號：資會綜字第 26000283 號

主旨：依會計師職業道德規範公報第 10 號「查核與核閱之獨立性」之規定，評估本事務所對 貴公司之獨立性，評估結果及聲明如說明，敬請鑑察。

說明：

- 一、為提供最佳服務予 貴公司，本所查核會計師對於所有受委任案件均須保持客觀公正、正直誠信及嚴謹態度並嚴格遵守本所行為準則規範，以確保可及時提供高品質之審計專業服務予 貴公司，並符合社會大眾之期望。
- 二、查核會計師之責任係根據查核結果，對 貴公司之財務報表是否允當表達公司之財務狀況、經營結果及現金流量表示意見，以合理確信財務報表有無重大不實表達。財務報表之編製係 貴公司管理階層之責任， 貴公司管理階層將提供所有 貴公司所知與財務報表編製相關之資訊，包括財務及會計記錄與有關資料。即使財務報表經會計師查核，管理階層仍擔負前述對財務報表之責任。

- 三、查核會計師係依據審計準則第 260 號「與受查者治理單位之溝通」與治理單位進行溝通。查核會計師將根據其判斷，與治理單位溝通在查核財務報表過程中，獲悉對監督財務報導及揭露程序重大攸關之治理事項。惟上述規定，並未要求查核會計師須特別為確認重大治理事項而設計查核程序，因此，不應期望此項查核可確認所有治理事項。
- 四、為達到查核會計師之責任，本所查核會計師及專業團隊將秉持專業懷疑之態度，妥善規劃及執行查核工作，以確保執行工作之最高品質。會計師查核報告亦由本所查核會計師作最後之複核以決定出具報告之類型，並署名以示負責。
- 五、委任小組、本事務所其他專業人員及本事務所本年度查核工作已遵循中華民國會計師職業道德規範第十號公報獨立性之相關規定及 PwC 全球獨立性政策(包含國際審計準則公報第 220R 號相關規定)，並未有違反相關規定致影響本所超然獨立之情事。如本委任之執行涉及其他 PwC 聯盟所，則相關聯盟所業已遵循 PwC 全球獨立性政策。
- 六、本所提供查核、核閱及相關服務業已符合品質管理準則第 1 號「會計師事務所之品質管理」要求。

七、本所之查核及核閱工作係建立在公正客觀之基礎上。本所業已確認以下事項，如有不一致之情形，煩請與本會計師聯絡：

- (一) 會計師無與 貴公司有持股之投資關係存在。
- (二) 會計師無與 貴公司有直接或重大間接財務利益關係。
- (三) 會計師無與 貴公司或 貴公司董事有融資或保證行為。
- (四) 會計師無與 貴公司間有考量流失委任之可能性而影響查核及核閱工作之行為。
- (五) 會計師無與 貴公司訂定查核及核閱案件有關之或有公費。
- (六) 會計師無與 貴公司有密切之商業關係及潛在僱傭關係。
- (七) 會計師及其查核(核閱)小組成員目前或最近二年並無在 貴公司擔任董事、經理人或對審計工作有重大影響之職務。
- (八) 會計師無對 貴公司提供可能直接影響查核及核閱工作的非確信服務項目。
- (九) 會計師並無仲介 貴公司所發行之股票或其他證券。
- (十) 會計師並未擔任 貴公司之辯護人或代表 貴公司協商與 第三人間發生的衝突。
- (十一) 會計師無與 貴公司之董事、經理人或對查核及核閱案件有重大影響職務之人員有親屬關係。
- (十二) 卸任一年以內之共同執業會計師並無擔任 貴公司董監事、經理人或對查核及核閱案件有重大影響之職務。
- (十三) 查核(核閱)服務小組成員並無收受 貴公司或董監事、經理人價值重大之餽贈或禮物。
- (十四) 查核(核閱)服務小組成員並未承受或感受 貴公司管理階層有關會計政策選擇或財務報表揭露之不當要求。

(十五) 查核(核閱)服務小組成員並未承受或感受 貴公司管理階層以降低公費為由要求減少應執行之查核及核閱工作等。

(十六) 會計師並無與 貴公司有訴訟關係。

八、本會計師於查核及核閱過程中，如發現可能有違反獨立性之情形，將與 貴公司治理單位溝通該情形及採取相關因應防護措施。

資誠聯合會計師事務所

謝 瑋 莉

會計師

王 崧 澤



Note 6: Directors Training Sessions in 2025:

Title	Name	Date	Organization	Title of Training Session	Duration
Director	Chen, Pi-Hua	2025.05.29	Securities and Future Institute	Corporate Governance and Securities Regulations	3hrs
		2025.06.13	Taiwan Investor Relations Institute	Leading Strategies for Enterprises in AI Transformation	3hrs
Director	Chen, Pei-Wen	2025.08.21	Business Development Foundation of the Chinese Straits	ESG strategy: the path to a naturally positive growth	3hrs
		2025.11.06	Business Development Foundation of the Chinese Straits	Personal Data & Cybersecurity: Governance Practices and Directors' Responsibilities	3hrs
Director	Chao, Chen-Yu	2025.08.21	Business Development Foundation of the Chinese Straits	ESG strategy: the path to a naturally positive growth	3hrs
		2025.11.06	Business Development Foundation of the Chinese Straits	Personal Data & Cybersecurity: Governance Practices and Directors' Responsibilities	3hrs
Director	Wu Si-Zong	2025.08.21	Business Development Foundation of the Chinese Straits	ESG strategy: the path to a naturally positive growth	3hrs
		2025.11.06	Business Development Foundation of the Chinese Straits	Personal Data & Cybersecurity: Governance Practices and Directors' Responsibilities	3hrs
Independent Director	Tsai, Yu-Chin	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance & Climate Change Summit	6hrs
		2025.08.21	Business Development Foundation of the Chinese Straits	ESG strategy: the path to a naturally positive growth	3hrs
Independent Director	Hsu, Wen-Kuan	2025.08.21	Taiwan Corporate Governance Association	ESG strategy: the path to a naturally positive growth	3hrs
		2025.11.06	Taiwan Corporate Governance Association	Personal Data & Cybersecurity: Governance Practices and Directors' Responsibilities	3hrs
Independent Director	Huang, Lei-Kang	2025.08.21	Business Development Foundation of the Chinese Straits	ESG strategy: the path to a naturally positive growth	3hrs
		2025.11.06	Business Development Foundation of the Chinese Straits	Personal Data & Cybersecurity: Governance Practices and Directors' Responsibilities	3hrs
Independent Director	Lee, Jin-Wei	2025.08.21	Business Development Foundation of the Chinese Straits	ESG strategy: the path to a naturally positive growth	3hrs

		2025.11.06	Business Development Foundation of the Chinese Straits	Personal Data & Cybersecurity: Governance Practices and Directors' Responsibilities	3hrs
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4. Describe the composition, duties and operations of the remuneration committee:

(I) Information about the remuneration committee members

December 31, 2025

Position (Note 1)	Name	Professional qualifications and experience	Status of compliance of independence (Note 2)	Positions as a Remuneration Committee Member in other public companies
Independent Director	Hsu, Wen-Kuan (Convener)	Graduated from Soochow University with a major in accounting, qualified to practice as a CPA in China, and once served as the lead accountant of the internal control team in PricewaterhouseCoopers Certified Public Accountants and as the lead accountant of the Suzhou Branch of PwC PricewaterhouseCoopers China. Has more than five years of commercial, financial, accounting, and work experience required to perform the duties of the Company with professional financial planning and accounting capabilities.	Compliant (1)-(10)	2
Independent Director	Tsai, Yu-Chin	Former Director of the Audit Dept., KPMG. Has a Taiwan CPA license and doctoral degree from the School of Accounting, Shanghai University of Finance and Economics. Currently a full-time assistant professor in the Department of Accounting, China University of Technology. Has more than five years of commercial, financial, accounting, and work experience required to perform the duties of the Company with professional financial planning and accounting capabilities.	Compliant (1)-(10)	1
Independent Director	Huang, Lei-Kang	Doctor of Law degree from Tulane University in Louisiana, USA, and a BA in Psychology from the University of California, Los Angeles, USA. President of the Hefeng Education Foundation. Currently President of International Campus, Keuka College, New York, USA, and practicing attorney in California, USA. More than five years of experience in business, finance, accounting, and corporate affairs, as well as the ability to handle risk management and legal professional matters.	Compliant (1)-(10)	0
Independent Director	Lee, Jin-Wei	Bachelor's degree in Power Mechanical Engineering from Taiwan's Tsinghua University. Master's Degree in Biomedical Engineering from the University of Southern California, USA. Founder and CEO of Jinqu Co., Ltd. Founder and CEO of Momentx Co., Ltd. More than five years of experience in business, sales and corporate affairs, with information management, business and sales management capabilities.	Compliant (1)-(10)	0

Note 1: Please specify director, independent director, or others.

Note 2: A “✓” is placed in the box if the member met the following conditions during active duty and two years prior to the election.

- (1) Not an employee of the company or an affiliate.
- (2) Not a director or supervisor of the Company’s affiliates (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
- (3) Not the director, or his or her spouse or minor who holds, in his or her own name or in another name, more than 1% of the Company’s total outstanding shares, or is one of the Company’s ten largest natural-person shareholders.
- (4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct blood relative within the third degree of kinship of a person listed in (2) and (3).
- (5) Not a director, supervisor, or employee that has 5% or higher ownership interest in the company, being the top-5 corporate shareholders or the institutional shareholders who designate representative as the corporate director or supervisor in accordance with Paragraph 1 or 2, Article 27 of the Company Act (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
- (6) Not a director, supervisor or employee of other Company in which the number of directors or more than half of the voting shares is under the control of the same person (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
- (7) Not a director, supervisor, or employee of another Company or institution in which the Chairman, president, or personnel with equivalent positions are the same person or have a spousal relationship (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
- (8) Not a director, supervisor, manager, or shareholder holding more than 5% of the outstanding shares of a specific company or institution in a business or financial relationship with the Company (the same does not apply, however, in cases where the specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of the public Company and the person is an independent director of the Company, its parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
- (9) Not a professional who provides audits or commercial, legal, financial, or accounting services accumulating more than NT\$ 500,000 in remuneration obtained in the most recent two years to the company or its affiliates, nor is an owner, partner, director, supervisor, manager, or the spouse of any of the above of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates. However, this shall not apply to members of the remuneration committee, review committee for public acquisitions or special committee for mergers executing their duties in accordance with the Securities and Exchange Act or Business Mergers and Acquisitions Act.
- (10) None of the circumstances under Article 30 of the Company Act apply to the person.

(II) Remuneration Committee’s duties

According to the Company’s “Remuneration Committee Charter,” the Remuneration Committee shall perform the following functions honestly with due diligence, and submit their recommendations to the board of directors for discussion:

- (1) Determine and periodically review the performance appraisal on directors and managers, and remuneration policy, system, standard and structure;
- (2) Periodically evaluate and determine the remuneration to directors and managers.
- (3) When fulfilling the above responsibilities, the Committee must adhere to the following principles:

- i. Ensure that the remuneration packages for the Company and its subsidiaries comply with the regulations and are sufficient to attract qualified talents.
- ii. The performance assessments and remuneration of directors (including independent directors) and manager of the Company shall take into account prevailing industry standards, as well as individual performance evaluation results, time commitment, responsibilities assumed, achievement of personal objectives, performance in other positions held, remuneration levels for comparable positions within the Company and its subsidiaries in recent years, and the alignment between individual performance and the Company's and its subsidiaries' operating performance and future risks, based on the achievement of short- and long-term business objectives and financial conditions.
- iii. Directors (including independent directors) and managers must not, in pursuit of salary remuneration, be allowed to engage in risk-taking activities beyond the risk appetite of the Company and its subsidiaries.
- iv. The proportion of short-term performance-based bonuses for directors (including independent directors) and senior managerial officers, as well as the timing of payment of variable compensation, shall be determined with consideration of industry characteristics and the nature of the Company's and its subsidiaries' operations.
- v. The contents of the remuneration and the amounts of the directors (including independent directors) and managers shall be determined with due regard to reasonableness should be commensurate with the financial performance. If there is a significant decrease in profits or long-term loss, the remuneration cannot be higher than that of the previous year. If the remuneration is higher, a justification shall be disclosed in the annual report and reported at the shareholders' meeting.
- vi. Committee members must not participate in discussions or decisions about their own remuneration.

The remuneration package mentioned in the above two paragraphs includes cash remuneration, stock options, dividends, retirement benefits, severance pay, various allowances and other tangible incentives. The scope must be aligned with the remuneration of the directors (including independent directors) and manager as stipulated in the reporting guidelines for listed companies.

If the remuneration of the directors (including independent directors) and managers of the Company and its subsidiaries is handled by a subsidiary, the Committee must first submit the proposal to the Board before a resolution can be passed by the Board.

(III) Operation of the Remuneration Committee:

(1) The Company's Remuneration Committee consists of four members.

(2) Term of current members: In 2025 (the fifth term is from June 25, 2024 to June 25, 2027), there were four Remuneration Committee meetings (A). The qualifications and attendances of the members are as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate % (B/A)	Remarks
Member	Hsu, Wen-Kuan	4	0	100%	Independent Director
Member	Tsai, Yu-Chin	4	0	100%	Independent Director

Member	Huang, Lei-Kang	4	0	100%	Independent Director
Member	Lee Jin-Wei	4	0	100%	Independent Director

Other items to be stated:

- I. If the board of directors does not adopt or amends the remuneration committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the board of directors, and the company's handling of the remuneration committee's opinions (if the remuneration approved by the board of directors is superior to that suggested by the remuneration committee, please specify the deviation and reason): None.
- II. For resolution(s) made by the remuneration committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the company's handling of the said opinions: None.
- III. Processing of the remuneration committee's meeting contents in the most recent year, decisions made and the Company's opinion on the committee.

Remuneration committee	Proposals and subsequent management	Resolution	The company's handling of the remuneration committee's opinions
2025.02.27 5th term 1st meeting in 2025	<ol style="list-style-type: none"> 1. Approved the distribution of remuneration to directors and employees for 2024. 2. Approved the distribution of remuneration to directors for 2024. 3. Approved the distribution of remuneration to managers and employees. 4. Approved the change of the Company's Chief Information Security Officer. 5. Approved the change of the Company's Chief Corporate Governance Officer. 	Approved unanimously.	For proposal 3, after all non-voting attendees had left the meeting, Chairman Chen, Pi-Hua and Director Chao, Chen-Yu recusing themselves due to conflicts of interests, the acting chairman Hsu Wen-Kuan, an independent director, consulted with all remaining attending directors, and the resolution was passed unanimously as submitted. For all other proposals, after all non-voting members had left the meeting, upon the Chairman's inquiry, the proposals were approved unanimously as submitted by all attending directors.
2025.05.08 5th term 2nd meeting in 2025	<ol style="list-style-type: none"> 1. Approved the changes to the Company's managers' compensation. 	Approved unanimously.	1. After all non-voting members had left the meeting, upon the Chairman's inquiry, the proposals were approved unanimously as submitted by all attending directors.
2025.08.21 5th term 3rd meeting in 2025	<ol style="list-style-type: none"> 1. Approved the revision of the year-end bonus distribution standards for the Company's key brokers. 	Approved unanimously.	1. After all non-voting members had left the meeting, upon the Chairman's inquiry, the proposals were approved unanimously as submitted by all attending directors.
2025.12.18 5th term 4th meeting in 2025	<ol style="list-style-type: none"> 1. Approved the distribution of directors' and employees' remuneration plan for 2026. 2. Approved the year-end bonus for managers for 2025. 	Approved unanimously.	<ol style="list-style-type: none"> 1. After all non-voting members had left the meeting, upon the Chairman's inquiry, the proposals were approved unanimously as submitted by all attending directors. 2. After all non-voting attendees had left the meeting, Chairman Chen, Pi-Hua and Director Chao, Chen-Yu recusing themselves due to conflicts of interests, the acting chairman Hsu Wen-Kuan, an independent director,

			consulted with all remaining attending directors, and the resolution was passed unanimously as submitted.
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(IV) Information on the members and operation of the Nomination Committee: The Company does not have a Nomination Committee.

5. Deviations between the promotion of sustainable development and the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
I. Does the Company have a governance structure that promotes sustainable development, and has it established a special unit or designated an existing unit for the task of sustainable development promotion? Has the Board of Directors of the Company authorized the management to handle relevant matters and supervise the Board? (Note 3)	✓		<p>Board of Directors: The Board of Directors is the highest decision-making body of the Company's "ESG Planning Team" which is responsible for promoting and deciding the company's sustainable development direction. It also plays a supervisory role in the implementation of the company's overall ESG strategy. To strengthen the management and identification of environmental, social, and governance issues within the Chlitina Group, the Board of Directors has tasked the Group CEO to serve as the convener of the ESG Planning Team. The Investor Relations and Stock Department serves as the part-time sustainable development unit, submitting a quarterly report to the Board on the results of ESG governance implementation. In 2025, reports were presented to Board of Directors on February 27, May 8, August 21, and December 18.</p> <p><u>ESG Planning Team:</u> The ESG Planning Team comprises seven sub-teams focused on social engagement, environmental</p>	None

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>sustainability, sustainable products, brand marketing, customer relations, employee care, and corporate governance. Each sub-team is led by senior management and meets at least once a month to ensure the smooth implementation of sustainability initiatives.</p> <p>The ESG Planning Team's objectives include developing an ESG framework and establishing corresponding performance indicators, action guidelines, and implementation plans. It also coordinates the implementation across departments, regularly tracks results and goal achievement, and conducts risk assessments of environmental, social, and governance issues related to company operations based on the principle of materiality. Based on these assessments, it formulates relevant risk management policies and strategies. The ESG Planning Team is responsible for collecting the ESG implementation status of various subsidiaries and factories within the group. It holds periodic ESG meetings in different locations to assess current ESG development trends and regulatory issues. Based on the improvement needs of each location, the group assists in bridging resources and providing suggestions. Additionally, the ESG Planning Team integrates ESG action guidelines into the company's core business, internalizing them as part of daily operations. It communicates and collaborates with stakeholders such as suppliers, customers, and communities</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations				
	Yes	No	Summary (Note 2)					
			to achieve the group's sustainable development goals					
II. Does the Company implement the risk assessment of environmental, social, and corporate governance issues related to corporate operation and establish relevant risk management policies or strategies based on the principle of materiality?	✓		<p>The Company's disclosures cover the sustainable development performance of its main business locations in 2025. The risk assessment boundary is the Company and all its subsidiaries. Based on the materiality principle and the results of communication with internal and external stakeholders, the Company has assessed environmental, social and corporate governance issues related to its operations. The identified main risks after the assessment are:</p> <table border="1"> <thead> <tr> <th>Risk</th> <th>Counter-measures</th> </tr> </thead> <tbody> <tr> <td>Financial Risk</td> <td> <p>1. Interest Rates Risk: The Company regularly reviews the interest rate levels in all operating regions (including Mainland China, Hongkong, Taiwan and Southeast Asia) and maintains close communication with banks. The Company also utilizes fund allocation of various operating subsidiaries within the group to achieve the most efficient deployment.</p> <p>2. Exchange Rate Risk: Ninety percent of</p> </td> </tr> </tbody> </table>	Risk	Counter-measures	Financial Risk	<p>1. Interest Rates Risk: The Company regularly reviews the interest rate levels in all operating regions (including Mainland China, Hongkong, Taiwan and Southeast Asia) and maintains close communication with banks. The Company also utilizes fund allocation of various operating subsidiaries within the group to achieve the most efficient deployment.</p> <p>2. Exchange Rate Risk: Ninety percent of</p>	None
Risk	Counter-measures							
Financial Risk	<p>1. Interest Rates Risk: The Company regularly reviews the interest rate levels in all operating regions (including Mainland China, Hongkong, Taiwan and Southeast Asia) and maintains close communication with banks. The Company also utilizes fund allocation of various operating subsidiaries within the group to achieve the most efficient deployment.</p> <p>2. Exchange Rate Risk: Ninety percent of</p>							

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>the Company's revenue comes from mainland China, so our functional currency is the Renminbi. However, the ultimate parent company is listed on the Taiwan Stock Exchange. To mitigate foreign exchange operation risks, the Company primarily engages in hedging for all transactions and does not trade in any derivative financial products.</p> <p>3. Customer Credit Risk: The Company's main business channel is the Chlitina beauty chain franchise stores. To effectively eliminate or reduce credit risk, we adopt a cash-on-delivery method for all franchise stores worldwide. Therefore, the impact of credit risk is extremely low.</p> <p>4. Investment Risk: The Company does not engage in the trading of derivative</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>financial products or futures, nor do we invest in high-risk, high-leverage projects. All external investments are carefully evaluated and are relevant to the Company's business. We also participate in the board and operational meetings of the invested companies.</p> <p>5. Operational Risk: The Company has eliminated all cash-related transactions and replaced them with bank transfers. Financial staff duties are periodically rotated. Accounting and financial tasks are performed by different personnel. All financial and accounting operations have a deputy system and are executed in accordance with various internal control measures.</p>	
			Operational Risks	<p>1. Customer Management</p> <p>1.1 Franchise stores and Distributors: We strengthen</p>

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>product and technical training, and organize training conferences in various provinces and counties. We conduct regular store visits and hold incentive activities such as rewards and recruitment in order to enhance the operational capabilities of franchise stores and distributors. We monitor their sales performance to promptly and effectively address issues and foster loyalty.</p> <p>1.2. End Customers: We strive to reinforce the Company's brand and corporate image. We use advertising and marketing to promote products subtly, embedding them in consumers' hearts to cultivate consumption habits and enhance brand loyalty and stickiness.</p> <p>2. Procurement risks: 2.1. We select</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>reputable and legally registered suppliers. We regularly audit suppliers and have established a system for inquiring, comparing, and negotiating prices with secondary suppliers.</p> <p>2.2 Products must be tested and approved by the product, R&D, and quality control departments to ensure compliance.</p> <p>2.3. Imported raw materials must have relevant import permits and be imported in their original packaging.</p> <p>2.4. We compile complete product data (such as ingredient lists and specifications) and prohibit altering packaging or changing labels.</p> <p>2.5. We ensure proper storage environments and comply with relevant regulations for storing raw materials.</p> <p>3. Supply Chain and Production:</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>3.1. Production facilities are legally registered with government authorities, and products comply with relevant regulations before being sold.</p> <p>3.2. Weishuo, our manufacturing base, complies with local regulations, and is qualified for cosmetic production. It is certified ISO9001 for quality management systems, GMPC and ISO22716 to ensure quality.</p> <p>3.3. The Company adheres to standard production protocols and continuously monitors for any abnormalities.</p> <p>3.4. Waste generated during production is properly disposed of by a qualified waste disposal company in compliance with environmental regulations.</p> <p>3.5. The Company signs contracts for outsourced or imported products to ensure quality and</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>supply quantity.</p> <p>4. Trademarks and Patents:</p> <p>4.1. All product trademarks are registered in relevant operating regions to protect the company's interests.</p> <p>4.2. All R&D projects are managed and documented. Any intellectual property developed with Company resources are promptly patented if eligible.</p> <p>4.3. All intellectual property rights of the outcomes created by R&D personnel using Company resources belong to the Company.</p> <p>4.4. Legal personnel are responsible for maintaining patents and trademarks.</p> <p>4.5 External sales channels or products are regularly inspected for any infringement of the Company's trademarks or patents and immediate legal</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>action is taken if necessary.</p> <p>5. Human Resource Management:</p> <p>5.1. Data is collected systematically for human resources development projects.</p> <p>5.2. Management indicators are established for various human resource policies.</p> <p>5.3. Management indicators are developed for career development.</p> <p>5.4. Regular performance evaluations, education, training, and job rotations are conducted to encourage employee growth.</p>	
			<p>Strategic Risk</p> <p>1. Operational Compliance: The Company complies with all relevant laws and regulations in its daily operations, including tax, securities, sales, labor, import/export, and environmental regulations. These compliance requirements are</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>communicated to all franchise stores and distributors. Major decisions or contract documents are reviewed and approved by the legal department or external lawyers to ensure compliance. The Board of Directors and department heads continuously strengthen their legal compliance training related to their respective business areas.</p> <p>2. Business Development: Before expanding product sales to new regions, research is conducted on various distribution channels, including franchises, direct sales, distributors, e-commerce, and medical channels, to identify any regulatory restrictions or conditions. If any are found, they are followed accordingly.</p> <p>3. Products and Advertising:</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>Before launching a new product, a comprehensive evaluation is conducted, including an analysis of the market situation for similar products. Consideration should be given to potential cannibalization effects on existing products and how to address them. The sales performance of launched products should be continuously monitored to ensure there are no abnormalities. Advertising content does not include illegal or false claims. If there are any concerns, the legal department is consulted to confirm the content.</p> <p>4. Directors and Officers Liability Insurance: The Company regularly holds management and board meetings (including functional committees) and obtain liability</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			insurance for directors and high-level executives.	
			<p>Environmental Safety Risk</p> <p>1. The Company conducts annual inspections of Company-related operational units, including visits and guidance for franchise stores and distributors.</p> <p>2. The Company regularly inspects the environments of Company-related operational units. Based on the findings, improvement plans are suggested and capital expenditures are allocated to implement these improvements, thereby reducing related risks.</p> <p>3. Emergency evacuation and disaster prevention drills are organized for employees to enhance their risk awareness and emergency response capabilities.</p> <p>4. The Company obtained the ISO14001 Environmental</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>Management System certification (validity: June 30, 2025 to June 29, 2028); the ISO45001 Occupational Health and Safety Management System certification (validity: September 1, 2023 to September 1, 2028); and the International SA8000 Social Responsibility System certification in 2025 (validity: June 13, 2025 to June 12, 2028).</p>	
			<p>Climate Risk</p>	<p>Please refer to the Company's Climate Information</p>
			<p>Information Security Risk</p>	<p>1. Cybersecurity Risk Management Framework: The Information Security Management Team follows the National Cyber Security Level Assessment (S3A3) standards to establish a management system and practical rules, conducting regular audits and inspections. 2. Cybersecurity</p>

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>Policy: In response to the variability of its business operations and diverse transaction models, the Company complies with the Data Security Protection Law and Information Security Level Protection 2.0. It focuses on the self-developed e-commerce platform, enhancing comprehensive information protection to reduce information leaks and transaction risks.</p> <p>3. Specific Management Measures: 3.1. Platform level: System cloud integration, off-site backup, and SaaS security protection. 3.2. Hardware level: Security situational awareness and endpoint device management. 3.3 Data level: Password management, and management of structured and unstructured data.</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations		
	Yes	No	Summary (Note 2)			
			<table border="1"> <tr> <td></td> <td>3.4. Network level: Integration of the group's network and authorized wireless access.</td> </tr> </table> <p>Please refer to the section dedicated to Risk Management and Response in Chapter 4 (Governance) of the Company's 2025 Sustainability Report.</p>		3.4. Network level: Integration of the group's network and authorized wireless access.	
	3.4. Network level: Integration of the group's network and authorized wireless access.					
III. Environmental issues						
(I) Has the Company established environmental policies suitable for its industrial characteristics?	✓		<p>The Company's environmental management system includes the following procedures: "Hygiene Management Procedures," "Pest Control Management Regulations," "Clean Area Environmental Monitoring Management Procedures," "Environmental Management Operation Control Procedures," "Waste Management Procedures," "Air Pollution Management Procedures," "Wastewater Management Procedures," and "Noise Pollution Management Procedures."</p> <p>Subsidiary Weishuo (Shanghai) Daily Product Co., Ltd. has obtained the ISO 14001 Environmental Management System certification (validity: June 30, 2025 to June 29, 2028) and the ISO 45001 Occupational Health and Safety Management System Certification (validity: June 30, 2025 to June 29, 2028).</p> <p>In 2025, in accordance with the requirements of the aforementioned Environmental Management System, the Company monitored wastewater monthly and commissioned a qualified</p>	None		

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			contractor in June to conduct annual testing on wastewater, exhaust gas, noise, and groundwater. All test results were normal.	
(II) Does the Company commit to improving energy efficiency and using recycled materials with low environmental impact?	✓		<p>The Company has implemented the following measures to enhance the efficiency of resource utilization:</p> <ol style="list-style-type: none"> 1. The White Crystal Dark Spot Correcting Series upgraded in 2025 revolves around “recycled White Pine” – an ingredient extracted from the bark of the White Pine after logging, with 0% deforestation induced by this extraction, and a maximized value for every tree. This sustainable and traceable raw material has received international certification from Japan. This kind of ingredients allows the Company to practice energy waste reduction, low-carbon recycling and resource regeneration. 2. The Company has assessed the feasibility of installing or using less energy-consuming equipment in the factory and set power and water consumption reduction targets in order to improve resource utilization efficiency. 3. We have implemented low-carbon transformation of existing products, used local raw materials and sustainable raw materials where possible to reduce carbon footprints, continuously developed new green product lines, and made reasonable adjustments to the product portfolio structure. In 2025, locally sourced raw materials accounted for 26.74% of the total raw materials consumed. 	None

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>4. The Company has drawn up a weight reduction plan for product packaging to reduce the use of plastic materials for outer packaging, and planned to conduct a product carbon footprint inventory.</p> <p>5. Recycled paper has gradually been used in the carton packaging for transportation. For printing ink, we also require manufacturers to change into environmentally friendly soybean ink to reduce the environmental load.</p> <p>6. The Forest Stewardship Council (FSC)-certified paper: FSC mix paper has been used as the packaging of new products to implement forest protection.</p> <p>7. Lighting fixtures are gradually replaced with LEDs, and stand-alone air conditioners are replaced with low-energy air conditioners to reduce energy consumption.</p> <p>8. Office photocopying uses recycled paper or duplex printing.</p>	
(III) Does the Company assess the present and future potential risk and opportunities of climate change in relation to the Company and adopt countermeasures related to climate issues?	✓		<p>The potential climate risks assessed by the Company mainly include: market risk (changes in customer and market demand, rising cost of raw materials), reputation risk (increasing stakeholder concerns and negative feedback), and increasing severity of extreme weather events.</p> <p>The potential climate opportunities assessed by the Company mainly include: development and/or addition of low-carbon products and services.</p> <p>For the disclosure of climate-related financial information, please refer to Chapter 2 “Environmental</p>	None

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			Management” of the Company’s 2025 Sustainability Report.	
(IV) Does the Company gather statistics of the greenhouse gas emission, water consumption and the gross weight of the waste in the past two years and establish policies for energy saving, carbon reduction, reduction of greenhouse gas emission and water consumption or other waste management?	✓		<p><u>Greenhouse Gas Management:</u> To effectively implement environmental protection, the Group set up a greenhouse gas inventory and reduction team in September 2023. The implementation status has been reported to the Board of Directors on a quarterly basis. To promote low-carbon transformation and climate adaptation, the Company’s greenhouse gas management policies are as follows:</p> <ol style="list-style-type: none"> 1. Controlling greenhouse gas emissions: In early 2025, in accordance with the GHG Protocol every year we completed the greenhouse gas inventory for the entire Group in Scope I and II for 2024, and in the first quarter of 2026, we will complete greenhouse gas inventory for the entire Group in Scope I, II, and III for 2025, as a basis for future reductions or adjustments to operations. Please refer to the climate-related information section of this annual report for greenhouse gas emissions over the past two years. 2. Setting carbon reduction targets: Please refer to the Environmental management section (Chapter 2) of the Company’s 2025 Sustainability Report. 3. Action plan: <ol style="list-style-type: none"> 3.1 Reducing the carbon footprint of existing products and use local raw materials as much as possible. 3.2 Focusing on sustainable sourcing, 	None

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>using traceable, organic-certified and low carbon footprint plant-based active ingredients, reducing the use of petrochemical ingredients, shifting towards natural, renewable, and biodegradable materials.</p> <p>3.3 Promoting green product design and sustainable innovation in packaging materials. Gradually adopting green packaging design for product packaging, reducing the use of plastic packaging, and introducing recycled paper, and FSC forest certified paper products, FSC MIX Paper and environmentally-friendly inks in packaging material and cartons used in transportation.</p> <p>3.4 Strengthening the review of environmental standards in the supply chain and require manufacturing partners to comply with environmental regulations.</p> <p>3.5 Establishing an environmental anomaly reporting mechanism. In the event of illegal emissions or pollution, immediately notify competent authority and internal response team, propose improvement plans, and monitor their implementation.</p> <p>3.6 Making an inventory and planning energy-saving measures such as upgrading old and high energy consuming equipment, improving the efficiency of air conditioning systems and replacing them with LED lights.</p> <p>3.7 Improving the production plant's</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>environmental quality through air pollution control equipment, and regularly carrying out maintenance and repair of this equipment to ensure normal operation. Every year, a third party testing agency is commissioned to conduct exhaust gas emission tests on boilers and workshops to ensure that the test results meet the legal requirements and are free of air pollutants such as perfluorocarbons.</p> <p>3.8 Improving production processes by identifying the best and most suitable energy-saving modes, increasing reuse rates, reducing waste of raw materials, and improving the efficiency of the manufacturing equipment. Conducting feasibility studies on optimizing energy efficiency. Recovering waste heat from boiler emissions and use it to reduce fuel consumption for boiler water temperature control.</p> <p>3.9 Promoting e-office operations, storing documents electronically in the internal system to reduce paper printing.</p> <p>3.10 Promoting empty bottle recycling initiatives, with the collaboration of the Group's 29 branches and of franchise stores across China. Conducting environmental public awareness campaigns at various meetings and organizing empty bottle collection events. "Protecting the</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations																		
	Yes	No	Summary (Note 2)																			
			<p>Earth Starts with Me” is the guiding principle for the Light Up Environmental Protection initiative, embodying the Company’s commitment and proactive attitude.</p> <p><u>Water consumption and waste weight over the past two years:</u> The water consumption and total waste weight of the subsidiary Weishuo (Shanghai) Daily Product Limited over the past two years are as below:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Water intake (tons)</td> <td>11,836</td> <td>13,443</td> </tr> <tr> <td>Water Consumption</td> <td>5,984</td> <td>7,603</td> </tr> <tr> <td>Wastewater Discharge (tons)</td> <td>5,852</td> <td>5,840</td> </tr> <tr> <td>General Industrial Waste (tons)</td> <td>75.61</td> <td>71.78</td> </tr> <tr> <td>Hazardous Industrial Waste (tons)</td> <td>7.87</td> <td>18.16</td> </tr> </tbody> </table> <p><u>Water resources management</u> In the face of the risk of water resource shortage caused by climate change, in order to respond to water resource problems in a timely manner, the water resource management policy of the Company is to improve water use efficiency, recycle water resources, and review compliance with laws and regulations.</p> <p>1. Improving water use efficiency: Priority is given to water-consuming equipment with a water-saving</p>	Item	2024	2025	Water intake (tons)	11,836	13,443	Water Consumption	5,984	7,603	Wastewater Discharge (tons)	5,852	5,840	General Industrial Waste (tons)	75.61	71.78	Hazardous Industrial Waste (tons)	7.87	18.16	
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Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>design. Every year, we regularly track our water consumption and check water-consuming equipment and pipelines to reduce the waste of resources caused by water consumption and water leakage.</p> <p>2. Recycling water resources: The Company increased the process water recycling rate, and recycles cooling water.</p> <p>3. Reviewing compliance with laws and regulations: We have ensured that the Company's discharge of wastewater complies with local environmental standards</p> <p><u>Industrial Waste Management:</u> The Company has started from waste source reduction, strengthening sorting and recycling, increasing reuse rate, reducing waste output, and monitoring end-of-line waste disposal in order to achieve the goal of a circular economy.</p> <p>1. Source reduction: To reduce waste at the source, the Company has reduced the packaging of products, cut plastic use, and uses environmentally-friendly inks and recycled materials. For production processes, the Company actively evaluates the parameters of raw materials used in equipment and process optimization techniques to reduce the waste of raw materials in the processes.</p> <p>2. Waste recycling: The Company implements the recycling of process waste, uses recycled paper for office photocopying or double-sided printing, and voluntarily recycles bottles from consumer goods.</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			3. Proper disposal and tracking of waste: To ensure proper disposal of waste, all waste is sorted and stored in accordance with the laws and regulations, and final disposal is entrusted to a qualified waste disposal company.	
IV. Social issues				
(I) Has the company established management policies and procedures in accordance with the relevant laws and international human rights conventions?	✓		<p>1. The Company has staff working standards in accordance with labor laws and related personnel norms, in order to protect the legitimate rights and interests of employees.</p> <p>2. The Company supports and adheres to the relevant international laws and guidelines on labor rights, including “UN Universal Declaration of Human Rights,” “UN Guiding Principles on Business & Human Rights,” “UN Global Alliance” and “UN International Labor Organization.”</p> <p>3. To ensure the implementation of its human rights policies, the Company has established six major human rights management policies and specific measures, referring to the aforementioned international human rights norms.:</p> <ul style="list-style-type: none"> ● Prohibition of child labor: the Company only accepts applicants who are 18 years or older and conducts background checks on hired employees to ensure compliance. ● Elimination of employment discriminations: Adhering to local 	None

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
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			<p>government labor laws, international standards, and the company's human rights policies. Implementing internal regulations to prevent discrimination based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, pregnancy, appearance, physical features, or mental and physical disabilities.</p> <p>In 2025, there were 3 individuals with disabilities among the employees.</p> <ul style="list-style-type: none"> ● Prohibition of forced labor: Complying with local government labor laws, international standards, and the company's human rights policies. Do not force or coerce any unwilling individuals to perform labor. Implement leave policies and encourage employees to maintain a work-life balance. <p>The Company has established whistleblowing and grievance channels to protect employee rights, allowing employees to use them when their legal rights are infringed upon or when they face unfair treatment that cannot be reasonably avoided. There were no grievance cases in 2025.</p> <ul style="list-style-type: none"> ● Ensuring workplace safety and health: Providing employees with a safe and healthy work environment. The Company has explicitly defined and internally announced measures for the prevention of sexual harassment. A channel for reporting harassment has 	

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	Yes	No	Summary (Note 2)	
			<p>been established. There were no harassment complaints in 2025.</p> <ul style="list-style-type: none"> ●Strengthening occupational training: Assisting employees in enhancing workplace safety, understanding potential occupational hazards, reducing the likelihood of occupational accidents, and improving technical skills. Arranging for employees to participate in various occupational training programs. <p>Employee safety and health education training is conducted annually. In 2025, a total of 407 hours of occupational safety and health education training were arranged. There were no occupational accidents in 2025.</p> <ul style="list-style-type: none"> ●Ensuring social security for workers: To ensure that employees are cared for and protected, all employees participate in government-sponsored social insurance programs. There were no violations of labor-related laws in 2025. <p><u>Human Rights due diligence process and implementation status</u></p> <ol style="list-style-type: none"> 1. The Company has established human rights due diligence procedures. Through the identification and assessment of human rights-related risks, it designs risk management and mitigation measures, implements improvements, and conducts follow-up tracking to effectively reduce the impact of human rights risks. 2. Scope of assessment: all Company employees. 	

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	Yes	No	Summary (Note 2)	
			<p>3. The human rights due diligence process is carried out as follows:</p> <ul style="list-style-type: none"> • Identification and assessment: identifying adverse human rights impacts arising from operations. • Cessation and prevention: adopting mitigation and remediation measures for adverse human rights impacts. • Tracking: monitoring implementation status and effectiveness. • Communication: information disclosure. <p>4. With reference to international human rights standards, and the human rights issues prioritized by leading domestic and international peer companies, the Company identified four key human rights issues relating to employees (2025):</p> <ul style="list-style-type: none"> • Wages and working hours • Health and safety • Privacy • Workplace discrimination <p>5. Based on the identified human rights issues, the Company distributed questionnaires to employees and developed a risk matrix from the results, assessing likelihood of occurrence and severity of impact. This serves as the basis for prioritizing responses, with priority given to high-risk issues characterized by high likelihood and significant impact.</p>	

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			<p>6. Based on the risk matrix, for high-risk human rights issues affecting employees, the Company has adopted the following mitigation and remediation measures in order of impact severity:</p> <ul style="list-style-type: none"> • Health and safety: strengthen inspections in high-risk work environments, increase the frequency of site visits, and enhance training to prevent recurrence of similar incidents, with the goal of achieving “zero occupational injuries.” Risk mitigation measures include conducting employee health examinations. • Wages and working hours: regularly review workforce structure and alignment with production capacity needs, identify labor gaps, and prioritize hiring sufficient staff and optimizing shift scheduling to avoid excessive overtime caused by understaffing. Risk mitigation measures include recruiting adequate personnel in response to production needs and increasing the frequency of workforce planning reviews to prevent overtime arising from labor shortages. • Privacy: the Company has established an information security incident reporting and response mechanism. In the 	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
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			<p>event of a data breach, an investigation will be immediately initiated, and remedial and corrective actions will be taken in accordance with applicable laws and regulations to minimize impact. Risk mitigation measures include ongoing employee training and simulation exercises on information security, ensuring compliance in data processing, access, and storage. Access controls and approval procedures are in place for data access, internal sharing, and external transmission to effectively prevent misuse and unauthorized disclosure.</p> <p>7. With respect to tracking the implementation of due diligence, the Company conducts annual reviews of the effectiveness of mitigation and remediation measures. It has also established comprehensive grievance mechanisms and channels to allow employees and other stakeholders to report illegal or human rights-related violations.</p>	
(II) Has the Company established and implemented proper employee welfare measures (including the salary, holidays, and other welfare)	✓		1. The main location of operation for the Group is Mainland China where the benefits provided by the Company include those required by the laws of Mainland China, and labor and health insurances are in compliance with the local	None

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	Yes	No	Summary (Note 2)	
and reflected the corporate business performance or achievements in the employee remuneration?			<p>government's requirements. Besides benefits under applicable laws and regulations and policies, the Company also provides employees with various kinds of allowances, bonuses, vacations, cultural and recreational activities, continuing education programs, social insurance, among others.</p> <p><u>Employee Benefit Programs</u></p> <p>(1) Insurance: Group business insurance.</p> <p>(2) Compensation: Employee remuneration, performance bonus, employee profit-sharing bonus, 3 annual festival cash gifts (Dragon-Boat Festival, Mid-Autumn Festival, and Lunar New Year), and year-end bonus.</p> <p>(3) Benefits: Birthday gift, marriage, funeral and maternity allowances, year-end parties, pregnancy-friendly work environment, regular employee health checks, hospitalization sympathy allowance, employee purchase discounts, and travel rewards for outstanding employees.</p> <p>(4) Health and Wellness: Department gatherings, family activities, charitable activities, and health-related activities. To prevent employee obesity and chronic diseases such as high blood sugar, high cholesterol and high blood pressure, the company arranges annual health check-ups for employees and organizes health-related lectures.</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p><u>Workplace diversity and gender equality</u></p> <p>The Company is committed to creating an inclusive and friendly workplace, promoting diversity and gender equality. An “Employee Diversity Policy” has been established, with the following guiding principles:</p> <p>(1) Upholding diversity as a core value, the Company considers a wide range of factors when planning its workforce, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, and length of service.</p> <p>(2) Employees shall not be subject to unequal treatment in the workplace on the basis of race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, or disability status. Any form of discrimination, harassment, or abusive behavior toward employees is strictly prohibited.</p> <p>(3) Equal opportunities are provided to all employees and job applicants. All decisions regarding recruitment, compensation, development, and promotion are merit-based, taking into account qualifications, experience, skills, potential, and job</p>	

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			<p>performance, while also recognizing the positive value of workforce diversity.</p> <p>The Company is dedicated to implementing gender equality in the workplace. As of December 31, 2025, the total number of employees was 815, with 26.1% being male and 73.9% being female. Among all employees, 6.1% of male employees and 15.1% female employees were in management positions.</p> <p>The Company supports the employment of persons with disabilities and indigenous peoples. As of the end of 2025, in Taiwan, the Group was required to employ 0 people with disabilities and has employed 0; in Mainland China, it was required to employ 3 people with disabilities and has employed 3, demonstrating its commitment to supporting disadvantaged groups.</p> <p>Going forward, the Chlitina Group will continue to proactively conduct internal job assessments to create more employment opportunities for persons with disabilities.</p> <p>2. The Company has established a Remuneration Committee, which, in accordance with Article 7 of the Remuneration Committee Charter, regularly reviews the performance evaluation, compensation policies, systems, standards, and structures for directors and managers. Bonuses and remunerations are linked to the company's operational</p>	

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	Yes	No	Summary (Note 2)	
			<p>performance, annual profits, and employee evaluations.</p> <p><u>Salary structure and salary adjustment mechanism:</u></p> <p>(1) Salary structure: Salaries are paid on a 12- month basis. Also, the Company has established various non-recurring bonus systems as follows:</p> <p>a. Employee remuneration: According to the Company’s Articles of Association, if the Company makes a profit in a fiscal year, 1% to 5% of the profit should be allocated for employee remuneration. This remuneration can be paid in the form of stocks or cash. However, if the Company has accumulated losses, a reserve amount should be set aside first. The distribution of employee remuneration is carried out in accordance with the relevant provisions of Cayman Islands law, stock exchange (or over-the-counter) regulations, and the Company’s Articles of Association. Bonuses and remuneration are distributed based on the Performance Evaluation Management Regulations.</p> <p>b. Performance bonus: this is distributed according to the annual work performance based on the business result of the Company after the end of the year.</p> <p>c. Year-end bonus: the year-end bonus is distributed based on the</p>	

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			<p>business result of the Company after the end of the year.</p> <p>d. Sales bonus: this is distributed according to the sales bonus regulations of the “Sales performance or various KPIs.”</p> <p>e. Special bonus: this is distributed according to the “Special Project Contribution.”</p> <p>(2) Salary adjustment mechanism: the mechanism includes the salary adjustment for probation, annual adjustment and special adjustment:</p> <p>a. Salary adjustment for probation: the new employee evaluated seems to be excelling in the position on probation.</p> <p>b. Annual salary adjustment: this depends on the annual operation conditions of the Company, price fluctuation, status of the human resource market and work performance, etc.</p> <p>c. Special salary adjustment: this is due to the talent competition and other special considerations.</p>	
(III) Does the company provide a safe and healthy work environment, and conduct regular health and safety training for employees?	✓		<p>1. The Company strictly adheres to the occupational safety and health regulations of the countries where its operations are located, including the Occupational Safety and Health Act in Taiwan and the Occupational Disease Prevention and Control Law in mainland China. It continuously maintains and supervises the environmental safety of its factories and offices, and implements a no-smoking policy in indoor work areas and public</p>	None

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	Yes	No	Summary (Note 2)	
			<p>spaces. New employees in the factories are required to provide a health examination report from within the past three months. Additionally, the company provides annual routine health check-ups for employees. In accordance with the relevant regulations of each operational location.</p> <p>2. The Company provides drinking water in the workplace that meets national health standards and has established a regular maintenance and cleaning mechanism. For environmental hygiene management, the workplace environment is maintained daily by a professional cleaning company. Office environments and equipment are disinfected at least twice a year. The Company has set up gender-friendly restrooms to accommodate diverse users and promote inclusivity. It has also established a small internal library for employees, encouraging non-traditional learning and fostering knowledge development.</p> <p>3. To safeguard the life, safety, and health of employees and on-site personnel, the Company has established and Occupational Safety and Health Policy. It conducts regular inspections (at least once a year) of fire safety equipment, sanitation facilities, and emergency exits (including stairways),</p>	

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			<p>organizes fire safety drills, and provides at least one occupational safety and health training session annually. Through full employee participation and the fulfillment of safety management responsibilities by supervisors at all levels, the Company is committed to continuous improvement and systematic management to reduce occupational hazard risks, provide a high-quality and safe working environment, and progress toward the goals of zero accidents and sustainable development—thereby creating a workplace that is most supportive for Chlitina Group employees.</p> <p>Relevant measures implemented in 2025:</p> <p><u>Employee safety training</u> The Company strictly enforces occupational health and safety education and training programs, conducting annual employee safety and health training sessions. In 2025, the total hours of occupational safety and health education training were 407 hours, with 0 occupational accidents reported. Training session topics included: Safe Production, Fire Safety, Volunteer Firefighter, Laboratory Hazardous Chemicals, Working in a Confined Space, Occupational Health, Forklift Accident Emergency Drill, Environmental Leakage Accident</p>	

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	Yes	No	Summary (Note 2)	
			<p>Emergency Drill, Production Safety Awareness, and Fire Emergency Evacuation Drill. Through these training sessions, employees' knowledge, awareness, and skills in prevention and emergency response have been greatly enriched.</p> <p><u>Investment in safety equipment and facilities</u></p> <p>To ensure the safety of forklift charging operations, in November 2025 the Company installed five sets of suspended dry powder fire extinguishers in the forklift charging area. These are intended to enable immediate fire suppression in the event of an emergency, thereby preventing the spread of fire. In addition, the Company conducts regular replacement of fire protection equipment approaching expiration. In November 2025, a total of 106 dry powder fire extinguishers and 66 fire hoses nearing expiration were replaced.</p> <p><u>Monitoring of Operational Processes (Outsourced Inspections)</u></p> <p>To ensure that environmental pollution sources (wastewater, exhaust gas, noise) meet emission standards, to protect the safety and health of employees in the workplace, and to guarantee the reliability of lightning protection systems in production and office areas:</p>	

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			<p>(1) In April 2025, before the thunderstorm season, the company commissioned Shanghai Zhizhen Lightning Protection Technology Co., Ltd. to inspect the lightning protection facilities of the production workshops, warehouses, and office areas. The identified hazards were promptly rectified to ensure the effectiveness of the lightning protection system.</p> <p>(2) In June 2025, the company commissioned Shanghai Weizheng Testing Technology Co., Ltd. to test the discharge of the company's environmental pollution sources, including wastewater, exhaust gas, and noise. The test results complied with national and local standards.</p> <p>(3) In October 2025, the company commissioned Shanghai Hezhonghe Testing Technology Co., Ltd. to carry out on-site testing of occupational hazard factors and conduct a current status evaluation. The test results complied with relevant national regulations.</p> <p>(4) In October 2025, the company also commissioned a qualified occupational health examination institution to conduct the annual occupational health checkup for employees, and no occupational diseases were detected among the staff.</p>	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
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			<p><u>Other relevant safety measures:</u></p> <p>(1) To address potential production incidents, anomalies, or emergency situations, the company formulated a specific emergency response plan (with a validity period of 3 years) in November 2024. Comprehensive plans were also developed for broader incidents, and these plans underwent drills and verification. The plans were subsequently filed with the relevant government emergency management departments. These plans underwent evaluation, drills, and verification. The plans were subsequently filed with the relevant government emergency management departments.</p> <p>(2) Dedicated personnel were assigned to attend training and obtain certification in handling hazardous chemicals. Every year in the first quarter, the company reports the previous year's usage and purchase of precursor chemicals to the Public Security Bureau's Precursor Chemical Management Division. The 2024 report was completed on March 17, 2025.</p> <p>(3) The Group's subsidiary and supply chain partner Weishuo (Shanghai) Daily Product Co., Ltd. Has obtained certification for the</p>	

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			<p>ISO45001 Occupational Health and Safety Management System, ISO14001 Environmental Management System, and ISO9001 Quality Management System, and undergoes regular surveillance audits and certification upgrades. Through the implementation of system management, the company improved its management standards in occupational health and safety as well as environmental management. These systems provide preventive assessment, in-process control, and post-incident corrective mechanisms to safeguard employee safety, manage environmental risks, and maintain quality control.</p> <p>(4) In 2025, the number of occupational injury cases was zero. The Company will continue to strengthen employee occupational safety training and workplace accident prevention measures to ensure a safe, healthy, and comfortable working environment for all employees.</p>	
(IV) Has the company established effective career development training plans for employees?	✓		1. Talent is the most important core competitive advantage of the Company and continuing education and training help inspire personal potential of employees and boost their knowledge so that labor can be effectively utilized and the overall management performance of the	None

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			<p>Company may be enhanced to accordingly fulfill the operational goal of the Company. In order to improve employees' quality and skills at work, when new hires report to work, pre-service training is given, and managerial employees receive management and professional training as needed.</p> <p>2. Continuing Education and Training: In order to implement our philosophy of employee training, we devote ourselves to the promotion of talent cultivation and development. In the future, we will keep deepening and expanding the Company's talent development, build a high-quality talent team, encourage employees to actively participate in various learning and training courses, and create a good learning environment within the company.</p> <p>3. Training implementation in prior years is described as follows: (1) We have encouraged employees to participate in relevant training provided by various internal and external institutions in order to provide them with the latest industry and market information. We also actively encourage the diversified development of existing employees. (2) For new employees, the Company provides comprehensive knowledge, skill and attitude orientations, including but not limited to the</p>	

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	Yes	No	Summary (Note 2)																
			<p>Company’s management philosophy, brand culture introduction, business and organizational structure introduction, product and business model introduction, an explanation of the code of conduct and rules and regulations, information security and environmental safety, and financial process explanation.</p> <p>(3) Through the “Soaring Accelerated Course,” middle and senior management can improve their management capabilities and find a greater sense of achievement.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Average training hours per month</td> <td>980 hrs.</td> <td>2,169 hrs.</td> </tr> <tr> <td>Average number of trainees per month</td> <td>429 people</td> <td>656 people</td> </tr> <tr> <td>Total training hours for the year</td> <td>11,757 hrs.</td> <td>26,029 hrs.</td> </tr> <tr> <td>Yearly total</td> <td>5,151 people</td> <td>7,873 people</td> </tr> </tbody> </table>	Item	2024	2025	Average training hours per month	980 hrs.	2,169 hrs.	Average number of trainees per month	429 people	656 people	Total training hours for the year	11,757 hrs.	26,029 hrs.	Yearly total	5,151 people	7,873 people	
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(V) Does the Company comply with the relevant laws and international standards with regards to issues such as customers’ health, safety and privacy, marketing, and labeling in relation to the products and	✓		<p>1. As a cosmetics manufacturer, the Company always prioritizes customer health and safety. We have established a comprehensive quality control system covering the entire product lifecycle, complying with product safety and labeling regulations such as the Cosmetics Supervision and Administration Regulations and the Consumer Rights Protection Law. All our products undergo relevant quality</p>	None															

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
services, and has it established relevant policies and complaint procedures to protect the rights of consumers or customers?			<p>inspections, and we have established risk control mechanisms for each stage from R&D, procurement, manufacturing to sales to ensure information transparency, product compliance, and consumer safety.</p> <p>2. In 2025, the Company received three authoritative certifications from the China Association for Quality Inspection, including “National Advanced Enterprise for Quality Integrity,” “National Leading Brand in Quality for the Beauty Service Industry,” and “National Leading Enterprise in Quality for the Beauty Service Industry.”</p> <p>3. The Company has a customer service hotline, and the Customer Service unit is responsible for timely processing of relevant complaints. Consumer inquiries, complaints, and adverse event reports are promptly handled. We strive to give an initial response within 24 hours, and to complete investigations and feedback within stipulated timeframes. We also regularly analyze complaint data to drive quality improvement.</p> <p>The Company’s clients are primarily franchisees. We have a Franchise Business Department, an Operation and Service Coordination Department, and branch offices responsible for communication with franchise stores. Franchisees can also contact us through various channels and complaint mechanisms, including customer service email, customer service hotline,</p>	

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	Yes	No	Summary (Note 2)	
			<p>online platform, our official website, and Weibo.</p> <p>4. Policies implemented to protect consumers' or customers' rights:</p> <ul style="list-style-type: none"> • Clear franchise contract terms: Party A establishes a unique sales and operating channel for CHLITINA products based on product quality, brand heritage, and brand image, and conducts franchise operations in accordance with applicable laws. The CHLITINA trademark in both Chinese and English languages has been recognized as a well-known trademark (class 3) by the Trademark Office of the State Administration for Market Regulation in Mainland China. • Operational support and training: <ul style="list-style-type: none"> -Regular training provided in product knowledge, treatment techniques, and business management. -Technical support, including for the store management system and the Zhe Mei online learning platform. • Marketing promotion and brand management <ul style="list-style-type: none"> -Assistance provided in advertising, brand promotion, and promotional campaigns. -Brand management guidance ensures brand image consistency and professionalism. • Product safety and after-sale services <ul style="list-style-type: none"> -Product quality inspection reports: 	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<p>supported by quality inspection reports and available to franchisees for all products.</p> <p>-After-sale services include a comprehensive process for product returns, exchanges, and quality inspection.</p> <p>5. With respect to the protection of consumer privacy and personal data rights, the Company established Regulations Governing the Protection of Personal Data on December 19, 2014. The policy applies to personal data collected from direct store customers, employees, and other sources. It covers data subject rights, protection of physical documents, protection of electronically stored data, procedures for handling personal data, system development, and outsourced management. Personal data held by the Company is managed by designated units, including the Human Resources Center and directly operated stores. Relevant agreements include personal data clauses to ensure that data is provided voluntarily.</p> <p>In 2025, a total of 665 employees completed personal data protection training, amounting to a total of 166 training hours.</p>	
(VI) Has the Company established a supplier management policy to require suppliers to comply with relevant regulations on issues of environmental protection, occupational safety	✓		<p>The Company places strong emphasis on environmental and social protection. In supplier selection, priority is given to manufacturers with relevant environmental protection certifications, and due consideration is given to whether the manufacturer has any adverse impact on the environment and society, which serves as an important</p>	None

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
and health or labor rights and provide their status of implementation?			<p>reference for future cooperation.</p> <p>Contracts signed with manufacturers stipulate that the Company has the right to terminate the agreement immediately if the manufacturer engages in illegal or non-compliant operations that result in significant negative impacts or regulatory penalties. The Company's internal audit unit conducts annual reviews of the procurement and payment cycles, including verification of whether suppliers comply with the Company's requirements.</p> <p>In response to the trends of environmental sustainability, our company has established Supplier Code of Conduct and EHS Management and Social Responsibility Commitment (please refer to Corporate Governance - Important Company Regulations on our website). This document covers requirements for environmental protection, occupational safety, health regulations, and basic human rights, and stipulates that suppliers must provide necessary documentation demonstrating their commitment to social responsibility and their efforts to improve the environment and ensure employee safety.</p> <p>The Company requires suppliers to commit to and sign a commitment letter, clearly stating that they must abide by the following terms:</p> <ul style="list-style-type: none"> • Prohibition of child labor. • Opposition to any form of discrimination. • Compliance with national regulations regarding working hours and overtime. 	

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	
			<ul style="list-style-type: none"> • Prohibition of forced labor, corporal punishment, or restriction of personal freedom. • Payment of wages at least at the legal or industry minimum standard. • Provision of a safe and healthy working environment and compliance with environmental regulations. • Respect for employees' freedom of association and right to collective bargaining. <p>In 2025, the return rate of supplier ESG management and social responsibility commitment letters reached 84%.</p>	
V. Has the Company prepared a social responsibility report disclosing the non-financial information of the Company in accordance with internationally accepted standards and guidelines? Has this report been confirmed, verified, or certified by a third-party verification agency?	✓		<p>The Company adheres to the GRI 2021 Standards issued by the Global Sustainability Standards Board (GSSB) for the structure and content presentation of this report, based on the applicable reporting option. The environmental aspects and greenhouse gas inventory content and structure are disclosed in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Sustainability topics that have a material financial impact on the industry are also disclosed in accordance with the standards of the Sustainability Accounting Standards Board (SASB). Starting from 2025, an external verification will ensure the accuracy of disclosed data and information.</p>	None
<p>VI. If the Company has established sustainable development principles based on the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancies between the established principles and its implementation: The Company implemented the Corporate Social Responsibility Principles approved by the Board of Directors in March 2013, and they were amended into the Code of Practice for</p>				

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	

Sustainable Development by the Board in March 2022. The Company’s operations for sustainable development are conducted in accordance with the contents of the Code of Practice for Sustainable Development and relevant regulations.

VII. Other information of material importance to the understanding of the implementation of sustainable development:

1. Environmental protection: The Company is responsible for environmental protection by law enforcement.
2. Community participation, social contributions, social services and social welfare: The Company applies its brand influence, is committed to the integration of social public welfare, and accomplishes the obligations and responsibilities of good business management.
3. Consumer rights and interests: The Company has a customer service hotline responsible for handling customer complaints.
4. Human rights: The Company’s employees are treated equally in their employment opportunities regardless of their gender, religion and political inclinations. The Company also creates a good working environment to ensure that employees are free from discrimination and harassment. The Company adheres to the guidelines established by international policies on labor rights including UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Alliance and UN International Labor Organization.
5. Safety and health care: The Company is in line with the government regulations to implement safety and health affairs.
6. Other social responsibility activities: Participating in disaster donations, fulfilling social responsibility duties, and caring for children’s quality of life and learning in rural areas.
7. Award Record:
 - In January 2025, the Company was honored with the “2024 ESG Model Enterprise Award” at the 14th China Philanthropy Festival, and Ms. Su Yu-Shan, Chairperson of the Group’s Public Welfare Department, received the “Philanthropist of the Year Award” for the sixth consecutive time.
 - In March 2025, the Company received three authoritative certifications from the China Quality Inspection Association: “National Quality Integrity Advanced Enterprise,” “National Leading Brand in Quality for the Beauty Service Industry,” and “National Leading Enterprise in Quality for the Beauty Service Industry.”
 - In July 2025, at the China Finance Summit, the Company won “2025 Model Enterprise for Sustainable Development” and CEO Chao Chen-Yu won the “2025 Outstanding Influential Entrepreneur Award.”
 - In January 2026, the Company was honored with the “2025 ESG Model Enterprise Award” at the 15th China Philanthropy Festival, and Ms. Su Yu-Shan, Chairperson of the Group’s Public Welfare Department, received the “Philanthropist of the Year Award” for the seventh

Item	Status of execution (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary (Note 2)	

consecutive time.

-In March 2026, the Company received three authoritative certifications from the China Quality Inspection Association: “National Quality Inspection Stable Standard Product,” “National Leading Brand in the Beauty Service Industry,” and “National Leading Enterprise in Quality in the Beauty Service Industry.”

- Note 1: If you select “Yes” for the status of operation, please describe the important policies, strategies and measures taken and the status of their implementation; if you select “No” for the status of operation, please explain the reasons and describe the relevant plans to be taken in the future, including the policies, strategies and measures.
- Note 2: Where the Company has prepared a Corporate Social Responsibility Report, the operation status may indicate the method of accessing the report and the relevant pages instead.
- Note 3: The principle of materiality refers to the issues related to the environment, society and corporate governance which have a significant impact on the company’s investors and other stakeholders.

The Company's Climate-related Information

1 Climate-related items implementation

Item	Implementation
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p><u>Highest governance and decision-making level: Board of Directors</u></p> <p>The Group treats climate change as a strategic issue at the Board level. As the highest decision-making body for the Group's climate-related projects, the Board is responsible for approving climate transition pathways, greenhouse gas reduction targets, and major capital expenditures.</p> <ul style="list-style-type: none"> • Delegation of authority: the Board has appointed the CEO, who also holds a Board position, as the convener of the ESG Planning Team and related cross-functional working groups, ensuring execution of the Group's climate transition strategy. • Oversight mechanism: the Board receives reports from the ESG Planning Team on the implementation progress at least quarterly. Key areas of oversight include: <ul style="list-style-type: none"> - Identification results of climate risks and opportunities, and assessment of their financial impact. - Progress towards greenhouse gas reduction targets and effectiveness of carbon reduction pathways. - Integration of climate transition strategies with annual budgeting and financial planning. <p><u>Management and execution level: Climate risk governance framework and resilience implementation</u></p> <p>The Group has established a cross-functional management system to translate climate-related uncertainties into standardized operational control processes:</p> <ul style="list-style-type: none"> • Climate resilience integrated into Business Continuity Planning (BCP). The Group has incorporated climate resilience into its Business Continuity Management plan to ensure the Group's operational stability under extreme weather events (such as heavy rainfall, typhoons, power outages, and high temperatures). • Cross-departmental collaboration mechanism: a joint task unit composed of the supply chain, the operations and services cooperation department, and the administration department is responsible for the formulation, drills, updating and monitoring of the BCP system. • Governance transparency: the allocation of responsibilities and the collaborative operating model will be formally disclosed in the 2025 annual report and sustainability report, enhancing governance transparency. • Dynamic financial risk assessment and quantification mechanisms: dedicated task forces conduct climate risk scenario analysis and financial quantification. <ul style="list-style-type: none"> -Impact mapping: for key operating locations such as the

Shanghai headquarters, Taiwan office, manufacturing sites, and franchise stores, an extreme weather event inventory has been established, covering scenarios such as heat-related power restrictions and flooding.

-Financial linkage: in coordination with the finance function, potential impacts (including business interruption losses, increased repair costs, and supply chain disruptions) are quantified to support decision-making.

- Emergency response system and supply chain coordination:

-Compliance-based response: the Group has established Emergency Preparedness and Response Control Procedures and the Emergency Response Plan for Environmental Incidents, both reviewed and approved by environmental regulators, ensuring that mitigation measures can be activated in compliance with applicable regulations during climate-related emergencies.

-Forward-looking supply chain management: the procurement function conducts climate risk assessments of key suppliers and develops contingency measures—such as backup manufacturing arrangements and diversified sourcing strategies—to mitigate potential supply disruptions caused by climate events and strengthen overall supply chain resilience.

2. Describe how the identified climate risks and opportunities may affect the Company’s business, strategy and finance in the short, medium and long term.

The Group has conducted a comprehensive climate risk and opportunity assessment of its core operations (stores, factories) and upstream supply chain, dividing climate risks into “physical risks” and “transition risks,” and converting them into growth opportunities through technological innovation and operational optimization.

Identification of climate-related risks:

Type of Risk	Short /Medium /Long term	Climate-related risk category	Potential financial impact and explanation
Physical risk	Short-term (acute)	Extreme rainfall and typhoons (flooding, water outages, power disruptions) causing operational disruptions.	The Group has over 4,000 stores worldwide, with a highly diversified layout. The Group’s factory infrastructure is well-developed, and the probability of production interruption due to flooding or power and water

				<p>outages caused by extreme rainfall or typhoons is extremely low. Therefore, the overall risk is minor and would have no significant impact on the Group's operations and financial condition. There is currently no need to assess related potential financial losses.</p>
	Physical risk	Medium- to long-term	Extremely high temperatures and heat waves (prolonged summer cycle) leading to increased operating costs.	<p>Extremely high temperatures and heat waves may extend the air conditioning usage period in the factory's workshops where temperature and humidity are controlled. Employee heatstroke prevention expenses are based on legal standards and are routine expenditures. They do not constitute an additional climate-related financial burden and have no significant impact on the Group's overall financial</p>

			situation.
Physical risk	Medium- to long-term	Unstable supply of natural raw materials induced by abnormal weather.	Increased costs and production losses: skincare products rely heavily on plant extracts. Climate volatility disrupts harvesting, increasing pressure on land and water resources and the amount of pesticides used. Additionally, unstable climatic conditions in sourcing regions can also affect the consistency of active ingredients, thereby increasing the cost of raw materials and production losses.
Transition risk	Short- to medium-term (policy/legal)	Increasingly stringent climate finance disclosure and environmental compliance requirements.	Rising compliance and management costs: 1. Investment in resources is required to comply with IFRS S2 and GHG Protocol standards, including quantification of financial impacts such as asset impairment and

			<p>increased operating costs, as well as the establishment of adequate contingency reserves.</p> <p>2. Stricter waste management regulations (such as construction waste and laboratory chemical waste in mainland China) mean that failure to entrust qualified companies for disposal and obtain legal certification would result in administrative penalties and operational disruptions.</p>
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	Transition risk	Medium- to long-term (market/reputation)	Consumer preferences shifting towards “clean beauty” and low-carbon products.	Risk of market share erosion and increased marketing investment: consumer demand for environmentally friendly products is rising. Failure to link products to green sustainability could impact brand competitiveness. The Group must continue to invest in green packaging materials (such as FSC-certified paper, plastic-free/lightweight packaging) and sustainable marketing communications (such as QR codes to disclose carbon footprint and ingredient traceability) to maintain brand equity and customer trust.
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Transition risk	Medium- to long-term (technology)	Need for low-carbon and green process transformation.	Capital expenditures linked to technology R&D and equipment upgrades: In order to reduce carbon emissions and solvent pollution, the Group needs to invest in the research and development of new technologies to replace traditional processes. For instance, introducing plant stem cell culture technology to reduce dependence on climate and land, promoting cold mixing processes that do not require heating and cooling (energy-saving items accounted for 61.5% in 2025), and adopting low-pollution water extraction technology, etc.
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Climate-related Opportunities and Resilience Layout:

In alignment with the TCFD framework, the Group not only focuses on preventing risks in the face of climate change, but also actively explores climate-related opportunities in the transformation process, and strengthens the Company's climate resilience layout through its Business Continuity Planning

(BCP) framework.

Type of opportunity	Short /Medium /Long-term	Climate-related opportunity and resilience category	Potential financial impact and explanation
Energy source	Medium-to long-term	Deployment of solar-powered PPA green energy layout	Reducing and stabilizing energy costs: the Songjiang plant in mainland China adopted a solar Power Purchase Agreement (PPA) model. Billing will be conducted in three phases over the next 20 years (80% of grid electricity in years 1 to 5, 60% in years 6 to 15, and 40% in years 16 to 20), after which ownership will be transferred to the Group free of charge. This arrangement not only directly reduces Scope 2 greenhouse gas emissions, but also stabilizes and saves on electricity costs in the long term.
Resource usage efficiency	Short- to medium-term	Promoting green and energy-saving processes and reducing packaging materials.	Reduced energy production and raw material costs: 1. Cold assembly process: of the 13 new products launched in 2025, 8 adopted a cold assembly process, which requires no heating or cooling.

				<p>Energy-saving processes accounted for 61.5% of the total for the year, significantly reducing energy consumption for heating and cooling production equipment.</p> <p>2. Packaging reduction: through size reduction, structural simplification, and plasticization, the total weight and volume reduction of packaging materials reached 10,628.8 kg in 2025, effectively reducing packaging procurement costs and waste disposal fees.</p>
Products and services	Medium-to long-term	Developing clean beauty and plant stem cell technologies	Enhancing product premium and revenue momentum:	<p>1. Climate-adaptive raw materials: the R&D Center has adopted plant stem cell culture technology, allowing for unlimited culture in a pristine environment, completely unaffected by climate change, seasons, or origin. This effectively solves the</p>

				<p>problems of crop damage and instability of natural active ingredients caused by abnormal weather, allowing to better control acquisition costs and production losses.</p> <p>2. Sustainable product growth: in 2025, 12 new products with sustainable characteristics (such as green formulas and FSC-certified packaging) have been launched, representing a 200% year-on-year increase, meeting demands from the low-carbon market and creating green revenue opportunities.</p>
	Market and supply chain	Short- to medium-term	Shortening supply chain transportation distances (localized production)	<p>Reducing transportation costs and potential carbon tax risk: In line with environmental protection and carbon reduction plans, some products that were originally imported from France (such as the Trotula Beauté d'Arômes series) have been entirely converted to domestic production. This significantly</p>

			reduces the carbon footprint of cross-border transportation, from raw materials to finished products, while also greatly improving production flexibility and ease of delivery.
Resilience	Short- to medium-term	Business Continuity Planning (BCP) and hardware backup setup.	Mitigating operational disruptions caused by extreme weather: 1. Cross-departmental collaborative governance: the BCP system incorporates the supply chain, the operations and services cooperation department, and the administration department as joint responsible units. 2. Hardware backup: to prevent sudden power outages caused by weather disasters, backup power systems have been activated in both office and production areas (e.g. the Neihu office in Taiwan has a diesel generator capable of operating for 72 hours, while the Songren office can operate for 4

			<p>hours.)</p> <p>3. Flexible work arrangements: trigger mechanisms have been established for typhoons, heavy rain, and extreme weather. For example, in September 2025, when Guangzhou and Shenzhen were forced to shut down due to a super typhoon, all employees were immediately put on work-from-home arrangements to ensure the normal operation of core business online.</p>
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Impacts on operations, strategy and financial planning

- Financial planning and climate impact quantification
To comply with IFRS S2 and the GHG Protocol, the Group has conducted scenario-based financial quantification of extreme climate impacts (flooding, water outage, power outage, heat):
 - Operational disruptions due to extreme rainfall and typhoons (flooding, water outage, power outage): The Group has over 4,000 stores worldwide, with a highly diversified layout. The Group’s factory infrastructure is well-developed, and the probability of production interruption due to flooding or power and water outages caused by extreme rainfall or typhoons is extremely low. Therefore, the overall risk is minor and would have no significant impact on the Group’s operations and financial condition. There is currently no need to assess related potential financial losses.
 - Increased operating costs due to extreme temperatures and heatwaves: Extremely high temperatures and heat waves may extend the air conditioning usage period in the factory’s workshops where temperature and humidity are controlled. However, the increase in related costs would be limited, and the impact on overall operating costs would be minor. Meanwhile, employee heatstroke prevention expenses are based on legal standards and are routine expenditures. They do not constitute an additional climate-

- related financial burden and have no significant impact on the Group's overall financial situation.
- Financial provisions: Based on the above extreme climate scenarios, the finance and accounting function has confirmed that adequate risk provisions are maintained under IFRS requirements to address potential disaster events at key operational sites.
 - Business and strategic transformation and resilience deployment
 - Implementation of Business Continuity Planning (BCP): The Group has developed differentiated contingency plans for climate-related scenarios such as power outages, typhoons, heavy rainfall, and extreme heat. For example, during a severe typhoon in September 2025, offices in Guangzhou and Shenzhen activated full remote working arrangements to maintain continuity of core operations. Offices and production sites (e.g., Neihu and Songren offices in Taiwan) are equipped with backup power systems such as diesel generators, capable of sustaining operations for 4 to 72 hours during outages. Climate-related risks have also been incorporated into supplier risk management by the procurement function.
 - Green transformation strategy for raw materials and production processes:
 - a. Plant stem cell technology: To mitigate risks associated with climate-induced agricultural instability and variability in active ingredient quality, the Group's R&D function has introduced plant stem cell cultivation and standardized extraction processes. This approach is independent of origin, seasonality, and climate conditions, enabling stable production of active ingredients while significantly reducing land and water use and avoiding pesticide-related impacts, thereby strengthening supply chain resilience.
 - b. Low-energy processes and localized production: Of the 13 new products launched in 2025, 8 adopted "cold-process" manufacturing that eliminates heating and cooling requirements, with energy-efficient products accounting for 61.5% of total output. In addition, certain products previously imported from France (e.g., the Trotula Beauté d'Arômes series) have been fully localized, significantly reducing transportation-related carbon emissions across the value chain.
 - Renewable energy deployment and energy strategy: The Songjiang facility in Mainland China has adopted a solar PPA (power purchase agreement) model with a three-phase pricing structure over 20 years (electricity priced at 80%, 60%, and 40% of grid tariffs in successive phases). After the 20-year period, ownership of the system will be transferred to the Group at no cost. This arrangement directly reduces

	Scope 2 greenhouse gas emissions while stabilizing long-term energy expenditure.
3. Describe the financial impact of extreme climate events and transition actions.	For the climate change risks and opportunities identified above, we have comprehensively considered factors such as the likelihood and timing of the occurrence of climate risks and opportunities, and the extent of impacts on the Company, and analyzed their potential operation and financial impacts on the Company one by one. Please refer to Point 2 above for detailed financial impacts.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Group’s process for identifying and assessing climate-related risks is primarily conducted through a dedicated task force, combined with financial quantification analysis. The process is structured as follows:</p> <ul style="list-style-type: none"> • Step 1: Compilation of an extreme climate event inventory The dedicated (specialized) task force conducts a cross-functional review by department to establish an “extreme climate event inventory.” • Step 2: Identification of specific climate risks at key locations Taking into account the Group’s core market footprint and the locations of its manufacturing facilities, the task force identifies the four most material extreme climate risks with potential operational impact for in-depth assessment: (1) flooding; (2) water outages; (3) power outages; and (4) high-temperature-induced operational shutdowns. • Step 3: Quantitative assessment of operational disruption and cost increases The task force evaluates scenarios in which extreme climate events (e.g., heatwaves, flooding) may lead to store or factory shutdowns, and estimates the resulting revenue loss. • Step 4: Financial consultation and IFRS compliance validation Following quantification, the task force consults with the finance function to ensure that the methodologies used to assess “asset impairment” and “increased operating costs” are aligned with the requirements of IFRS S2 and the GHG Protocol. This process also enables the finance team to confirm whether sufficient risk provisions are in place under IFRS standards in the event that such extreme climate scenarios affect key operational sites. <p>The Group has deeply integrated the identification, assessment, and management of climate-related risks into its existing enterprise-wide risk management frameworks, including operations, finance, supply chain, and environmental compliance. The integration is implemented as follows:</p> <ul style="list-style-type: none"> • Integration into BCP and overall governance structure The Group has formally incorporated its core climate risk response mechanism—Business Continuity Planning

	<p>(BCP)—into the overall governance framework disclosed in the 2025 annual report. Rather than being managed by a single function, BCP operates under a joint accountability model involving the Supply Chain function, Retail Operations, and Taipei General Affairs. These functions collectively oversee the design, implementation, updating, and monitoring of BCP measures across scenarios such as typhoons, heavy rainfall, extreme heat, and sudden power outages.</p> <ul style="list-style-type: none"> • Integration into financial risk assessment and provisioning processes Within the financial risk control framework, the Group uses the extreme climate event inventory (e.g., flooding, water outages, power outages, heat-induced shutdowns) to conduct quantitative assessments of potential revenue losses and cost increases across stores and factories. The results are directly aligned with the finance and accounting function to ensure that assumptions related to asset impairment and cost increases comply with IFRS S2 and GHG Protocol standards. This process also supports validation of the adequacy of risk provisions under IFRS in the event of climate-related disruptions at key sites. • Integration into supply chain and procurement risk controls The Group extends its climate risk mitigation framework upstream to suppliers. The procurement function has incorporated dedicated response measures addressing “extreme climate risks” into its existing supplier risk management system, with the objective of mitigating risks related to raw material shortages and delivery delays caused by climate events. • Integration into emergency response and environmental compliance systems From an occupational safety and environmental management perspective, the Group has fully integrated climate-related emergency response plans into its existing standardized procedures, including the Emergency Preparedness and Response Control Procedures and the Emergency Response Plan for Environmental Incidents. These integrated plans have been reviewed and approved by local environmental authorities, ensuring that the Group’s climate risk management framework is both operationally effective and compliant with external regulatory requirements
<p>5. If scenario analysis is used to assess resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used</p>	<p>The Company has not yet used scenario analysis.</p>

shall be described.	
6. If there is a transition plan in place to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>In alignment with the TCFD framework for strategy and risk management, the Group has established a set of quantitative indicators across two key dimensions—“low-carbon operations and energy management,” and “green product innovation”—to evaluate the potential impacts of climate change and the effectiveness of its green transition.</p> <p><u>Low-carbon operations and energy management indicators (linked to decarbonation and energy opportunities)</u></p> <p>To reduce Scope 2 and Scope 3 greenhouse gas emissions, the Group tracks the following indicators:</p> <ul style="list-style-type: none"> • Energy consumption reduction per unit area: Measures electricity efficiency across facilities; for example, in 2025, average monthly electricity consumption per square meter decreased by 4.33% year-on-year. • Green electricity cost savings ratio: Evaluates the long-term financial benefits of the solar PPA model, using staged pricing at 80%, 60%, and 40% of grid electricity tariffs as a benchmark for energy transition performance. • Quantified administrative carbon reduction (kg/tons): Captures emissions reductions from daily administrative initiatives, such as centralized shuttle transport for annual events (reducing over 1,237.2 kg of CO₂ emissions) and procurement of new energy vehicles (reducing approximately 2.2 tons of CO₂ annually). <p><u>Green product and packaging indicators (linked to low-carbon products and circular economy opportunities)</u></p> <p>To ensure effective execution of its “clean beauty” strategy, the Group translates R&D and design initiatives into the following operational and environmental metrics:</p> <ul style="list-style-type: none"> • Proportion of energy-efficient production processes: Measures the share of products using “cold-process” manufacturing (which eliminates heating and cooling requirements) among total new product launches (8 out of 13 products in 2025, representing 61.5%). • Growth rate of sustainable product launches: Tracks the annual increase in new products with sustainability attributes (e.g., green formulations, eco-friendly packaging), which reached a 200% year-on-year increase in 2025. • Packaging weight reduction and emissions reduction volume: Calculates total annual emissions reduction (kg) by multiplying per-unit weight reduction (grams) and reduction percentage by total production volume, serving as a key indicator for plastic reduction and source minimization. <p>FSC-certified paper usage rate: Monitors the proportion of environmentally certified packaging materials (e.g., FSC-certified paper for outer packaging in Mainland China has</p>

	reached 75%, with a target of increasing to 85%.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company has not yet used carbon pricing as a planning tool.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress of each year shall be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of the carbon offsets or the quantity of the RECs shall be described.	The Company has set climate-related targets, and the ESG Planning Team monitors the progress on a quarterly basis. Please refer to the following 9.1-2 for the planned schedule of greenhouse gas emissions reduction and annual progress. In addition, the Company does not use carbon offsets or RECs.
9. Greenhouse gas inventory and assurance, and reduction targets, strategies, and concrete action plans.	<p>The Group has established multi-dimensional management targets to address climate-related risks and opportunities, covering energy transition, green products and packaging, low-carbon operations, and circular economy initiatives. Concrete implementation results were achieved in 2025 as outlined below:</p> <p><u>Green energy transition and electricity management (Scope 2 emissions reduction)</u></p> <ul style="list-style-type: none"> • Management objectives: Reduce Scope 2 emissions, stabilize energy costs, and improve energy efficiency. • Implementation results: <ul style="list-style-type: none"> - Solar PPA deployment: The Songjiang facility in Mainland China adopted a solar Power Purchase Agreement (PPA) model, with electricity costs reduced in three phases (80% of grid tariffs for years 1–5, 60% for years 6–15, and 40% for years 16–20). Ownership of the system will transfer to the Group after 20 years, enabling tangible substitution with renewable energy. - Energy efficiency performance: In 2025, electricity audits and energy-saving initiatives were implemented across all units, resulting in a 4.33% year-on-year reduction in average monthly electricity consumption per square meter. No rebound was observed during peak summer cooling or winter heating periods, indicating steady progress toward energy intensity reduction targets. <p><u>Green products and low-carbon circular design (Scope 3 and</u></p>

supply chain emissions reduction)

- Management objectives: Promote packaging reduction and plastic elimination, while lowering carbon footprint through low-energy production processes and shorter transportation distances.
- Implementation results:
 - Energy-efficient manufacturing (cold-process): Of the 13 new products launched in 2025, 8 adopted “cold-process” manufacturing that eliminates heating and cooling requirements, representing 61.5% of all new product initiatives.
 - Packaging reduction and plastic elimination: Through product downsizing and structural simplification, total packaging weight, volume, and material usage were reduced by 10,628.8 kg in 2025. Plastic reduction measures (e.g., eliminating plastic wrapping and adopting tear-strip designs) achieved a 5% improvement rate, with a target of reaching 10% by 2026.
 - Green packaging and logistics decarbonization: In 2024, FSC-certified paper accounted for 75% of outer packaging materials in Mainland China, with a target to increase this to 85% by 2026. In addition, the Trotula Beauté d’Arômes product line, previously imported from France, has been fully localized, significantly reducing transportation-related carbon emissions.

Low-carbon operational practices (Scope 3 emissions reduction)

- Management objectives: Integrate low-carbon principles into administrative operations and employee daily practices.
- Implementation results:
 - Green transportation for annual events: At the 2025 Mainland China annual conference (over 800 participants), private vehicle use was fully replaced by 13 electric shuttle buses, achieving a total emissions reduction of over 1,237.2 kg of CO₂ for the event.
 - Low-carbon business travel accommodation: A mandatory policy requiring same-gender employees to share accommodation during business travel has been implemented, reducing resource consumption at the source across all travel scenarios.
 - Green vehicle adoption: The supply chain function procured a new energy vehicle for business use, reducing approximately 2.2 tons of CO₂ emissions annually compared to conventional fuel vehicles.

Ecological carbon reduction and circular economy initiatives

- Management objective: Promote waste recycling and ecological carbon sequestration, supporting environmental sustainability and biodiversity.
- Implementation results:
 - Empty container recycling program: In 2025, the “Light Up for the Environment” recycling initiative collected 14.5 tons of empty containers, achieving 121% of its target and reducing 39.44 tons of carbon emissions. By the end of 2025, cumulative recycling reached nearly 37 tons, corresponding to a total reduction of 90 tons of CO₂ emissions.
 - Tree planting and carbon sequestration: As part of the 2025 International Day for Biological Diversity initiative, the Group planted 100 trees (including Taiwan ebony and camphor species), generating an estimated annual carbon absorption of 1,511 kg of CO₂ and total emissions reduction benefits of 8,903 kg.

1-1 The Company’s Greenhouse Gas Inventory and Assurance in the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Starting from fiscal year 2023, the Company has voluntarily implemented a greenhouse gas inventory for the Scope 1 and Scope 2 emissions of the preceding year with reference to the “Greenhouse Gas Emissions Inventory Guidelines” issued by Taiwan’s Ministry of Environment. The inventory methodology follows the Greenhouse Gas Protocol (GHG Protocol) and ISO 14064-1 issued by the International Organization for Standardization (ISO). Beginning in 2025, Scope 3 emissions are also included. The organizational boundary is defined using the operational control approach, and the inventory scope has been expanded to cover the entire Chlitina Group, consistent with the consolidated financial statements.

Sources of emission factors used for the calculation of emissions in Taiwan:

1. Fuel and refrigerant factors are primarily based on the “Greenhouse Gas Emission Factors and Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)” announced by the Climate Change Administration, Ministry of Environment on February 5, 2024.
2. Calorific values: based on the revised values published by the Energy Administration, Ministry of Economic Affairs, in 2025.
3. Electricity emission factor: the Energy Administration announced on 14 April, 2025 that the electricity emission factor is 0.474 kg CO₂e/kWh.
4. Other factors: mainly sourced from the Carbon Footprint Information Platform, SimaPro 10.3, CarbonCloud, and supplier-developed factors.

Sources of emission factors used for the calculation of emissions in Hong Kong / Mainland China / Vietnam:

1. China’s Ministry of Ecology and Environment (electricity factors updated up to 2024).
2. China’s National Bureau of Statistics China (fuel calorific values updated up to the 2023

release).

3. China Products Carbon Footprint Factors Database (abbreviated as CPCD).
4. Vietnam’s Ministry of Natural Resources and Environment (electricity emission factor for 2023 announced on December 3, 2024).
5. Intergovernmental Panel on Climate Change (IPCC) 2026 guidelines.

Emission reports by category (Note 1)	2024		2025	
	Emission equivalent (metric tons CO2e/year)	Proportion (%)	Emission equivalent (metric tons CO2e/year)	Proportion (%)
Scope 1. Direct energy emissions	1,037.21	30.99	1,083.86	1.85
Scope 2. Indirect energy emissions	2,309.52	69.01	1,913.61	3.26
Scope 3: Indirect energy emissions from other sources	-	-	55,708.61	94.89
Total emission equivalent (metric tons CO2e/ NT\$ million) (Note 2)	3,346.73	100	58,706.08	100
Emission intensity (metric tons CO2e/ NT\$ million) (Note 3)	0.82	-	15.14	

Note 1: Direct emissions (Scope 1, i.e. emissions from sources owned or controlled by the Company), energy-related indirect emissions (Scope 2, i.e. indirect GHG emissions from input electricity, heat, or steam), and other indirect emissions (Scope 3, i.e. emissions generated by the Company’s activities, not energy-related indirect emissions, but from emission sources owned or controlled by other companies.)

Note 2: The Company’s main greenhouse gas emissions are carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and hydrofluorocarbons (HFCs).

Note 3: Greenhouse gas emission intensity is calculated per unit of product/service or revenue, based on revenue (NT\$ million).

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the most recent two years and up to the publication date of the annual report, including the assurance scope, assurance institution, assurance criteria, and assurance opinion.

The Company has not conducted greenhouse gas assurance in the most recent two years.

Note 1: The schedule specified in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies shall be followed. If the Company has not obtained the full greenhouse gas assurance opinion by the publication date of the annual report, “Complete assurance information will be disclosed in the sustainability report” shall be indicated. If the Company has not prepared a sustainability report, “Complete assurance information will be disclosed on the Market Observation Post System” shall be indicated, and complete assurance information shall be disclosed in the annual report of the following year.

Note 2: The assurance institution shall comply with the requirements of Taiwan Stock Exchange Corporation and the Taipei Exchange concerning institutions for the assurance of sustainability reports.

Note 3: Please refer to the Best Practice Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the content of the disclosure.

1-2 Greenhouse Gas Reduction Targets, Strategies and Concrete Action Plans

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

Greenhouse Gas Reduction Baseline Year and Reduction Targets:

To plan its greenhouse gas reduction strategy, the Company completed a Scope 1 and Scope 2 inventory in 2024, using consolidated financial statements as the organizational boundary. Scope 3 was added in 2025. Accordingly, the base year for carbon reduction has been adjusted to 2025, with total emissions of 58,706.08 tons of CO₂e, and an emission intensity of 15.14% (please refer to the above “1-1-1 Greenhouse Gas Inventory Information”). The Company aims to further implement its target of reducing its carbon emission intensity by 1.5% annually from the base year through the following specific actions, ultimately achieving a cumulative reduction target of 7.5% by 20230.

Greenhouse Gas Reduction Strategy and Specific Action Plans:

Reduction target	Short term (2028)	Medium term (2030)	Long term (2050)
Enhance the performance of high energy-consuming equipment, implement low-carbon production and green manufacturing, and achieve the “clean beauty” objective.	<ul style="list-style-type: none"> • Complete replacement of 50% of high energy-consuming equipment. • Install variable frequency drive (VFD) systems on air compressors, improving energy efficiency by 20%. • Reduce electricity consumption by 1% compared to the base year. • Purchase 10% of consumed electricity from green sources. • Establish a full lifecycle energy efficiency management system for equipment. 	<ul style="list-style-type: none"> • Complete replacement of 80% of high energy-consuming equipment. • Implement waste heat recovery for air compressor systems to improve overall energy utilization efficiency. • Reduce electricity consumption intensity by 3% compared to the base year. • Purchase 15% of consumed electricity from green sources. 	<ul style="list-style-type: none"> • Complete replacement of 90% of high energy-consuming equipment. • Deploy an Energy Management System (EMS) in factories, reducing electricity consumption per unit of output by 30% compared to the base year. • Source 80% of electricity from externally procured renewable energy.
Refine water resource management: establish water recycling systems to reduce production water consumption and pollutant discharge, and implement a water-friendly approach aligned with the	<ul style="list-style-type: none"> • Decrease water intensity by 4.5% compared to base year. • Establish a real-time water usage data collection system. • Promote RO wastewater reuse, with 80% of floor cleaning water 	<ul style="list-style-type: none"> • Decrease water intensity by 7.5% compared to base year. • Continuously optimize RO water purification process, achieving an 80% recovery rate, reducing waste. 	<ul style="list-style-type: none"> • Achieve a 90% water recycling rate, realizing “zero water withdrawal waste and zero wastewater pollution.” • Build a zero water consumption factory, achieving

<p>“clean beauty” philosophy.</p>	<p>sourced from RO-recycled water.</p>	<ul style="list-style-type: none"> • Promote 50% wastewater recycling and reuse. 	<p>zero indirect discharge of water resources.</p>
<p>Green supply chain management: promote coordinated carbon reduction across upstream and downstream suppliers</p>	<ul style="list-style-type: none"> • Decrease waste intensity by 3% compared to the base year. • Prioritize the selection of green, low-carbon suppliers and encourage suppliers to obtain ISO 14001 and ISO 45001 certifications. • Obtain ISO 50001 certification 	<ul style="list-style-type: none"> • Decrease waste intensity by 5% compared to the base year. • Obtain green factory certification. 	<ul style="list-style-type: none"> • Achieve carbon reduction compliance for 95% of suppliers, build a green supply chain, and realize zero indirect emissions across the supply chain.
<p>Product carbon footprint: enhance product information transparency, uphold “clean beauty” commitment to consumers, and strengthen trust in the brand</p>	<ul style="list-style-type: none"> • Plan addition of QR codes to product packaging to establish a communication channel with consumers, providing ESG-related content such as environmental information, “clean beauty” messaging, and carbon footprint disclosures. • Implement pilot program for electronic labeling in 2026, with first products launched; progressively roll out electronic label replacement across products from 2027 to 2028. 	<ul style="list-style-type: none"> • Achieve addition of QR codes to 30% of products. • Reduce outer packaging printing for 50% of products, retaining only essential information, with remaining content provided via electronic labeling. 	<ul style="list-style-type: none"> • QR codes added to 100% of products, enabling consumers to view complete lifecycle information. • 90% of products with electronic labeling.
<p>Green packaging upgrade: develop a packaging system that is eco-friendly, lightweight, and recyclable, conveying the environmental</p>	<ul style="list-style-type: none"> • 80% of product outer boxes use FSC-certified paper materials. • Implement bottle and packaging lightweighting, 	<ul style="list-style-type: none"> • 100% of paper-based packaging materials will be FSC-certified • Full lightweighting, with inner linings using mono-material 	<ul style="list-style-type: none"> • 100% of packaging materials use eco-friendly, recyclable materials, carbon neutrality achieved for packaging, and a zero-carbon

values of “clean beauty.”	reduce shrink film usage, and replace sealed packaging with tear-open designs for core product lines.	or detachable structures, will be fully achieved for core product packaging. • Tear-open redesign, and shrink film usage reduced by 8% compared to 2028 for main product lines.	packaging system implemented, with zero indirect emissions from packaging. • Non-essential shrink film eliminated in 100% of products, mono-materials packaging design prioritized to improve recyclability. • 100% of printed materials (labels, instructions, outer boxes) use eco-friendly inks, achieving zero-pollution printing.
Downstream transportation	<ul style="list-style-type: none"> • Reduce consumption of plastic and virgin paper materials, increase reuse rates, and reduce operational waste by 1%. • Optimize cargo loading based on weight and volume, increase vehicle load factor to over 90% compared to 2025, and reduce transportation frequency. 	<ul style="list-style-type: none"> • Select high-quality carriers with ESG A-level or above for cooperation, and gradually increase the proportion of new energy vehicles used. 	<ul style="list-style-type: none"> • Achieve 90% zero-carbon downstream logistics transportation, fully adopt zero-carbon energy vehicles and low-carbon transport modes. • Optimize and digitalize shipping and transportation processes to improve distribution efficiency.
Green franchising	<ul style="list-style-type: none"> • Optimize store lighting systems (reduce electricity consumption by 2% and heating energy use by 2%), and strengthen control of electrical equipment (reduce electricity use of refrigerators, water dispensers, and air 	<ul style="list-style-type: none"> • Upgrade core equipment with green and low-carbon equipment (reduce electricity consumption by 3%). • Improve equipment efficiency management (reduce electricity consumption by 3% 	<ul style="list-style-type: none"> • Further upgrade core equipment with green and low-carbon facilities (reduce electricity consumption by 5% compared to base year). • Strengthen equipment efficiency (reduce electricity

	<p>conditioners by 2%).</p> <ul style="list-style-type: none"> • Promote green mobility, reducing vehicle usage at franchise stores by 2%. • Implement 100% carbon reduction training coverage. 	<p>compared to the base year).</p> <ul style="list-style-type: none"> • Develop green and low-carbon stores • Continue 100% carbon reduction training coverage. 	<p>consumption by 5%).</p> <ul style="list-style-type: none"> • Develop green and low-carbon stores (reduce electricity consumption by 5% compared to the base year).
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6. Implementation of ethical management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations

Scope of Assessment	Status of operation (Note 1)			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
I. Enactment of ethical management policy and program				
(I) Has the Company established an ethical management policy approved by the Board of Directors and expressly stated the ethical policy and its fulfillment by the Board of Directors and the senior management in its Articles of Incorporation and public documents?	✓		The Company has adopted Ethical Corporate Management Best Practice Principles which the Board of Directors and management are committed to implement.	None
(II) Has the Company established a risk assessment mechanism against unethical conduct, regularly analyze and assess business activities within its business scope which are at a higher risk of being involved in unethical conduct to establish prevention programs accordingly with the inclusion of the prevention measures against each behavior specified in Article 7 Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies”?	✓		The Company’s Procedures and Code of Conduct for Ethical Business Operations clearly regulates operating procedures, the measures taken when violations occur. The Company has Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct. In case of bribery, requiring or promising any illegal benefit or promise, timely whistleblowing may be submitted accordingly for measures to be taken.	None
(III) Does the Company specify the operating procedures, behavioral guidelines, discipline and complaint systems for violations in the prevention program for unethical conduct, and implement the program	✓		The Company has established Procedures and Code of Conduct for Ethical Business Operations to specify the operating procedures, guidelines, and discipline and complaint systems for violations. The Company has established	None

Scope of Assessment	Status of operation (Note 1)			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
accordingly? Does the Company regularly review and modify the programs mentioned above?			internal control systems and regulations for business activities that are more likely to be unethical, and internal auditors have also stepped up checking on such items during the annual auditing to reduce the likelihood of unethical behavior.	
II. Implementation of ethical management				
(I) Does the Company assess its business partners’ ethical management records and include integrity clauses in the contracts signed with them?	✓		<p>Prior to entering into transactions, the Company evaluates the background and track record of counterparties as a key criterion for determining whether to proceed with cooperation.</p> <p>Contract with suppliers explicitly stipulate that Company employees are prohibited from soliciting or accepting kickbacks. Suppliers are likewise prohibited from offering, under any circumstances, cash gifts, rebates, entertainment, or any other improper benefits. In the event of any such violation, the Company reserves the right to terminate the procurement contract, and the supplier shall bear all resulting losses and expenses.</p>	None
(II) Has the Company established a dedicated unit under the Board of Directors to promote corporate ethical management and regularly (at least once a year) report to the Board of Directors on its integrity policies, prevention program of unethical conduct and implementation status?	✓		<p>1. The Company’s corporate governance team – investor relations and equity affairs department of the Sustainable Development Planning Team is currently responsible for promoting matters related to ethical management, and reported on the policies implementation to the Board of Directors on March 2, 2026.</p> <p>2. The Company fulfilled the ethical management policy faithfully and the relevant implementation in 2025 is as</p>	None

Scope of Assessment	Status of operation (Note 1)			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
			<p>follows:</p> <p>a. Assisting in incorporating ethics and moral values into the Company’s business strategy and establishing appropriate prevention measures against corruption to ensure ethical management that is in compliance with the laws and regulations: The Company established the Procedures and Code of Conduct for Ethical Business Operations and the Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct as reference, and updates them according to the relevant laws and regulations and the Company’s needs. The latest amendment was made on March 12, 2020.</p> <p>b. Analyzing and assessing the risks of unethical conduct within the Company’s business scope, and adopting programs accordingly to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines: The Company has performed the audit in line with its internal controls and regularly reviewed them on a quarterly basis. The Company also reported to the Audit Committee and the Board of Directors to prevent the risk of unethical conduct.</p> <p>c. Promoting and coordinating awareness and educational activities with respect to ethical policy: The Company performs regular promotions of ethical conduct for each department and describes the regulations related to ethical corporate management during the educational training of the new employees. Also, the Company places the brief of the</p>	

Scope of Assessment	Status of operation (Note 1)			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
			<p>insider trading course in the internal shared disk for the employees to serve as the reference.</p> <p>d. Developing a whistleblowing system and ensuring its operating effectiveness: Pursuant to the internal control system and the Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct established on November 8, 2018, the Company established the procedures and measures related to the whistleblowing of any illegal conduct and violation against the Code of Conduct or ethical management.</p> <p>e. Assisting the Board of Directors and the management to audit and assess the effectiveness of preventive measures established for ethical management implementation and assess the compliance of relevant operating procedures, and make regular reports: The Company assisted to provide relevant laws and regulations which shall be complied during the execution of duties by the directors. Where it is necessary for any director to recuse himself/herself in proposals involving the transaction with stakeholders, the Company reminded the directors to recuse himself/herself in advance based on the laws to comply with the regulations related to the transaction with stakeholders.</p>	
(III) Has the company established policies to prevent conflicts of interest, provided adequate channels for disclosure, and ensured their implementation?	✓		The Company has set out the principle of preventing conflicts of interest in the Code of Ethical Conduct. In the Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct,	None

Scope of Assessment	Status of operation (Note 1)			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
			the reporting channel by which the Company’s staff can implement the following procedures when a conflict of interest occurs is also stated.	
(IV) Has the company established an effective accounting system and internal control systems to implement honest business practices, and has its internal audit unit formulated relevant audit plans based on the risk assessment results of dishonest behavior? Or has it commissioned an accountant to conduct the audit?	✓		In designing its accounting system and internal control framework, the Company has incorporated the requirements of ethical and integrity-based operations. The internal audit unit evaluates the effectiveness of these controls as part of its internal control reviews. In addition, in accordance with listing regulations, the Company engages external auditors to conduct an annual audit to further validate the effectiveness of its internal control system.	None
(V) Does the company periodically organize internal/external education training programs for ethical management?	✓		The Company has established the Procedures and Code of Conduct for Ethical Business Operations, embedding integrity-based management into its corporate culture. These principles are regularly communicated through meetings and training programs to ensure effective implementation. In 2025, a total of 665 employees participated in training on ethical management principles, with a cumulative training duration of 55.4 hours.	None
III. Status of the Company’s complaint system				

Scope of Assessment	Status of operation (Note 1)			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
(I) Has the company defined a specific complaints and rewards system, and established a convenient complaint channel, and assigned competent dedicated personnel to deal with the complaints?	✓		<p>1. The Company has established the Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct, which have been approved by the Board of Directors. In cases involving bribery, the solicitation or acceptance of improper benefits, or related misconduct, reports may be submitted to management, the head of internal audit, relevant departments, or through designated reporting channels (including the reporting mailbox: audit@cn.chlitina.com). A dedicated unit is responsible for handling whistleblowing matters. Contact information for relevant units is publicly disclosed in the “Stakeholder Section” of the Company’s website, enabling both internal and external parties to make direct contact.</p> <p>2. Internal whistleblowing submissions are received and processed by the Internal Audit Office and the Human Resources Center, and may also be submitted directly to the Internal Audit Office. In cases involving material fraud, reports are escalated to the independent directors. Personnel responsible for handling whistleblowing cases are required to maintain strict confidentiality regarding the identity of the whistleblower and the content of the report, ensuring that whistleblowers are protected from any improper treatment or retaliation.</p> <p>3. In 2025, there were no material fraud cases or external whistleblowing reports.</p>	None

Scope of Assessment	Status of operation (Note 1)			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
(II) Has the Company established standard operating procedures for the investigation of reported cases, including follow-up measures after the completion of investigation, and relevant confidentiality mechanism?	✓		The Company has clearly stipulated in its Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct that personnel responsible for handling reported cases must strictly maintain confidentiality regarding both the identity of the whistleblower and the content of the report, thereby ensuring an appropriate confidentiality mechanism.	None
(III) Has the company adopted any measures to protect whistleblowers from improper treatment?	✓		In accordance with its Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct, the Company requires that both the whistleblower’s identity and the reported information be handled with strict confidentiality, ensuring that whistleblowers are protected from any improper treatment or retaliation as a result of making a report.	None
IV. Enhancing information disclosure				
(I) Has the company disclosed the Ethical Management Principles and the effects of their implementation on its website and on the Market Observation Post System?	✓		The Company’s corporate culture and business policies are disclosed on its website. The Company’s Procedures and Code of Conduct for Ethical Business Operations are disclosed on the MOPS and on the Company’s website.	None
V. If the Company has established the ethical management principles based on “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies,” please describe any discrepancies between the principles and their implementation: The Company has established ethical management principles and implemented them in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.”				
VI. Other information of material importance to the understanding of the corporate ethical management:				
(I) The Company has implemented a retirement pension system, strengthened employee training programs, provides group insurance coverage for employees (and their dependents), and arranges regular health check-ups, demonstrating our commitment to harmonious labor relations.				
(II) Charitable donations: The Company also continues to make donations within the permissible limits.				
(III) In its dealings with business partners, the Company consistently upholds the principle of				

Scope of Assessment	Status of operation (Note 1)			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
				integrity and actively communicates its ethical management philosophy to counterparties. (IV) The Company’s Procedures and Code of Conduct for Ethical Business Operations were revised and approved by the Board of Directors on March 12, 2020 in response to regulatory updates, to promote the effectiveness of our integrity management practices.




Note 1: Regardless of “Yes” or “No,” the status shall be stated in the “Summary” section.

7. Other important information to increase the understanding of corporate governance:

The Company holds investor press conferences regularly, and information related to investor press conferences is disclosed on the Company’s website and MOPS.

8. Implementation of the internal control system:

(I) Internal control statement

麗豐股份有限公司 內部控制制度聲明書	
日期：民國一五年三月二日	
本公司民國一四年度之內部控制制度，依據自行評估的結果，謹聲明如下：	
一、	本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標之達成，提供合理的確保。
二、	內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。
三、	本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理準則」)規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1.控制環境，2.風險評估，3.控制作業，4.資訊與溝通，及5.監督作業。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。
四、	本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。
五、	本公司基於前項評估結果，認為本公司於民國一四年十二月三十一日的內部控制制度(含對子公司之監督與管理)，包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。
六、	本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第三十二條、第一百七十一條及第一百七十四條等之法律責任。
七、	本聲明書業經本公司民國一五年三月二日董事會通過，出席董事八席中(含獨立董事四席)，有0席持反對意見，餘均同意本聲明書之內容，併此聲明。
麗豐股份有限公司	
	
董事長：  簽章	
總經理：  簽章	

(II) For projects where the auditor reviews the internal control system, the auditor's review report should be disclosed: None.

9. During the most current fiscal year up to the date the annual report was printed, important resolutions adopted at shareholders meetings and board of directors meetings:

(I) Significant resolutions from the Annual General Shareholders Meetings and Ad Hoc General Shareholders Meeting, and Implementation Status:

Date	Meeting type	Significant resolutions	Implementation status
2025.05.26	Annual General Shareholders Meeting	1. 2024 Annual Business Report	The chairperson consulted all the attending shareholders, and the matter was duly acknowledged.
		2. 2024 Annual Audit Committee Review Report	The chairperson consulted all the attending shareholders, and the matter was duly acknowledged.
		3. 2024 Report on Employee and Director Compensation Distribution	The chairperson consulted all the attending shareholders, and the matter was duly acknowledged. The distribution of compensation is as follows: -Employees: NT\$11,229,629 -Directors: NT\$5,614,815 both paid in cash.
		4. 2024 Annual Report on Related Party Transactions	The chairperson consulted all the attending shareholders, and the matter was duly acknowledged.
		5. Report on the Execution of the Second Unsecured Convertible Corporate Bonds in the Republic of China	The chairperson consulted all the attending shareholders, and the matter was duly acknowledged.
		6. Annual Business Report and Financial Statements for the Year 2024	The proposal was approved as originally presented, following a vote. For the year 2024, the Company's operating revenue was NT\$4,066,587 thousand, with a net profit of NT\$472,675 thousand. Earnings per share for common stock were NT\$5.81.
		7. Distribution of Profits for the Year 2024	Following a vote, the proposal was approved as originally presented. For the fiscal year 2024, the Company's profit distribution included a total of NT\$577,446,450 from available distributable profits as shareholder dividends, all of which were

			<p>distributed in the form of cash dividends. (NT\$7 per share). Any fractional amounts less than NT\$1 will be rounded down and the total of these fractional amounts will be transferred to other income of the Company.</p> <p>July 9, 2025 was set as the ex-dividend date, and the cash dividends was distributed on July 31, 2025.</p>
		8. Cash distribution from capital surplus	<p>Following a vote, the proposal was approved as originally presented. The Company's 2024 financial statements show a share premium balance under capital surplus of NT\$1,730,901,615. It is proposed to distribute NT\$247,477,050 from this amount as cash dividends (equivalent to NT\$3 per share). Distributions will be rounded down to the nearest dollar, and any fractional amounts less than one dollar will be aggregated and recognized as other income by the Company.</p> <p>July 9, 2025 was set as the ex-dividend date, and the cash dividends was distributed on July 31, 2025.</p>
		9. Proposed amendments to the Company's Articles of Association	<p>Following a vote, the proposal was approved as originally presented and subsequently registered and approved and registered by the Cayman Islands Government on June 10, 2025.</p>

(II) Significant board resolutions

Date	Meeting type	Significant resolutions
2025.02.27	Board of Directors	<ol style="list-style-type: none"> 1. Acknowledged the Company's key financial and business report for the fourth quarter of 2024. 2. Acknowledged the Company's internal audit business report for the fourth quarter of 2024. 3. Acknowledged the report on related-party transactions. 4. Acknowledged the report on securities transactions. 5. Acknowledged the report on the Company's renewal of Directors, Supervisors, and Key Officers Liability Insurance coverage. 6. Acknowledged the report on the Board of Directors' performance evaluation for 2024. 7. Acknowledged the first-quarter routine report on sustainable development implementation (including corporate governance operations) by the ESG Planning Team.

		<ol style="list-style-type: none"> 8. Acknowledged the status report on the Company’s second issuance of unsecured convertible corporate bonds in the Republic of China. 9. Acknowledged the report on additional reinvestment by the subsidiary (BVI) Chlitina International Limited. 10. Approved the Company’s 2024 distribution of directors’ remuneration and employee compensation. 11. Approved the distribution of directors’ remuneration for 2024. 12. Approved the distribution of employee compensation for managers in 2024. 13. Approved the change of the Company’s Chief Information Security Officer. 14. Approved the change of the Company’s Chief Corporate Governance Officer. 15. Approved the change of the Company’s spokesperson. 16. Approved the 2024 Internal Control System Statement. 17. Approved the 2024 business report, financial statements, and the auditors’ draft audit report. 18. Approved the 2024 earnings distribution proposal. 19. Approved the distribution of cash dividends from capital surplus. 20. Approved the Company’s 2025 assessment of auditors’ independence, appointment of signing CPAs, and audit fees. 21. Approved the subsidiary Chlitina (China) Trade Limited acquiring right-of-use assets for real estate from a related party. 22. Approved the subsidiary Chlitina (Hong Kong) Trade Limited making an additional reinvestment. 23. Approved the subsidiary Chlitina (China) Trade Limited making an additional reinvestment. 24. Approved the Company’s loan of funds to others. 25. Approved the addition of new related-party transactions and transaction models for the Company and its subsidiaries. 26. Approved the convening of the Company’s 2025 Annual General Meeting of Shareholders.
2025.05.08	Board of Directors	<ol style="list-style-type: none"> 1. Acknowledged the Company’s key financial and business report for the first quarter of 2025. 2. Acknowledged the Company’s internal audit business report for the first quarter of 2025. 3. Acknowledged the related-party transactions report. 4. Acknowledged the securities transactions report. 5. Acknowledged the second-quarter routine report on the Company’s greenhouse gas inventory and verification schedule planning. 6. Acknowledged the second-quarter routine report on sustainable development implementation by the ESG Planning Team for 2025. 7. Acknowledged the status report on the Company’s second issuance of unsecured convertible corporate bonds in the Republic of China. 8. Acknowledged the report on the subsidiary Chlitina (China) Trade Limited acquiring real estate. 9. Approved changes to the compensation of Company managers. 10. Approved the consolidated financial report for the first quarter of 2025. 11. Approved amendments to certain provisions of the Company’s “Related-Party Transaction Management Guidelines.” 12. Approved amendments to certain provisions of the Company’s “Rules of Procedure for Board of Directors Meetings.” 13. Approved amendments to certain provisions of the Company’s “Audit Committee Charter.” 14. Approved the subsidiary Chlitina (China) Trade Limited acquiring right-of-use real estate assets from a related party.

		<p>15. Approved the subsidiary Weishuo (Shanghai) Daily Product Co., Ltd. acquiring right-of-use real estate assets from a related party.</p> <p>16. Approved the removal of non-competition restrictions for Company managers.</p>
2025.08.21	Board of Directors	<p>1. Acknowledged the Company’s key financial and business report for the second quarter of 2025.</p> <p>2. Acknowledged the Company’s internal audit business report for the second quarter of 2025.</p> <p>3. Acknowledged the related-party transactions report.</p> <p>4. Acknowledged the securities transactions report.</p> <p>5. Acknowledged the third-quarter routine report on sustainable development implementation by the ESG Planning Team for 2025.</p> <p>6. Acknowledged the status report on the Company’s second issuance of unsecured convertible corporate bonds in the Republic of China.</p> <p>7. Acknowledged the report on the capital increase of the subsidiary Yongli Trading Co., Ltd. (Vietnam).</p> <p>8. Approved the change of the signing CPA for the Company’s financial reports.</p> <p>9. Approved the consolidated financial report for the second quarter of 2025.</p> <p>10. Approved the earnings distribution proposal for the first half of 2025.</p> <p>11. Approved the extension and increase of the Company’s medium-term loan credit line with Cathay United Bank.</p> <p>12. Approved the draft 2024 Sustainability Report.</p> <p>13. Approved the revision of the year-end bonus standards for key managers of the Company.</p>
2025.11.06	Board of Directors	<p>1. Acknowledged the Company’s key financial and business report for the third quarter of 2025.</p> <p>2. Acknowledged the Company’s internal audit business report for the third quarter of 2025.</p> <p>3. Acknowledged the related-party transactions report.</p> <p>4. Acknowledged the securities transactions report.</p> <p>5. Acknowledged the status report on the Company’s second issuance of unsecured convertible corporate bonds in the Republic of China.</p> <p>6. Approved the consolidated financial report for the third quarter of 2025.</p> <p>7. Approved the earnings distribution proposal for the third quarter of 2025.</p> <p>8. Approved amendments to certain provisions of the Company’s “Board Performance Evaluation Measures.”</p> <p>9. Approved amendments to certain provisions of the Company’s “Code of Practice for Sustainable Development.”</p>
2025.12.18	Board of Directors	<p>1. Acknowledged the Company’s key financial and business report for the fourth quarter of 2025.</p> <p>2. Acknowledged the fourth-quarter routine report on sustainable development implementation by the ESG Planning Team.</p> <p>3. Acknowledged the report on the execution status of the Company’s issuance of its second unsecured convertible corporate bond in the Republic of China.</p> <p>4. Approved the budgeted allocation for directors’ remuneration and employees’ compensation for 2026.</p> <p>5. Approved the 2025 year-end bonuses for the Company’s managerial officers.</p> <p>6. Approved the Company’s internal audit plan for 2026.</p> <p>7. Approved the Company’s business plan and operating budget for 2026.</p> <p>8. Approved the case of donation to related party.</p>

10. During the latest fiscal year up to the date the annual report was printed, whether the Company and its internal personnel were punished according to law, the punishment of the Company's internal personnel for violating the internal control system provisions, and the main deficiencies and improvement: None.

IV. Information on Certified Public Accountants fees

Unit: NT\$1,000

CPA firm name:	CPAs names	CPA audit period	Audit fees	Non-audit fees	Total	Remarks
PwC Taiwan Certified Public Accountants	Hsieh, Wei-Li Wang, Sung-Tse	2025.01.01 ~ 2025.12.31	12,335	524	12,859	Non-audit fee services include: tax certification, greenhouse gas inventory, TCFD reporting, review on cash capital increase.

1. When there is replacement of the accounting firm and the payment of professional audit fees are less than that in the previous year, the company shall disclose the amount and the reason for the audit fees before and after the replacement: No such case.

2. Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

V. Information on change of independent auditors:

In accordance with the accounting firm's internal rotation policy, starting from the second quarter of 2025, PwC Taiwan CPAs Wang Sung-Tse and Lin Yi-Fan were replaced by Hsieh Wei-Li and Wang Sung-Tse.

1. Regarding predecessor CPA:

Replacement date	Q2 2025		
Reason for replacement and explanation	In line with the accounting firm's internal rotation policy.		
Explain if appointor or accountant has terminated or refused the appointment	Situation	Person	Accountant
	Terminated appointment on their own		
	Declined (to continue		Lin Yi-Fan

	in their position)		
Opinions and reasons on audit reports (excluding uqualified opinions) issued in the last two years	None		
Disagreements with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Verification scope or steps
			Other
	No	√	
	Explanation	No objection formulated.	
Other matters to be disclosed (sub items 1.4 to 1.7 of article 10 of these Guidelines)	None		

2. Regarding successor CPAs:

Name of Accounting Firm	PwC Taiwan
Name of Accountants	Hsieh, Wei-Li; Wang, Sung-Tse
Date of engagement	Q2 2025
Consultations conducted prior to engagement regarding the accounting treatment or principles for specific transactions, and the potential audit opinion to be issued on the financial statements.	None
Written opinions from the successor auditors on matters where they disagreed with the predecessor auditors.	None

3. The predecessor auditor's response regarding the three matters specified under subparagraph 1 and 2 of Article 10, paragraph 6 of these regulations: No such situation.

VI. Auditing firm or its affiliates at which the Company's Chairman, President, or managers responsible for financial or accounting matters were employed in the most recent year: No such situation.

VII. Any transfer of equity interest and/or pledge of or change in equity interest by a director, supervisor, manager, or shareholder with a stake of more than 10% in the most recent year and up to the publication date of the annual report.

1. Any change in equities of directors, supervisors, managers, and major shareholders:

The Company announced information on the reporting website designated by the Financial Supervisory Commission, the Market Observatory Post System:

<https://mops.twse.com.tw/mops/web/indexMarket>

2. Equity transfer information: None.

3. Equity pledge information: None.

VIII. Information on the top 10 shareholders and their relationship

Name	Shareholdings by oneself		Shareholdings of spouse and underage children		Total shareholding in the name of others		Information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and relationships		Remarks
	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Title or name	Relationship	
1. Cathay United Bank Co., Ltd. acting as custodian for Wealthy Garden Investment Limited Representative: Chen, Wu-Kang	28,056,000	34.01%	—	—	—	—	CTBC Bank Co., Ltd., acting as custodian for J&R International Holding Limited	The Chairman is a first-degree relative	—
							Cathay United Bank Co., Ltd. acting as custodian for Hundred Fortune Asia Limited	The same person serves as Chairman	
							CTBC Bank Co., Ltd. acting as custodian for the investment account of Shouxin Development Co., Ltd.	The Chairman is a second-degree relative	
							Cathay United Bank Co., Ltd. acting as custodian for Gold Dragon (Asia) Limited	The same person serves as Chairman	
							CTBC Bank Co., Ltd. acting as custodian for the investment account of B&V International Holding Limited	The Chairman is a first-degree relative	
2. CTBC Bank Co., Ltd., acting as custodian for J&R International Holding Limited Representative: Chen, Pi-Hua	3,485,346	4.23%	—	—	—	—	Cathay United Bank Co., Ltd. acting as custodian for Wealthy Garden Investment Limited	The Chairman is a first-degree relative	—
							Cathay United Bank Co., Ltd. acting as custodian for Hundred Fortune Asia Limited	The Chairman is a first-degree relative	
							Cathay United Bank Co., Ltd. acting as custodian for Gold Dragon (Asia) Limited	The Chairman is a first-degree relative	
							CTBC Bank Co., Ltd. acting as custodian for the investment account of Shouxin Development Co., Ltd.	The Chairman is a first-degree relative	
							CTBC Bank Co., Ltd. acting as custodian for the investment account of B&V International Holding Limited	The Chairman is a second-degree relative	
3. Fidelity Investment Trust -- International Small-Cap Fund, held in	2,306,670	2.80%	—	—	—	—	—	—	—

Name	Shareholdings by oneself		Shareholdings of spouse and underage children		Total shareholding in the name of others		Information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and relationships		Remarks
	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Title or name	Relationship	
custody by HSBC									
4. CTBC Bank Co., Ltd. acting as custodian for the investment account of Shouxin Development Co., Ltd. Representative: Chao, Chen-Yu	2,000,237	2.42%	—	—	—	—	Cathay United Bank Co., Ltd. acting as custodian for Wealthy Garden Investment Limited	The Chairman is a second-degree relative	
							CTBC Bank Co., Ltd., acting as custodian for J&R International Holding Limited	The Chairman is a first-degree relative	
							Cathay United Bank Co., Ltd. acting as custodian for Hundred Fortune Asia Limited	The Chairman is a second-degree relative	
							Cathay United Bank Co., Ltd. acting as custodian for Gold Dragon (Asia) Limited	The Chairman is a second-degree relative	
5. Cathay United Bank Co., Ltd. acting as custodian for Hundred Fortune Asia Limited Representative: Chen, Wu-Kang	1,893,600	2.30%	—	—	—	—	Cathay United Bank Co., Ltd. acting as custodian for Wealthy Garden Investment Limited	The same person serves as Chairman	
							Cathay United Bank Co., Ltd. acting as custodian for Gold Dragon (Asia) Limited	The same person serves as Chairman	
							CTBC Bank Co., Ltd., acting as custodian for J&R International Holding Limited	The Chairman is a first-degree relative	
							CTBC Bank Co., Ltd. acting as custodian for the investment account of Shouxin Development Co., Ltd.	The Chairman is a second-degree relative	
							CTBC Bank Co., Ltd. acting as custodian for the investment account of B&V International Holding Limited	The Chairman is a first-degree relative	
6. Fidelity Investment Trust International Small Business Fund in	1,048,842	1.27%	—	—	—	—	—	—	—

Name	Shareholdings by oneself		Shareholdings of spouse and underage children		Total shareholding in the name of others		Information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and relationships		Remarks
	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Title or name	Relationship	
escrow at HSBC									
7. Cathay United Bank Co., Ltd. acting as custodian for Gold Dragon (Asia) Limited Representative: Chen, Wu-Kang	973,200	1.18%	—	—	—	—	Cathay United Bank Co., Ltd. acting as custodian for Wealthy Garden Investment Limited	The same person serves as Chairman	
							Cathay United Bank Co., Ltd. acting as custodian for Hundred Fortune Asia Limited	The same person serves as Chairman	
							CTBC Bank Co., Ltd., acting as custodian for J&R International Holding Limited	The Chairman is a first-degree relative	
							CTBC Bank Co., Ltd. acting as custodian for the investment account of Shouxin Development Co., Ltd.	The Chairman is a second-degree relative	
8. CTBC Bank Co., Ltd. acting as custodian for the investment account of B&V International Holding Limited Representative: Chen, Chao-Ching	932,271	1.13%	—	—	—	—	Cathay United Bank Co., Ltd. acting as custodian for Wealthy Garden Investment Limited	The Chairman is a first-degree relative	—
							Cathay United Bank Co., Ltd. acting as custodian for Hundred Fortune Asia Limited	The Chairman is a first-degree relative	
							Cathay United Bank Co., Ltd. acting as custodian for Gold Dragon (Asia) Limited	The Chairman is a first-degree relative	
							CTBC Bank Co., Ltd., acting as custodian for J&R International Holding Limited	The Chairman is a second-degree relative	
9. Nan Shan Life Insurance Company, Ltd.	912,000	1.11%	—	—	—	—	—	—	—

Name	Shareholdings by oneself		Shareholdings of spouse and underage children		Total shareholding in the name of others		Information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and relationships		Remarks
	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Title or name	Relationship	
10. TransGlobe Life Insurance Inc.	692,231	0.84%	—	—	—	—	—	—	—

IX. Total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the company

December 31, 2025; Unit: share

Invested enterprise	Investment made by the company		Investment by directors, supervisors, and managers or by directly or indirectly controlled enterprises		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Chlitina Group Limited	2,728,707,348	100%	-	100%	2,728,707,348	100%
Chlitina International Limited	-	-	25,470,001	100%	25,470,001	100%
Chlitina Intelligence Limited	-	-	1	100%	1	100%
W-Amber International Limited	-	-	1,150,000	100%	1,150,000	100%
W-Champion International Limited	-	-	930,000	100%	930,000	100%
C-Asia International Limited	-	-	20,000	100%	20,000	100%
Hong Kong Chlitina International Limited	-	-	69,850,001	100%	69,850,001	100%
Chlitina Marketing Limited	-	-	17,112,882	100%	17,112,882	100%
Centre de Recherche et de Développement de Chlitina France EURL	-	-	500	100%	500	100%
K&S Biomedical Ltd.	-	-	Note 1	100%	Note 1	100%
Chlitina (Southeast Asia) Holding Pte. Ltd.	-	-	2,000,000	100%	2,000,000	100%
Hong Kong Crystal Asia International Limited	-	-	Note 2	100%	Note 2	100%
Hong Kong W-Champion International Limited	-	-	2,950,000	100%	2,950,000	100%
Hong Kong W-Amber International Limited	-	-	189,303,060	100%	189,303,060	100%
Yong Li Trading Company Limited	-	-	Note 1	100%	Note 1	100%
Huapao Sdn. Bhd.	-	-	500,000	100%	500,000	100%
General Biologicals Corporation	-	-	11,805,203	16.67%	11,805,203	16.67%
U-Neuron Biomedical Inc.	-	-	3,780,000	9.81%	3,780,000	9.81%
Hong Kong Jing Tai International Investment Limited	-	-	1,000,000	100%	1,000,000	100%

Invested enterprise	Investment made by the company		Investment by directors, supervisors, and managers or by directly or indirectly controlled enterprises		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
PT Pining Beauty Indonesia	-	-	Note 1	100%	Note 1	100%
Vinh Le Company Limited	-	-	Note 1	100%	Note 1	100%
Hong Kong Crystal International Services Limited	-	-	100,000	100%	100,000	100%
W-Champion Marketing Limited	-	-	930,000	100%	930,000	100%
W-Amber Marketing Limited	-	-	1,150,000	100%	1,150,000	100%
Wan Ju International Investment Limited	-	-	200,000	100%	200,000	100%
Chlitina (China) Trade Limited	-	-	Note 1	100%	Note 1	100%
Shanghai Zhe Mei Technology Training Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Weishuo (Shanghai) Daily Product Limited	-	-	Note 1	100%	Note 1	100%
Weihsu (Shanghai) Health Management Consulting Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Crystal Asia (Shanghai) Trade Limited	-	-	Note 1	100%	Note 1	100%
Li Shuo Biotechnology (Shanghai) Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Shanghai Yuanshuo Management Consulting Limited	-	-	Note 1	100%	Note 1	100%
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Jinghe Clinic (Nanjing) Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Shanghai Hedeng Clinic Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Hainan Shoumao Investment Limited	-	-	Note 1	100%	Note 1	100%

Invested enterprise	Investment made by the company		Investment by directors, supervisors, and managers or by directly or indirectly controlled enterprises		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Shanghai Jiekan Trading Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Shanghai Yongshang Trading Co., Ltd.	-	-	Note 1	100%	Note 1	100%

Note 1: Limited liability company, with no shares issued.

Note 2: Hong Kong Crystal Asia International Limited was struck off in April 2025.

Four. Fundraising Status

I. Capital and shares

1. Capital sources

March 31, 2026; Unit: thousand shares; NT\$1,000

Date	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Capital sources	Capital contributions made with assets other than cash	Others
2012.07	NT\$ 10	200,000	2,000,000	2,000	20,000	Established by all shareholders of (BVI) Chlitina Group Limited, who contributed their shares in Chlitina Group Limited as consideration for the newly issued shares at incorporation.		Note 1
2012.08	NT\$ 10	200,000	2,000,000	66,800	668,000	Capitalization of additional paid-in capital amounting to NT\$648,000,000	—	Note 2
2013.11	NT\$ 168	200,000	2,000,000	75,707	757,070	Cash capital increase of NT\$ 1,496,376,000	—	Note 3
2014.08	NT\$ 10	200,000	2,000,000	79,492	794,924	Capital increase of NT\$37,854,000 from retained earnings	—	Note 4
2024.05	NT\$ 156	200,000	2,000,000	82,492	824,924	Cash capital increase NT\$468,000,000		Note 5

- Note 1: The Company was established on July 3, 2012, and the share capital for establishment was NT\$ 20,000,000 with a face value of NT\$ 10 per share.
- Note 2: The transfer of a capital surplus of NT\$ 648,000,000 to capital was approved by the ad hoc shareholders' meeting on August 31, 2012.
- Note 3: Approved by the Board of Directors on the August 17, 2012 and by the ad hoc shareholders' meeting on August 23, 2012 for the Company's Taiwan listing plan, accordingly, a pre-listing offering and initial public offering (IPO) cash capital increase of NT\$ 1,496,376,000 was carried out.
- Note 4: The Company's 2013 annual earnings distribution proposal was passed by the Board of Directors on March 12, 2014, and by the shareholders' meeting on June 19, 2014.
- Note 5: On March 1, 2024, the Board of Directors approved the 2024 issuance of new shares through a cash capital increase.

March 31, 2026; Unit: 1,000 shares

Types of shares	Authorized capital stock			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stock	82,492	117,508	200,000	Listed stock

2. List of major shareholders:

Shareholders holding 5% or more of the shares (disclosed to the Top 10 shareholders in shareholding ratio if less than 10 major shareholders)

March 31, 2026; Unit: 1,000 shares

Shares	Number of shares held (thousand shares)	Shareholding ratio %
Major Shareholders		
Cathay United Bank Co., Ltd. acting as custodian for Wealthy Garden Investment Limited	28,056,000	34.01%
CTBC Bank Co., Ltd., acting as custodian for J&R International Holding Limited	3,485,346	4.23%
Fidelity Investment Trust International Small Business Fund in escrow at HSBC	2,306,670	2.80%
CTBC Bank Co., Ltd. acting as custodian for the investment account of Shouxin Development Co., Ltd.	2,000,237	2.42%
Cathay United Bank Co., Ltd. acting as custodian for Hundred Fortune Asia Limited	1,893,600	2.30%
Fidelity Investment Trust International Small Business Fund in escrow at HSBC	1,048,842	1.27%
Cathay United Bank Co., Ltd. acting as custodian for Gold Dragon (Asia) Limited	973,200	1.18%
CTBC Bank Co., Ltd. acting as custodian for the investment account of B&V International Holding Limited	932,271	1.13%
Nan Shan Life Insurance Company, Ltd.	912,000	1.11%
J.P. Morgan acting as custodian for Advanced Starlight Composite International Equity Index	692,231	0.84%

Note: The Company will suspend ownership transfers from March 31, 2026 to May 29, 2026.

3. The Company's dividend policy and implementation

(I) Dividend policy as specified in the Company's Articles of Association

In accordance with the laws of the Cayman Islands, the regulations of TWSE/GTSM listed companies, and the Articles of Association, the Company shall not distribute dividends or bonuses in the absence of a surplus. During the period when the Company's shares are listed, any dividends or bonuses shall be paid in New Taiwan dollars.

If the Company has profits for the current year, 1% to 5% shall be appropriated as remuneration for the staff, and up to 3% shall be appropriated as remuneration for the directors. The remuneration of the staff can be paid in stock or in cash, but if the Company has accumulated losses, it shall reserve an amount to offset these losses. The remuneration of the employees and the directors shall be carried out in accordance with the laws of the Cayman Islands, the regulations of TWSE/GTSM listed companies, and the relevant provisions of the Company's Articles of Association.

If the Company has a surplus in the current year, it shall pay or appropriate tax first, offset previous losses, and then appropriate legal reserves (if required) and set aside or reverse special reserves (if there are any). If there is still a surplus (hereinafter referred to as "distributable surplus of the current year"), no less than 10% of the distributable surplus of the current year plus the undistributed earnings from the previous year may be paid as dividends to shareholders after being passed by the general resolution of the shareholders' meeting, of which the amount of cash dividends shall not be less than 10% of the total dividends paid in the current year. In addition, unless otherwise specified by the laws and regulations of Cayman and the regulations for listing, the Company may, upon a special resolution of the shareholders' meeting, distribute all or part of the dividends and bonuses to be distributed by issuing new shares, and any fractional shares shall be distributed in cash. To this end, the Board of Directors has the right to capitalize the profit and issue the above-mentioned shares to be distributed at par.

(II) Distribution of dividends that are to be or have been proposed in the shareholders' meeting for the current year:

The Company's 2025 earnings distribution plan has been approved by the Board of Directors on March 2, 2026, and is scheduled to be presented to shareholders for approval at the Annual General Meeting on May 29, 2026. The proposed distribution is as follows:

(1) From distributable earnings, a total cash dividend of NT\$ 577,446,450 will be allocated to shareholders (based on the total number of issued shares of 82,492,350), resulting in a cash dividend of NT\$ 7 per share.

(2) Additionally, as proposed by the Board of Directors, a cash distribution of NT\$ 247,477,050 will be made from the capital surplus as reported under the 2025 financial statements (based on the total number of issued shares of 82,492,350), resulting in a proposed cash distribution of NT\$ 3 per share. If the shareholders' meeting approves the proposal to distribute cash from the capital surplus, the total cash dividend for the year will be NT\$10 per share.

If the number of shares outstanding is affected subsequently by the buyback of the Company's shares, transfer of treasury stocks, conversion of convertible bonds, exercise of employees' stock options or share transfer, conversion, strike-off, capital increase through the issuance of new shares, or other reasons which cause the dividend rate for the shareholders to change, it is proposed that the Chairman shall be authorized by the shareholders' meeting with full power to manage this as appropriate.

(III) Expected significant changes in the dividends policy: None

4. The impacts of issuance of bonus shares proposed by the shareholders' meeting on the Company's operating performance and earnings per share:

There are no bonus shares this year.

5. Remuneration to employees, directors and supervisors

(I) The number and scope of the remuneration of employees, directors, and supervisors defined in the Company's Articles of Association:

According to the above (III) The Company's dividend policy and implementation.

(II) The accounting treatment if there is a discrepancy between the actual distribution amount, the basis for the estimation of the remuneration of employees and directors, and the basis for calculating the number of shares paid to the employees for remuneration: The basis for the Company's estimation of the remuneration of employees and directors for the current period, the basis for calculating the number of shares paid to the employees for remuneration, and the actual distribution amount are consistent, and thus, this is not applicable. However, if subsequently there is any discrepancy between the actual distribution amount resolved by shareholders' meeting and the estimated number, the discrepancy shall be recognized as the current profit and loss in that year.

(III) The distribution of remuneration passed by the Board of Directors:

a. The remuneration of employees paid by cash or shares and the remuneration of directors and supervisors. If there is any discrepancy with the annual estimated expense, the discrepancy number, causes and treatment shall be disclosed: there are no such cases.

b. Proposed distribution of remuneration to employees in the form of stock bonus as a percentage to net profit after tax plus remuneration to employees in the entity or individual financial statement for the current period: not applicable.

(IV) The status and result of the remuneration distribution reported in the shareholders' meeting: The Company estimated the remuneration to be distributed to directors for 2025 at NT\$ 6,368,362 and the remuneration to employees at NT\$ 12,736,728. The remunerations will be distributed in cash. The distribution is expected to be reported in the shareholders' meeting on May 29, 2026.

(V) If there is any discrepancy between the actual distribution of remuneration to employees, directors and supervisors in the previous year (including the number of shares distributed, amounts and share price) and the recognized remuneration of the employees, directors and supervisors, the discrepancy number, causes and treatment shall be described:

The actual distribution amounted to NT\$5,614,815 for directors' remuneration and NT\$11,229,629 for employees' compensation, with no variance from the amounts recognized in the 2024 annual financial statements. The distribution was reported in the regular shareholders' meeting on May 26, 2025.

6. Buyback of the Company's shares by the Company

(I) Buyback of the Company's shares by the Company (completed)

Time of buyback	1st time of 2016	1st time of 2020	1st time of 2022
Purpose of buyback	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees
Buyback period	November 30, 2016~ January 29, 2017	March 13, 2020~ May 12, 2020	November 11, 2022~ January 10, 2023
Buyback price range	NT\$130–NT\$180 But if the Company's stock price is lower than the lower limit of the bought-back interval, the Company will also continue to buy back shares.	NT\$150–NT\$262 But if the Company's stock price is lower than the lower limit of the bought-back interval, the Company will also continue to buy back shares.	NT\$150–NT\$200 But if the Company's stock price is lower than the lower limit of the bought-back interval, the Company will also continue to buy back shares.
Types and numbers of bought-back shares	Common stock, 797,000 shares	Common stock, 285,000 shares	Common stock, 503,000 shares
Amount of shares bought back	NT\$ 116,562,738	NT\$ 46,820,885	NT\$ 99,159,528
Percentage of repurchased quantity to the scheduled buyback quantity (%)	53.13%	0.36%	0.63%
Quantity of canceled and transferred shares	797,000 shares	285,000 shares	503,000 shares
Cumulative number of company shares held	0 shares	0 shares	0 shares
Ratio of the cumulative number of the Company's shares held to the total outstanding shares (%)	0.00% (The transfer to the employees was done in batches and completed in 2018)	0.00% (The transfer to the employees was completed in 2020)	0.00% (The transfer to the employees was completed in 2023)

(II) Buyback of the Company's shares by the Company (in progress): None.

II. Status of corporate bond issuance

1. Corporate bonds

Corporate bond type	The first unsecured convertible bond in the Republic of China	The second unsecured convertible bond in the Republic of China
Date issued	November 13, 2015	August 12, 2024
Face value	NT\$ 100,000	NT\$ 100,000
Place of issuance and exchange	R.O.C.	R.O.C.
Issue price	Issuance based on face value	Issuance at 100.50% of face value
Total amount	NT\$ 900,000 thousand	NT\$ 1,100,000 thousand
Interest rate	Coupon rate 0%	Coupon rate 0%
Duration	3-year period, expiration date: November 13, 2018	3-year period, expiration date: August 12, 2027
Guaranteeing institution	N/A	N/A
Trustee	Trust Department, CTBC Bank Co., Ltd.	Trust Department, CTBC Bank Co., Ltd.
Underwriting institution	Fubon Securities Co., Ltd.	Fubon Securities Co., Ltd.
Certifying attorney	Chien Yeh Law Offices Lawyer Hung, Tung-Hsiung	Chien Yeh Law Offices Lawyer Hung, Shao-Heng
Independent CPAs	KPMG CPA Huang, Po-Shu CPA Yu, An-Tien	PwC Taiwan CPA Wang Sung-Tse CPA Lin, Chun-Yao
Repayment method	Except for the early call or sale back in accordance with the regulations of issuance and conversion, the principal is paid with cash at maturity based on the face value.	Except for the early call or sale back in accordance with the regulations of issuance and conversion, the principal is paid with cash at maturity based on the face value.
Outstanding principal balance	NT\$ 0	NT\$ 0
Terms for redemption or early repayment	1. The Company's right to call the convertible bonds (Article 22 of the Issuance Rules) 1.1 Starting from the day which is one month after the issuance of the convertible bond (December 14, 2015) to the date 40 days before maturity (October 4, 2018), if the closing price of the Company's common stock exceeds 30% (included) of the conversion price for 30 consecutive business days, within 30 business days, the	1. The Company's right to redeem the convertible corporate bonds (Article 21 of the Issuance Rules) 1.1 These convertible corporate bonds may be redeemed starting from the day following three months after the issuance date (November 13, 2024) until 40 days before the end of the issuance period (July 3, 2027). If the closing price of the Company's common stock exceeds the conversion price by 30% or more for 30 consecutive

Company can send a “Notice of Bond Call” which expires in 30 days (the period mentioned above is calculated from when the letter is sent, the call record date for the bonds is the maturity date, and the period mentioned above shall not be the stop conversion period listed in Article 10) to the bondholders (based on the names provided by the bondholder list on the 5th business day before the “Notice of Bond Call” is sent. For those investors who subsequently obtain convertible bonds due to sale or other reasons, there shall be a publication). The notice is reported to the TPEX for publication, and all the bonds are called back into cash according to their face value at maturity.

1.2. Starting from the day which is 1 month after the issuance of the convertible bond (December 14, 2015) to the date 40 days before maturity (October 4, 2018), if the outstanding shares of the convertible bond are lower than 10% of the original issue amount, then at any time thereafter the Company can send a “Notice of Bond Call” which expires in 30 days (the period mentioned above is calculated from when the letter is sent, the call record date for the bonds is the maturity date, and the period mentioned above shall not be the stop conversion period listed in Article 10) to the bondholders (based on the names provided by the bondholder list on the 5th business day before the “Notice of Bond Call” is sent. For those investors who subsequently obtain convertible bonds due to sale or other reasons, there shall be a publication). The notice is reported to the TPEX for publication, and all the bonds are called back into cash according to their face value at maturity.

trading days, the Company may, within the subsequent 30 trading days, send a “Bond Redemption Notice” with a 30-day maturity period (calculated from the date of the notice, with the maturity date serving as the bond redemption base date, and this period shall not overlap with the conversion suspension period as specified in Article 9) to the bondholders (based on the bondholder registry as of the fifth trading day before the notice is sent; for bondholders who acquire the bonds through purchase or other means after the notice is sent, the redemption will be announced publicly). The redemption price will be set at the face value of the bond, and the Company will redeem all outstanding bonds in cash. The Company will also request the Taiwan Stock Exchange Corporation to announce the redemption. The Company shall complete the redemption within five trading days after the bond redemption base date, paying the face value in cash for all outstanding convertible corporate bonds.

1.2 Starting from the day following 3 months after the issuance of the convertible bond (November 13, 2024) until 40 days before maturity (July 3, 2027), if the outstanding amount of the convertible corporate bonds is less than 10% of the original total issuance amount, then at any time thereafter the Company may send a “Bond Redemption Notice” with a 30-day maturity period (based on the bondholder registry as of the fifth business day before the notice is sent; for investors who acquire the bonds through purchase or other means after the notice is sent, the redemption will be announced publicly). The redemption period will be calculated from the date the

1.3 If the bondholder does not reply to the Company's shareholders service agency in writing before the call record date listed on the "Notice of Bond Call" (which goes into effect once delivered. For those sent by post, the date of the postmark is the reference date), the Company will follow the above two paragraphs to call back all its convertible bonds into cash according to their face value.

2. The right of the bondholders to sell (Article 23 of the Issuance Rules)

The day which is two years after the issuance of the convertible bonds (November 13, 2017) is the record date for the bondholders to sell back their bonds in advance. The Company shall send a "Notice of Executing Bond Sell Back" to the bondholders 40 days before the record date (based on the names provided by the bondholder list on the 5th business day before the "Notice of Executing Bond Sell Back" is sent. For those investors who subsequently obtain convertible bonds due to sale or other reasons, there shall be a publication). The notice is reported to the TPEX for publication of the bondholders' execution of selling back. The bondholders can notify the Company's shareholders service agency in writing 30 days before the record date (which goes into effect once delivered. For those sent by post, the date of the postmark is the reference date) to ask the Company to call back their convertible bonds in cash at face value plus interest compensation (for bonds held more than two years, the compensation is 2.52% of the bond face value, with a real yield equal to 1.25%). The Company accepts requests to sell back, and shall pay by remittance to

notice is sent, with the maturity date serving as the bond redemption base date. This period shall not overlap with the conversion suspension period for the convertible corporate bonds. The redemption price will be set at the face value of the bond, and the Company will redeem all outstanding bonds in cash. The Company will also request the Taiwan Stock Exchange Corporation to announce the exercise of its redemption right. When executing the redemption request, the Company shall, within five business days after the bond redemption base date, pay the face value in cash for all outstanding convertible corporate bonds.

1.3 If the bondholder does not reply to the Company's shareholders service agency in writing (effective upon delivery, with the postmark date serving as proof for mail) before the call record date listed on the "Bond Redemption Notice," the Company will, within five business days after the bond redemption base date, redeem all outstanding convertible bonds held by bondholders at their face value in cash.

1.4 If the Company exercises its redemption request, the deadline for bondholders is the second business day after the delisting date of the convertible corporate bonds. However, bondholders must apply to their original trading broker to convert the convertible corporate bonds into the Company's common stock no later than the business day following the delisting date. If a bondholder does not apply for conversion by the specified deadline, the Company will redeem the convertible corporate bonds held by the bondholder at their face value and will pay the cash within

	<p>the bondholders within five business days after the record date.</p>	<p>five business days after the bond redemption base date. If any of the aforementioned dates fall on a day when the Taipei Exchange is closed, the deadline will be extended to the next business day.</p> <p>2. Bondholder’s Put Option (Article 22 of the Issuance Rules) The convertible corporate bonds will have a put option date for bondholders to sell back the bonds early, set at two years from the issuance date (August 12, 2026). The Company shall, no later than 40 days before the put option date (July 3, 2026), send a “Put Option Exercise Notice” via registered mail to the bondholders (based on the bondholder registry as of the fifth business day before the notice is sent; for bondholders who acquire the bonds through purchase or other means after the notice is sent, the put option will be announced publicly). The Company will also request the Taiwan Stock Exchange Corporation to announce the exercise of the put option by the bondholders.</p> <p>Bondholders may, within 40 days before the put option date, notify the Company’s stock transfer agent in writing (effective upon delivery, with the postmark date serving as proof for mail) to request that the Company redeem their convertible corporate bonds at the face value plus interest compensation [100.50% of the face value after two years (effective yield of 0.25%)] in cash. The Company shall, within five business days after the put option date, pay the cash for the convertible corporate bonds. If any of the aforementioned dates fall on a day when the Taipei Exchange is closed, the deadline will be extended to the next business day.</p>
Restrictive terms	None	None

Name of credit rating organization, rating date, corporate bond rating results	N/A	N/A
Other rights	Amount of the bonds already converted into (exchanged into or subscribed to as) common stocks, overseas depositary receipts, or any other securities until the publication date of the annual report	None
		None

	<p>Issuance and conversion (exchange or subscription) regulations</p>	<p>Starting from the first day following one month after the issuance of the convertible bonds (December 14, 2015) to the maturity day (November 13, 2018), at any time the bondholders can ask the Company's shareholders service agency to convert their bonds held into common stocks according to the provisions through the broker and Taiwan Depository & Clearing Corporation (hereinafter referred to as "TDCC") in accordance with Article 14, 15, 19, and 20 of the regulations, except when the Company (1) is suspended in accordance with the law; (2) it is during the period starting from 15 business days before the bonus shares book closure date, the cash dividends book closure date, or the book closure date of stock issuance in cash to the record date of the rights distribution; or (3) it is during the period starting from the record date for the reduction of capital to one day before the converted shares begin to trade.</p>	<p>Starting from the day following three months after the issuance date of the convertible corporate bonds (November 13, 2024) until the maturity date (August 12, 2027), bondholders may, at any time, request the conversion of the convertible corporate bonds into the Company's common stock, in accordance with the regulations, except during the following periods when conversion requests are not permitted: (1) Periods when the transfer of common stock is legally suspended; (2) The period from 15 business days before the ex-rights date for bonus shares, cash dividends, or rights issues until the rights distribution base date; (3) The period from the capital reduction base date until the day before the new shares are issued and begin trading; (4) The period from the start of the conversion suspension for the change in the par value of the stock until the day before the new shares are issued and begin trading. The conversion process shall be handled in accordance with Articles 13, 14, 18, and 19 of the regulations.</p>
<p>Possible dilution of equity and impact on equity of existing shareholders due to issuance and conversion, trading or subscription rules, or issuance terms</p>		<p>1. Bonds outstanding as of November 13, 2018 have been fully paid up in cash. Therefore, incident of potential dilution of equity: Not Applicable.</p> <p>2. Impacts on equity of existing shareholders: Not applicable.</p>	<p>1. Assuming that all bondholders request to convert their bonds into the Company's common stock in accordance with the bond issuance and conversion procedures (issuance amount: New Taiwan Dollar (NT\$) 1,100,000,000; initial conversion price: NT\$ 166; adjusted conversion price due to 2024 cash dividend: NT\$ 141.30), the maximum number of shares that can be converted at the latest conversion price is estimated to be 7,784,000 shares. Based on the total number of outstanding shares as of March 31, 2026 (82,492,000 shares), the maximum dilution of equity would be 9.44%.</p> <p>2. According to the 2025 financial</p>

		<p>statements, the net asset value per share is NT\$ 63.97 (NT\$5,276,810,000 / 82,492,000 shares). Assuming that all bondholders request to convert their bonds into the Company's common stock in accordance with the bond issuance and conversion procedures, the net asset value per share would increase from NT\$63.97 to NT\$70.64 [calculation: (NT\$5,276,810,000 + NT\$1,100,000,000) / (82,492,000 shares + 7,784,000 shares) = NT\$ 70.64]. Therefore, this conversion would have a positive impact on the equity of existing shareholders.</p>
Name of the commissioned custodial institution for the bond exchanged	N/A	N/A

2. Convertible bonds

Corporate bond type		The first unsecured convertible bonds in the Republic of China	The second unsecured convertible bonds in the Republic of China
Item	Year	2018	2025
Market price of convertible bonds	Highest	NT\$ 119.00	NT\$ 103.40
	Lowest	NT\$ 98.00	NT\$ 97.70
	Average	NT\$ 106.43	NT\$ 101.46
Conversion price		<ol style="list-style-type: none"> 1. Since August 10, 2016, due to the distribution of 2015 cash dividends, the conversion price has been adjusted to NT\$ 271.70. 2. Since August 14, 2017, due to the distribution of 2016 cash dividends, the conversion price has been adjusted to NT\$ 258.10. 3. Since August 01, 2018, due to the distribution of 2017 cash dividends, the conversion price has been adjusted to NT\$ 250.90. 	1. As of July 9, 2025, the conversion price was adjusted to NT\$141.30 due to the distribution of the 2024 cash dividend.
Issuance (execution) date and initial conversion price		Issuance date: November 13, 2015 Conversion price at issue: NT\$ 288.00	Issuance date: August 12, 2024 Conversion price at issue: NT\$166.00
Ways to fulfill the obligation of conversion		<ol style="list-style-type: none"> 1. Bonds outstanding as of November 13, 2018 have been fully paid up in cash, therefore, the ways to fulfill the obligation of conversion: Not Applicable. 2. No transfer requests had been made as of the transferable date 	Issuance of new shares

III. Issuance of preferred shares: None.

IV. Issuance of overseas depository receipts: None.

V. Issuance of employee stock option certificates: None.

VI. Information about new restricted employee shares: None.

VII. The execution of new share issuance due to mergers or acquisitions of shares issued by other companies: None.

VIII. Implementation of capital utilization plan: The execution status of the Company's fund utilization plan has been announced on the information reporting website designated by the Financial Supervisory Commission. Please refer to the Market Observation Post System for details: <https://mops.twse.com.tw/mops/web/index>.

Five. Overview of Operations

I. Operations

1. Scope of business

The Company's business model involves the research, development and production of skincare products and cosmetics under our brand "Chlitina". The Company also researches and develops beauty-related services and provides customers with skincare products and services of high quality, efficacy, and uniqueness through our franchised beauty salons. In recent years, the Company has invested many resources in e-commerce and regenerative medicine and anti-aging medicine. Our self-operated regenerative medicine and the anti-aging clinics are running smoothly and show strong development potential. The business operation of the Company also extends to the "RnD Nails & Eyelashes Salon" franchise channel, which aims at expanding our younger customer base and diversifying our operations.

The business regions where our major channels are set up include Mainland China, Taiwan, Hong Kong, and Southeast Asia. Since officially entered the Mainland China market in 1997, we have become one of the leading high-end beauty salon chain in the region. As of the end of December 2025, we have established 4,116 franchised beauty salons in Mainland China, Taiwan, Hong Kong and Southeast Asia through our franchise model. The Company offers a premium range of skin care product, including both home-use products and professional treatment kits, providing comprehensive skincare solutions and professional treatments for customers at our franchise salons. The Company has applied the skin care concept of "Medicine as our Foundation, Beauty the Application" in cosmetology, offering specialized skincare solutions for women facing various skin issues. We continuously introduce different products through various channels to maximize the satisfaction of diverse consumer needs for personalized skincare and healthy living.

(I) Major scope of operation:

- ① R&D, manufacturing, and distribution of beauty products and care kits.
- ② Operation and promotion of franchised beauty stores.
- ③ E-commerce sales platform
- ④ Medical cosmetology business
- ⑤ Nail and eyelash beautification business
- ⑥ The Company may engage in business activities not prohibited or restricted by laws and regulations beside the licensed one.

(II) Income distribution

Unit: RMB 1,000; NT\$ 1,000

Major products	2024			2025		
	RMB	NT\$	%	RMB	NT\$	%
Facial care products	804,272	3,583,595	88.13	803,170	3,476,682	89.65
Body products	22,121	98,565	2.42	17,032	73,726	1.90
Aesthetic medicine & anti-aging services	30,560	136,166	3.35	24,935	107,936	2.78
Others	55,718	248,261	6.10	50,780	219,811	5.67
Total	912,671	4,066,587	100.00	895,917	3,878,155	100.00

Note: Others include income from royalties, income from related parties, income from beauty services, and income from food, etc.

(III) The Company's current product (service) offering

Product category	Major product category	Main purpose
Home care	Makeup removing and cleansing	Removes five major types of waste on the surface of the skin, such as built-up obsolete keratin, dust, grease, makeup residue, oxidized fat, and salt from perspiration.
	Hydrating toner	Replenishes skin cells with plenty of water while at the same time inhibiting vaporization.
	Repairing essence	Regulates dermal functions and corrects specifically problematic skin in order to keep the skin healthy.
	Lotion	Exercises optimal skin conditioning effects to prevent against speedy water loss from skin and to protect against dry skin.
	Eye care	Prevents and improves fine lines and brightens the skin ton in the surroundings of the eyes.
	Moisturizing cream	Boosts blood circulation of skin, adequately supplies cells with nutrients and oxygen so that cells can be repaired and regenerated, and keeps the skin smooth and moisturized.
	Facial mask	Intensively repairs the skin, boosts metabolism, and enhances skin oxygen content; the water in the mask penetrates the horny layer on the surface of the skin to make the skin softer and more elastic.
	Sunscreen	Protects against and blocks sunlight to protect the skin.
Professional skin care line	Foundation makeup	Contains skin care and sunscreen ingredients to enhance the skin tone and covers imperfections; it lays the groundwork for subsequently applied makeup.
	Eye care series	Improves puffiness, pigmentation, and fine lines, among other issues with active ingredients such as polypeptides and silk eye mask. Meanwhile, the specialized package instruments are used to accordingly exercise the effects of preventing against and correcting issues such as dark circles, eye puffiness, and congestion due to fatigue, among others.
	Regenerative medicine-grade cellular anti-aging series	Built on a regenerative medicine-grade cellular anti-aging concept that targets the root causes of skin aging, activating the skin's innate self-repair capabilities. Formulated with a globally pioneering patented ingredient—deer amniotic fluid extract—combined with key actives including PDRN and adenosine. This synergistic formulation revitalizes cellular activity, delivers deep repair at the source, and achieves an advanced, non-invasive anti-aging solution.
	Whitening series	Breaks through the limitations of a single whitening pathway with an upgraded formula featuring Diamond Radiance technology, including white pine extract, 4MSK, niacinamide, and brightening yeast bioactive. These ingredients work synergistically to inhibit melanin formation and deliver triple-action benefits, achieving six visible effects: whitening, brightening, reduction of dullness, reduction of redness, fading of

		spots, and improvement of post-acne marks—for a clear, radiant complexion.
	Hydrating series	Replenishes water required by skin cells at a depth and firmly locks in the water through the active ingredients of Canadian rye and blue sapphire. Meanwhile, with the specialized package instruments, water replenishing at a depth, potent retention of water, and increased absorption of skin are made possible.
	Naturex series	The Naturex series adopts pure botanical extract concentrates to realize more effective conditioning and improvement and to address different skin issues.
	Professional salon botanical extract series	Designed specifically for problematic skin, the series features optimal improvement and prevention effects whether it is anti-wrinkles, water replenishing, whitening, or soothing. They can be used as part of home care or at the salons for induction or water facial mask purpose with the help of instruments.
Aromatherapy	Essential oils, compound essential oils	<ol style="list-style-type: none"> 1. Enhances beauty and skincare, boost skin resilience, and delay aging. 2. Soothes and uplift the mood, relax the mind and the body. 3. Maintains overall health and alleviate respiratory infection, boost immunity, and restore hormonal imbalances, etc.
Body	Essential oils, lotion	<ol style="list-style-type: none"> 1. Unblocks meridians and promote the functions of the five internal organs and six viscera (based on Chinese Medicine principles). 2. Promotes in-depth tissue relaxation and blood circulation of muscular tissues, soothe the body and the mind, alleviate shoulder, neck and head discomfort; and relieve back pain and inflammation. 3. Regulates the ovary, uterus and kidneys in women to ensure their functional balance, improve immunity, maintain youth and vigor, and delay aging.
	Breast enlargement	Activates the fullness mechanism by utilizing French patented ornithine with the external layer Ionosome™ enveloping technique (Note), more stably and rapidly delivering the active ingredient to the basal layer of skin so that the skin is becoming firmer, more elastic, and lifted.
Oral care	Toothpaste, mouth spray, mouthwash	P113+ Active Peptide is used to inhibit harmful microbes and keep beneficial microbes for the balance of the flora in the mouth. Creates a balanced micro-ecology environment, and addresses bleeding gums, dental plaque, mouth ulcers, and halitosis problems.
Nail and eyelash beautification	Manicure products	Selected materials, beautiful colors, natural and environment-friendly, safe and healthy.
	Hand and foot care	Gentle and pure, nourishing and improving nails, nail cuticles, hand and foot skin conditions.
	Eyelash extensions	Specialized eyelash extensions, natural and light.
HOMESPA	Luxury	Inspired by the natural plant extract philosophy of

products	aromatherapy (facial care)	Trotula of Salerno, the first female physician in medieval Europe, and developed in collaboration with a French laboratory, this line features a premium whole-rose anti-aging extract combined with the rich fragrance of French roses. It offers comprehensive anti-aging benefits for the face.
	Luxury aromatherapy (body care)	Drawing on the tradition of classical Western aromatherapy, this line immerses you in luxurious French fragrances. It soothes tension, moisturizes the skin, and calms the emotions, utilizing the pure power of natural plant extracts to achieve holistic healing for the body, mind, and spirit.
	Sensitive skin care	Specially formulated for sensitive skin, this line soothes redness, itching, and discomfort. It provides emergency relief during periods of skin sensitivity, post-minimally invasive aesthetic procedures, and helps rebuild the skin barrier and enhance skin tolerance, offering solutions for sensitive skin care.
	Oily and acne-prone skin care	Featuring products developed by leading German medical experts, this line utilizes the exceptional anti-bacterial and repairing properties of deep-sea Spirulina. It controls inflammation, manages acne-prone skin, and addresses the root causes of excess oil and acne.
Aesthetic medicine and anti-aging services	Rejuvenation of the body	Body sculpting, fat removal, hairline adjustment, hair transplantation, full body hair removal, deep whitening.
	Rejuvenation of the face	Firmer skin, skin lifting, perfect skin, transparent and moist, wrinkle smoothing, face sculpting, micro-plastic surgery.
	Rejuvenation of body functions	Anti-aging and health management project, cellular wellness treatments, intimate anti-aging care.

Note: The Ionosome™ encapsulation technology refers to the patented technology used to encapsulate the patented ingredient, as described in French Patent No. FR 2988601-B1

(IV) Planned new product development

A. Products targeting younger consumers

Development of a full range of body care products designed to achieve a luminous, even-toned complexion and soft, smooth skin. These products emphasize ingredient efficacy while integrating concepts of emotional skincare and neurocosmetics.

B. Natural plant-based development

Research on the application of plant stem cell extracts and the development of natural botanical ingredients.

C. High-efficacy at-home repair products

Development of multi-functional Intense Pulsed Light repair and brightening products designed for at-home use.

D. Professional mild and non-irritant skin care

Development of professional-grade product sets formulated to be gentle and non-irritant.

2. Industry overview

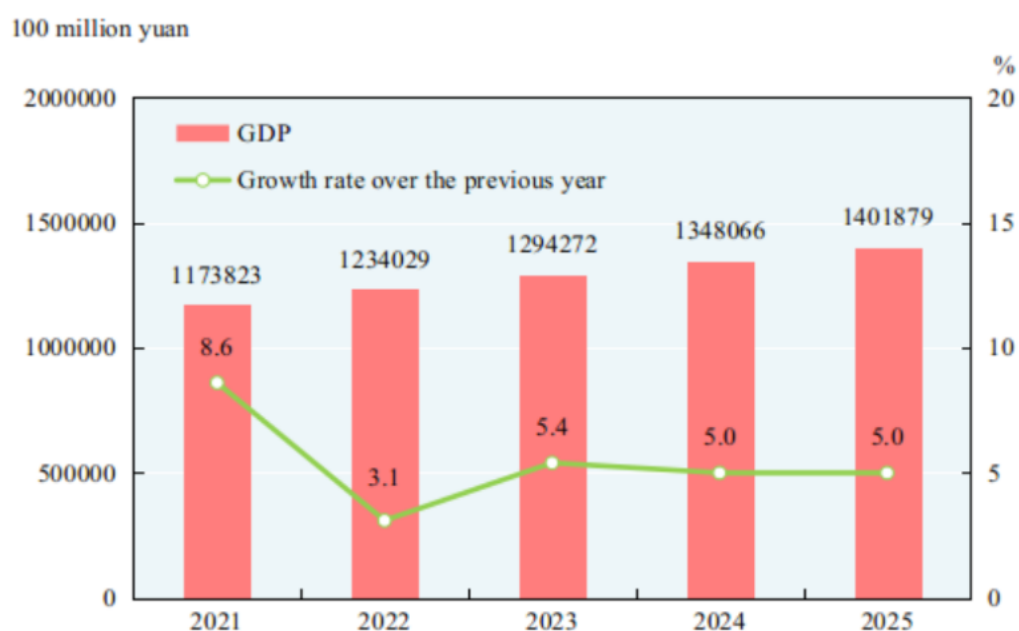
(I) Industry status and development

A. Macro environment

The Company’s primary development area is in Mainland China, where we have been deeply engaged in the market for many years. 2025 marks the final year of the 14th Five-Year Plan and is a year of significant importance in advancing Chinese-style modernization. In accordance with the decisions and deployments of the CPC Central Committee and the State Council, the country has fully, accurately, and comprehensively implemented the new development philosophy, accelerated the establishment of a new development paradigm, and focused on promoting high-quality development.

Adhering to the general principle of pursuing progress while maintaining stability, and coordinating both domestic and international priorities as well as development and security, China has implemented more proactive and effective macroeconomic policies. As a result, the economy has withstood pressure while continuing to improve in quality and innovation. Progress has been made in building a modern industrial system, advancing reform and opening-up, mitigating risks in key areas, strengthening social welfare, and maintaining overall social stability. This has enabled a strong start to the new journey toward achieving the Second Centenary Goal.

Gross Domestic Product and Growth Rates 2021-2025



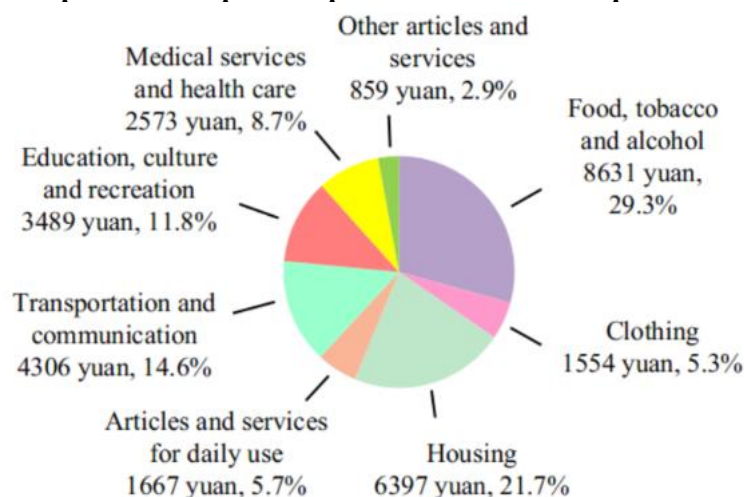
Source: Statistical Communiqué of the People’s Republic of China on the 2025 National Economic and Social Development (February 28, 2026)

According to the Statistical Communiqué of the People’s Republic of China on the 2025 National Economic and Social Development, in 2025, the per capita disposable income nationwide was RMB43,377, an increase of 5.0% over that of the previous year or a real increase of 5.0% after adjusting for inflation. The national per capita consumption expenditure was RMB29,476, up by 4.4% over that of the previous year, or a real increase of 4.4% after adjusting for inflation. Specifically, the per capita consumption expenditure on services totaled RMB13,602, up by 4.5% over that of the previous year, accounting for 46.1% of total per capita consumption expenditure.

Service consumption expenditures refer to household consumption expenditures of daily life services, including catering services, clothes and shoes processing services, housing services, household services, transport and communication services, educational,

cultural, and leisure services, and medical and other services.

National Per Capita Consumption Expenditure and Its Composition in 2025



Source: Statistical Communiqué of the People’s Republic of China on the 2025 National Economic and Social Development (February 28, 2026)

B. Skin care market environment

① Market environment of the beauty industry

Skincare is an important sector of the cosmetics industry. China’s policies on this sector are mainly those established by the National Medical Products Administration (NMPA). The policies and regulations applicable to the cosmetics industry are equally applicable to skincare products.

The 14th five-year plan, for the first time, includes the sector as a national development priority, explicitly calling for the cultivation of domestic high-end brands and the promotion of high-quality industry growth.

In September 2025, the NMPA issued the *Opinions on Deepening Cosmetics Regulatory Reform to Promote High-Quality Industry Development (Draft for Comments)*, aiming to further strengthen regulatory reform. The document sets a target for China’s cosmetics quality and safety regulatory system to reach internationally advanced standards by 2035.

In 2025, regulatory oversight of the cosmetics industry continued to deepen, with multiple key laws and policies implemented, establishing a more scientific and rigorous regulatory framework. This reflects the increasing maturity of the beauty industry as a major consumer goods sector.

Overall, in 2025, China’s beauty industry policies are characterized by a dual-track approach of “strengthened regulation and encouragement of innovation,” driving the industry toward a higher-quality development stage. At the same time, policies promote innovation through a combination of control and facilitation measures.

On one hand, the *Provisions on Supporting Innovation of Cosmetic Ingredients* encourage the development of new ingredients through optimized review processes and green channels.

On the other hand, local governments (such as Shanghai and Guangzhou) provide financial incentives to support ingredient innovation and industrialization, shifting industry competition from marketing-driven approaches toward core technological capabilities.

Scale of China's Cosmetics Industry from 2015 to 2025 (unit: RMB100 million)



Source: China Cosmetics Industry Market Development Status and Consumer Behavior Survey Data (iiMedia Research 2026/01)

According to data from iiMedia Research, the market size of China's cosmetics industry has experienced significant growth, reaching 579.1 billion yuan in 2025. Analysts note that this trend reflects rapid market expansion and increasing consumer demand.

Overall, the cosmetics industry in China demonstrates strong growth momentum and is expected to continue expanding in the coming years.

② Market environment of personal care

According to data from iiMedia Research, the market size of China's beauty industry reached RMB 445.9 billion in 2025. Overall, the market size of China's beauty industry continues to expand, showing strong growth momentum, and is expected to maintain rapid growth in the coming years.

Market Size of China's Beauty Industry, 2015-2025



Source: "2025 China Cosmetics Industry Market Development Status and Consumer Behavior Survey Data" (Report by iiMedia Research, 2026/01)

According to a report by QinCe Consumer Research, domestic beauty brands are rising in popularity, with growth rates exceeding those of international brands.

- Based on retail sales, the domestic cosmetics market size grew from RMB350.2 billion in 2019 to RMB466.4 billion in 2024, representing a compound annual growth rate (CAGR) of 5.9%. It is projected to continue rising at a CAGR of 7.9% from 2024 to 2029, potentially exceeding RMB681.3 billion in 2029, significantly outperforming international brands operating in China.
- From an industry development stage perspective, the current Chinese cosmetics market is highly similar to the early stages of developed Asian markets such as Japan and South Korea. Data shows that in 2024, South Korean and Japanese domestic cosmetics brands held local market shares of 83.0% and 73.2% respectively, dominating their domestic markets, while Chinese domestic brands currently hold a market share of 49.9% in China, indicating significant potential for future growth.

China’s cosmetics market size, categorized by domestic and international brands (2019 – 2029)



数据来源：国家统计局，企业招股书，弗若斯特沙利文，勤策消费研究

Chart legend: in dark blue, Chinese brands (unit: RMB100 million); in light blue, international brands (unit: RMB100 million); brown line: Chinese brands market share (%).

Sources: National Bureau of Statistics; Corporate prospectuses, Frost&Sullivan; QinCe Consumer Research

Data shows that in 2025, among the main factors Chinese consumers considered when purchasing cosmetics, product efficacy was the most important factor, accounting for 50.51%, indicating that consumers have high expectations for the actual effects of cosmetics. Product ingredients ranked second with 43.83%, indicating that consumers attach great importance to product safety when purchasing cosmetics. Brand ranked third with 38.51%, demonstrating that brand influence plays an important role in consumer decision-making. iiMedia Research analysts believe that the current market has entered a rational consumption stage where “efficacy is king,” and brands should focus on product research and development and ingredient innovation, building a professional image to win consumer trust.

C. Market environment of the aesthetic medicine

With the continued development of the medical aesthetics industry, the Chinese government has introduced a series of measures across all stages of the value chain to streamline operational processes for companies and clinics. Beyond regulatory oversight, the industry itself is progressively strengthening a self-regulatory ecosystem in response to policy guidance. A collaborative framework—led by industry associations, medical aesthetics platforms, and brand manufacturers—is increasingly promoting a more standardized and transparent market environment.

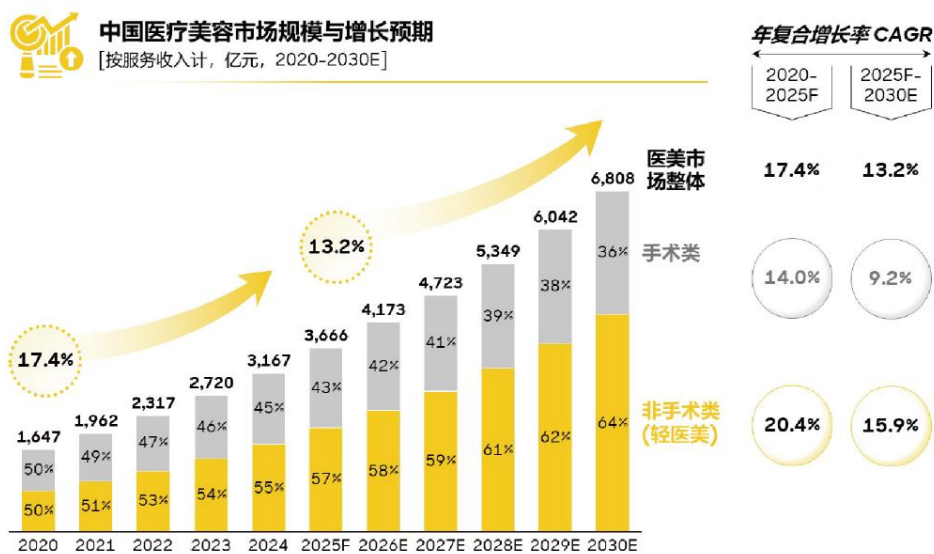
According to a 2024 survey by the International Society of Aesthetic Plastic Surgery, China ranks third globally in the number of plastic surgeons. However, compared with more mature markets such as South Korea and the United States, the penetration rate of cosmetic procedures in China remains relatively low. Backed by decades of development and strong consumer trust, these mature markets have established significant competitive advantages in medical aesthetics.

As China’s economy transitions from high-speed growth to high-quality development, consumer demand for “beauty” continues to rise. The medical aesthetics market is undergoing a critical shift—from rapid, explosive expansion toward high-quality, more sustainable growth.

According to estimates by the Roland Berger strategy consulting firm, the medical aesthetics market has expanded at a compound annual growth rate of 17.4% since 2020, reaching nearly RMB370 billion by 2025. The industry is gradually transitioning from a “niche consumption” category to a form of “mass health consumption.” Although growth is expected to moderate slightly after 2025, it is still projected to maintain a CAGR of 13.2%, with total market size approaching RMB700 billion by 2030—nearly doubling compared to 2025.

From a structural perspective, the share of non-invasive (light) medical aesthetics is expected to increase steadily from 50% in 2020 to 64% by 2030. This trend reflects the rise of “self-indulgent” consumption, where low-invasive procedures with natural-looking results are becoming the preferred choice among consumers.

China’s Medical Beauty Market Size and Growth Forecast (based on service revenue; unit: RMB100 million; 2020-2030E)



Sources: 2025 Aesthetic Medicine White Paper (data from Statista, report from Roland Berger&Meituan, 2025/8)

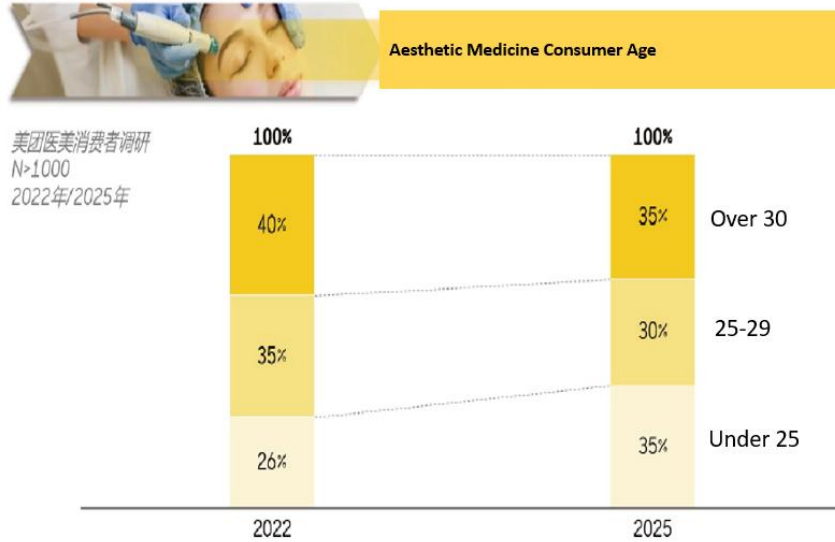
As medical aesthetics consumption concepts continue to gain traction, the consumer base is exhibiting a trend characterized by “youth dominance, with middle-aged and older groups following suit.” Data from Meituan indicates that individuals aged 20–29 remain the core segment of medical aesthetics consumers, consistently accounting for a share of over 55% from 2022 to 2024. Within this group, the 20–24 “Gen Z” cohort peaked in 2023, representing as much as 29.4%.

In addition to adult consumers, minors are also seeking medical aesthetics procedures, typically with the support and accompaniment of parents or relatives, taking advantage of school holidays or transitional periods such as before further

education.

Data from 2025 also shows that the average age of existing medical aesthetics users is 32.8 years, with the 26–35 age group comprising a combined 60% share. This indicates that non-surgical (“light”) medical aesthetics has become deeply integrated into the daily appearance management routines of the younger generation.

Changes in Consumer Age Distribution, 2022 vs. 2025 (Unit: %)

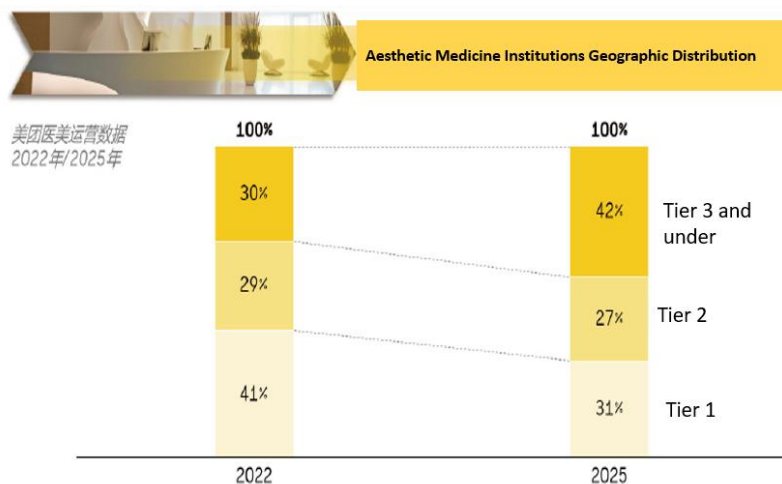


Source: 2025 Aesthetic Medicine White Paper (data from Statista, report from Roland Berger&Meituan, 2025/8)

From a geographic perspective, medical aesthetics consumption is showing a clear trend of expansion into lower-tier markets. According to data from Meituan, between 2022 and 2025, the share of medical aesthetics institutions located in second-tier and lower-tier cities increased steadily from 59% to 69%, reflecting robust demand growth in these lower-tier markets. Among them, growth in third-tier and below cities has been particularly pronounced, rising from 30% to 42%, highlighting the increasing penetration and normalization of medical aesthetics consumption.

From the consumer structure perspective, in 2025, the proportion of registered consumers from second-tier and lower-tier cities has also continued to rise, further confirming the expanding reach and deepening penetration of medical aesthetics in these markets. Looking ahead, lower-tier markets are expected to become a key growth engine for the medical aesthetics industry, contributing to a more balanced and diversified industry structure.

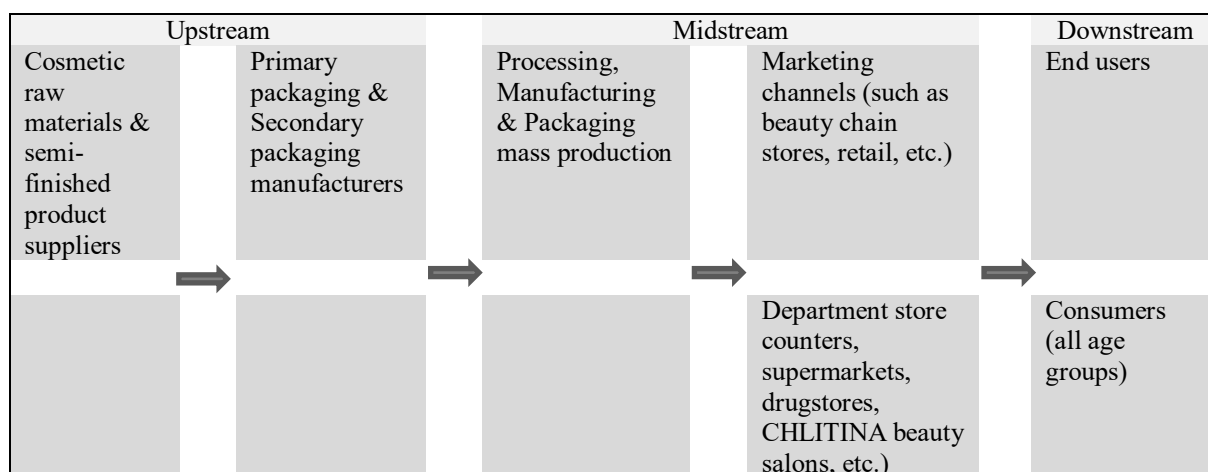
Changes in Consumer Geographic Distribution, 2022 vs. 2025 (Unit: %)



Source: 2025 Aesthetic Medicine White Paper (data from Statista, report from Roland Berger&Meituan, 2025/8)

(II) Correlation among the Upstream, Midstream, and Downstream of the Industry

At present, the Company mainly deals with the distribution of anti-aging, anti-wrinkles professional products, professional skin care products, home care products, among other beauty products. Cosmetics manufacturers and brands belong to the midstream of the industry. The upstream of the industry consists of mainly suppliers for cosmetic raw materials, manufacturers of semi-finished products, and manufacturers of filling containers and packaging products. The midstream includes processing, manufacturing, packaging, and mass production and marketing channels such as dealers, distributors, franchised stores and other marketing channels. The downstream is consumers of all age groups. The correlation among the upstream, midstream, and downstream is as follows:



(III) Various Development Trends of Products

A. Products future development

Since Chlitina first entered Mainland China in 1997, it has been devoted to the research and development of skin care products that suit “Chinese” and “Asian” people best. Given the vast territory of Mainland China, in particular the significantly different climates between the north and the south, the policy adopted by first-rate manufacturers in Europe and America towards introducing single products is never sufficient to address the needs for care and conditioning of make-overs in various areas throughout China.

The company dedicates itself to seeking the application of the skin concept, “medicine-oriented, beauty for use” by the means of providing professional skincare solutions to women who are plagued by various skin problems. Through the introduction of advanced technology in the industry and focusing on consumer groups targeted in different market channels, the company will continue to launch new products to broaden the distribution of product lines.

With its R&D belief, products of the Company may be divided into the following major aspects:

a. “Anti-aging and Rejuvenation” as the main focus

Fighting the signs of time has been the dream of humankind since its very beginning. It was so in the past and will remain so in the future. The dream has never changed. How to research and develop a series of complete skin care products suitable for the skin of Asian people, and for Chinese people in particular, in order to satisfy women’s needs for remaining young and fighting the aging process in the China market has therefore become the highest guiding principle for Chlitina in product research and development.

In terms of product research and development, Chlitina has come up with a series of products to take care of the three major steps “skin purification → repair → regeneration.”

In recent years, Chlitina has moved from beauty to holistic health and beauty. We not only apply the skin care concept of “medicine-oriented, beauty for use” to beauty, but also founded K&S Biomedical in 2023 to further develop products for

the field of holistic health. The Company has also obtained a sole license to introduce its strategic investee General Biologicals Corporation's P113⁺ oral care product series and U-Neuron Biomedical Inc.'s Exocare series that contain deer amniotic fluid extract (INCI name: D-AFE[®]). The Company is actively carrying out all aspects of product deployment and strategic transformation and upgrading. In the future, we will continue to work with the world's top laboratories, academia, and medical industry in R&D projects for stem cell development, anti-aging, and regenerative medicine, and make a number of strategic investments in the biotechnology, medical, and anti-aging industries.

b. Reinforced "Professional and Precise Skin Care" Regimens

In light of the fact that Chlitina is a well-known professional beauty franchise group for medium-to-high-end customers in China, in order to further differentiate between and emphasize the efficacy of "professional and precise skin care," besides researching and developing "home care products," a series of professional beauty salon care packages are developed to be used in combination with professional instruments, such as the "Hydra Intensive Expert" set, the "Timeless Youthful Complexion" set, and the "Extreme Clear White Expert" set. With the assistance of professional instruments, optimal results are obtained in a non-invasive way and make possible "suspending time at the most beautiful moment."

c. Offering comprehensive, timely products to create service and product differentiation, and to bring maximum effectiveness in skin care.

1) Home care products

The emphasis is placed on basic skin care while at home so that the skin gets the needed care and time to repair around the clock, with the extra benefits of convenience and autonomy. Home care product lines allow for non-stop care around the clock to extend the results of professional beauty care regimens and to yield twice the results with half the effort. The products focus on "moisturizing, repairing, conditioning, and anti-wrinkle". Product lines such as the Classic Series can totally satisfy the skin's daily care demands. In terms of moisturizing, facial solutions that provide benefits ranging from brightening to moisturizing are the primary products. The cell anti-aging, regenerative medicine-grade, Skin Radiance Refining Series, directly targets the root cause of skin aging, activating skin cell's natural self-healing power. It utilizes the patented ingredient deer amniotic fluid extract (INCI name: D-AFE[®] combined with golden ingredients including PDNR and adenosine to activate cell signaling pathways. The Youthkeeper Series combats signs of aging with a powerful team of nanopeptides and T+Nano micro-encapsulated actives, precisely targeting wrinkles, sagging skin and puffy eye contour. The product portfolio also includes highly moisturizing and brightening serums and creams such as the exquisite bestseller EPO cream. The Classic Series balances metabolization of keratin and keeps the skin barrier intact and hydrated to effectively correct aging and dry skin. It moisturizes and locks in water, to repair cracks caused by dryness. The premium Fantasia series reaches the deep layers of skin to ensure perfect moisturization and repair aging skin or to realize deep whitening, among other skin care benefits. The Chliwhite series breaks down excessive pigmentation to create beautiful, glowy and toned skin. The Primrose facial cleansing series includes patented technology to extract the essence of the primrose plant while the Primrose Vital-Active Complex activates skin's natural defense through the combination of primrose seed extract, primrose oil. Its unique water-oil proportion multiplies the repair effects as it better penetrates into the basal layer of skin to strengthen the skin barrier, to stimulate synthesis of collagen, and to reduce the formation of free

radicals, leaving skin shiny and moisturized from the inside out.

2) Beauty Salon Professional Conditioning Regimen

The focus is put on combinations that require the use of professional instruments. Expert beauty consultants examine the skin through professional equipment to identify the cause of customers' skin issues in order to design personalized care regimens. The products are applied to the skin with high-tech, safe instruments for comfortable, highly efficient, and non-invasive treatments delivered by professional beauticians.

Product sets such as the Hydraskin Intensive Expert set, the Extreme Clear White Expert set, the Instant Rejuvenating Eye Expert set, and the Timeless Youthful Complexion set, feature mainly moisturizing, activating, wrinkle-smoothing, and skin-lifting effects.

3) Body Meridian Care

Products are designed around the principles of traditional Chinese medicine and combined with cutting-edge medical technology from Europe to achieve optimal results. This innovative East-meets-West concept employs skilled techniques to unblock meridians and utilizes high-absorption pure essential oils to promote deep tissue relaxation, improve muscle blood circulation, soothe the mind and body, alleviate shoulder and neck discomfort, and relieve back pain and inflammation. Ingredients are high-quality plant extracts sourced from Europe and North America.

4) Anti-sensitivity and Repairing Skin Care Products

In response to seasonal changes that can lead to skin sensitivity, redness, cracking, and difficulty for make-up to stay on, the Company places particular emphasis on enhancing the defensive protection of skin. Ordinary skincare products tend to give rise to irritation and pain, and may even trigger serious skin disorders. CHLITINA's primary focus is enhanced skin protection and strengthened skin metabolism. The best-selling Protein Cream and E.G. Cream, among other star products, have withstood the test of time and market scrutiny, establishing themselves as trusted and representative products.

5) High-End French Luxurious Rose-Infused Facial Care

Inspired by the philosophy of Trotula of Salerno, the first female physician in medieval Europe, who was also an expert botanist, the Le spa Jolie Rose line was developed in collaboration with a French laboratory. It features a premium complex of whole-rose anti-aging extracts combined with the rich fragrance of French roses. Thanks to a patented technology preserving the rose extracts' activity, the entire series offers a highly effective and pleasurable skincare experience. The signature fragrance of the series was crafted by French perfumers. The Le spa Jolie Rose line comprehensively addresses early signs of aging, delivering resilient, smooth, radiant skin. Additionally, it has been honored at the prestigious "Victoires de la Beauté" in Paris, France, with a Top Innovation score, and was highly praised by French consumers.

6) Luxury French Aromatherapy Body Care Products

Inspired by the concept of "healing the skin and soothing the mind," the Company collaborated with a French laboratory to develop products specifically for women experiencing dry, sagging skin and mental fatigue. Combining the classic aromatherapy traditions of the West with modern technology, our products offer a holistic approach to healing the body, mind, and spirit. Using the purest and most natural plant essences, our luxurious French aromatherapy creates a warm and enchanting atmosphere that relaxes the nerves, soothes the soul, and allows skin to rejuvenate and repair itself in a state of comfort and pleasure, awakening positive energy within.

7) Facial Care Products for Oily and Acne Skin Developed by an Authoritative German Laboratory

To solve the recurring acne issues faced by some consumers, the Company has sourced and introduced products developed with a renowned German research institute. *Spirulina platensis*, the main active ingredient in the products, has extraordinary antibacterial and repair benefits, targeting the root cause of inflammation, and healing acne-prone skin. The products are also applicable to oily skin, helping to prevent future acne breakouts. The efficacy of the series won numerous recognitions from consumers and recommendations from dermatologists abroad.

8) Pure Essential Oil Products for Family Well-Being

Sourced from high-quality natural plants worldwide, our essential oils capture the pure life force of these plants. Combining traditional aromatherapy principles with modern technology, our products blend Eastern and Western philosophies. Each product contains genuine essential oil energy, offering unique aromatherapy benefits that promote natural balance, alleviate discomfort, safeguard the health and well-being of the entire family, and enhance overall quality of life.

9) In-Depth Research on Human Microbiota to Build a Healthy Barrier

In recent years, the impact of microbiota on human health has been brought to the forefront. CHLITINA has introduced a brand-new concept of “water, micro-ecology, regenerative medicine,” emphasizing that human health and beauty are holistic cycles that start from within. The human microbiota system includes the oral cavity, skin, urinary tract, and gut, which host a vast array of microbial communities. These microbes coexist with the human body, promoting immune and physiological functions. However, an imbalance in these microbial communities can disrupt the microbiota system, leading to various health issues.

Working with Boston University and the Microbiology Laboratory of General Biologicals Corporation in Taiwan, CHLITINA developed a product series for the balance of oral and skin microbiota that is suitable for all people, including the elderly and the young, around the patented antimicrobial ingredient P113. The featured ingredient, P113, is an active antimicrobial peptide granted more than twenty patents in Europe, America, and China that can gently inhibit harmful bacteria and keep beneficial ones to maintain the balance of microbiota. In skincare, through the comprehensive use of these products, we provide deep and gentle alternative care. This not only maximizes the products’ effectiveness but also allows the skin to rest and recover appropriately. Our products embody the characteristics of being “professional, personalized, comprehensive, and timely,” promoting the skin’s natural processes of purification, repair, and regeneration, ultimately achieving the goals of anti-aging and rejuvenation.

10) Innovative Regenerative Medicine Skincare Ingredients, Using Biomedical Technology for Anti-aging

The Chlritina Group has teamed up with its strategic investee in Taiwan, U-Neuron Biomedical Inc., which is a leader in amniotic fluid stem cell research. The company holds the world’s first patented technology for culturing amniotic fluid stem cells, making it the only biomedical company that owns the technology and patent for amniotic fluid stem cell isolation and culture, which has undergone GTP inspections for clinical trials by Taiwan’s Food and Drug Administration. U-Neuron Biomedical Company’s “Deer Amniotic Fluid Extract D-AFE®” has received INCI cosmetic ingredient certification from the

U.S., EU, Japan, and Korea, making it an internationally recognized ingredient. Lately, the Company has also cooperated with the North American medical aesthetic chain VLSC Group, based in Canada, to apply medical aesthetic-grade skin care products using D-AFE[®] in its treatments. In Taiwan, Company's subsidiary K&S has launched the "Exocare" series utilizing the patented ingredient.

The D-AFE[®] is obtained through amniocentesis performed on female deer at 16-20 weeks of gestation during preparturition check-ups, ensuring a cruelty-free, harmless, and ethically sound process. The fluid is then processed in a state-of-the-art laboratory equipped with liquid nitrogen storage at -196°C, where the precious ingredient is extracted with a success rate of one in a million. This extract promotes refined skin texture, repairs skin damage, and smooths wrinkles.

All of the above fully demonstrate the characteristics of the Company's attitude towards product development: professionalism, personalization, wholesomeness, and efficiency. These products promote the skin's spontaneous physiological cycles of purification, repair, and regeneration, to fulfill the ultimate goals of anti-aging and rejuvenation.

B. Future Beauty Market Trends

The Mainland China market is the main growth market for the Company. With beauty service regulations upgraded by the government, requirements for the quality of services provided by beauty salons have increased. This further enhances the entry criteria for beauty salons and it helps with the development of large professional beauty franchises such as CHLITINA.

(III) Changes to Company Operations in the Future

To address the rapidly expanding demand on the Mainland China market for skin care products and services, the Company is engaged in the following changes regarding its operations in order to increase its competitive advantages:

A. Reinforcing "market-end training" ability

In light of the large size of the Mainland China market and the difference in local culture, customs, and skin conditions, as the number of franchised stores keeps increasing throughout the nation, the management of the franchise brand also needs to be "localized" in terms of mindset and service model. The Company provides advanced training at its headquarters as well as guidance programs in its regional centers around the country. The headquarters strategically arranges senior lecturers to provide educational content based on market operation strategies, including new product knowledge and store opening support. Courses cover various topics such as corporate culture, brand image, product upgrades, store management, sales techniques, and career planning. After assessment by the headquarters, qualified regional lecturers then adapt and deliver these courses to franchisees and staff in their respective areas, considering local factors such as climate, environment, and customs. This approach aims to achieve both professional standardization and regional educational guidance. This method effectively reduces the cost of transportation incurred for and time spent by the trainees and significantly cuts down corporate operational expenses as well. Meanwhile, it helps enhance the proactive learning attitude of the staff, who then apply what they learned quickly in store operations and marketing strategies.

B. Expanding the CHLITINA beauty franchise network

The Mainland China market is divided into advanced, well-off, and developing areas. In the future, Chlityna will make the best of its powerful brand notoriety and flexible distribution strategies to further increase its market share. For Taiwan and Southeast Asia markets, store expansion will be expedited and product structure will be

optimized. Franchise management strategies will be improved and adapted to local developments so that brand awareness may be deepened.

C. Improving R&D capabilities

Outstanding product quality best guarantees winning out on the market. Therefore, we intend to strengthen the Company's R&D capabilities and to recruit more talent.

D. Diversifying its business model

With the development of e-commerce/IOT/aesthetic medicine/regenerative medicine in China, consumers spending habits are evolving, and the Company must adapt its business model to this changing environment. By operating its Xinmeili e-commerce platform and its medical cosmetology clinic Up Lider, in recent years, the Company managed to diversify its management through IOT, and to set foot into the high-end aesthetic medicine industry with advanced AI technology and regenerative medicine, continually bringing about new momentum for the Company's revenue.

(IV) Competition

A. Differentiation in market size

Due to the increase in consumer spending power and the impact of inflation in China, commercial real estate prices have soared, leading to a sharp hike in the cost of opening a store, which puts a barrier to quick expansion for new entrants. This is also why with the current market size and annual growth rate, among other competitive advantages, it is uneasy for competitors to surpass us.

B. Autonomous product R&D capabilities

Back in 1989, when the Company was first established, it was already the first to introduce the idea of researching and developing "PH 5.5" skin care products. After 2000, this idea has gradually been adopted by leading international brands in terms of product development. The Company dedicates itself to seeking the application of the skin concept, "medicine-oriented, beauty for use" by the means of providing professional skincare solutions to women who are plagued by various skin problems. Through the introduction of advanced technology in the industry and focusing on consumer groups targeted in different market channels, the Company will continue to launch new products for beauty and health to broaden the distribution of product lines. Unlike many of our competitors in China which continue to operate relying mainly on purchased products, the Company's independent R&D capabilities can not only better address customers' needs but are also more advantageous.

C. Brand advantage

In November 2011, the Company's brand English name, CHLITINA, and its Chinese name "克麗緹娜" were both given the "China Well-Known Trademark" by the State Administration for Industry and Commerce of the People's Republic of China, making it the one and only company with two Well-Known Trademarks among beauty franchises in Mainland China. Meanwhile, CHLITINA, the only brand in the beauty industry to appear in the "Top 25 International Brands in Taiwan", won the award nine times from 2015 to 2024.

D. Digital health and beauty

In recent years, the Company has implemented digital transformation, using digital tools to explore innovation in cosmetology services. In addition to traditional aesthetic medicine services, the Company also leveraged its R&D achievements and advances in artificial intelligence and set foot in the high-end cosmetic medicine industry by taking advantage of advanced artificial intelligence and regenerative medicine. The aim is to create a digitalized Health and Beauty chain beyond basic beauty services.

E. Brand internationalization

In Southeast Asia, we will deepen brand awareness and expedite store network expansion. We will reach out to local beauty markets by adapting franchise

management strategies to local conditions. Furthermore, we will research and develop beauty and health products that are suitable for local consumers.

3. Overview of Technology and R&D

(I) Technical Level and Research and Development

The Company develops products with unique formulations and manufacturing processes that are tailored to market segments, making them impossible to replicate in either quality or efficacy. Unlike many cosmetics companies on the market that rely on suppliers for formulation and are limited by specific manufacturers for raw materials, we have full control over our costs and can make independent changes to our formulas. The enriched formula development experience enables the design of products with the best CP ratio according to the market price, while our manufacturing technology ensures smooth production, stable quality, and improved production efficiency.

The Company adheres to the philosophy of “medicine-based, beauty-focused” skincare by providing professional skincare solutions to women who are plagued by various skin problems. Through the introduction of advanced technology in the industry and focusing on consumer groups targeted in different market channels, the Company will continue to launch new products tailored to different consumer segments across various channels, expanding our product line. Different products launched through different channels can satisfy the needs of different consumers for personalized skincare and healthy lifestyles to the greatest extent.

(II) R&D Personnel and Their Education/Experience

As of the end of 2025, the Company had a total of 18 R&D personnel, all with higher education qualifications. Five had a bachelor’s degree, and 12 had a master’s degree. The distribution of employees and their educational backgrounds is shown below:

Item	End-of-year number of people	Education		Years in employment on average
		University/college	Master’s degree	
End of 2023	15	5	10	7.36
End of 2024	17	5	12	7.40
End of 2025	18	5	13	7.71

(III) Annual R&D Spending Over the Past 5 Years

Unit: NT\$1,000; %

Item \ Year	2021	2022	2023	2024	2025
R&D Expenses	32,922	31,015	19,616	16,375	13,172
Net Operating Revenue	5,271,313	4,069,210	4,534,771	4,066,587	3,878,155
R&D Expenses to Net Operating Revenue Ratio (%)	0.62	0.76	0.43	0.40	0.34

(IV) Technologies or Products Successfully Developed Over the Past Five Years

Year	Item/product name
2020	<ul style="list-style-type: none"> -Royal Garden Series -Timeless Youthful Complexion Treatment Set -Establishment of a testing platform for cosmetics active ingredients -Multi-effect peptide essence -CHLITINA Youthkeeper Serum -We worked with the Institute of Biomedical Engineering, Tsing Hua University, in a research project with applications in cosmetics and received a subsidy from Ministry of Science and Technology.
2021	<ul style="list-style-type: none"> -Applied for patent relating to Bletilla formosana callus stem cell extract (Taiwan/China/USA) -Collaborative Project with the Institute of Biomedical Engineering, NTHU in Taiwan and publication in international journals -Mavros Scalp Care series (17sku)
2022	<ul style="list-style-type: none"> -Taiwan invention patent (No. I767559) was acquired for our research on Bletilla formosana callus -CHLITINA Youthkeeper Serum 2.0, CHLITINA Youthkeeper Mask 1.0, CHLITINA Youthkeeper Eye Serum -CHLITINA Intense Moisturizing Toner -CHLITINA Water Gel/Spray -CHLITINA Isis Shampoo, CHLITINA Isis Hair Conditioner
2023	<ul style="list-style-type: none"> -CHLITINA Skin-Tightening Cream, CHLITINA Intense Moisturizing Lotion -CHLITINA Anti-wrinkle Eye Serum -CHLITINA Youthkeeper Eye Essence, Youthkeeper Mask, CHLITINA Youthkeeper Serum 2.0 -Up Beauté Repair Spray, Repair Lotion, Repair Mask -CHLITINA Sunshine Cream (certified) SPF 50+ PA++ -CHLITINA Whitening Sun Protection Lotion (double certified) SPF50+, PA+++
2024	<ul style="list-style-type: none"> -Up Beauté Repair Mist, Up Beauté Repair Lotion, Up Beauté Repair Mask -3DR Water-Resistant Sunscreen SPF50+PA++++ (K&S) -CHLITINA Daybreak Cream SPF50+PA++ -Sun Passport Sunscreen (Weishuo) -K&S Exocare Visage Refining Cream, Exocare Eye Cream -Advanced Lightening Gel Cream, Advanced Intensive Lightening Essence Oil, Advanced Lightening Essence Gel, Advanced Lightening Mask - CHLITINA Skin Radiance Refining Series (Home care): Activating Serum, Silky Firming Cream - CHLITINA Skin Radiance Refining Series (Professional treatment set) - Chinese invention patent obtained for “Bletilla striata dedifferentiated cell extract and its uses in cosmetic products.”
2025	<ul style="list-style-type: none"> -Whitening Sunscreen SPF50 PA++++ (Special certification). This is the Group’s first product to obtain both whitening and sunscreen special certifications. -Research findings related to Bletilla striata. -Research on independently developed natural active ingredients from Oroxyllum indicum, Cordyceps Chanhua extract, etc.

4. Long and short-term business development plans

(I) Short-term plans:

A. The Company's vision is to create a trustworthy and shareable beautiful life by focusing on four strategic pillars: brand leadership, product excellence, dual-core drive, and customer success. In terms of business model, the company is transitioning from a product-oriented management model to a customer-value-oriented model, aiming to provide high-quality products and services that meet the needs of customers throughout their lifecycle.

B. In the professional channel, in line with the group's strategic layout, we will help franchisees improve store management to raise profitability and increase the overall quality of the channel in the constant pursuit of long-term robust growth.

In Mainland China, we will actively explore the consumption potential and consumers' needs in blank markets, and continue to strengthen the management at every level in each area.

While increasing the speed of expansion, we will also strive to raise the quality of stores.

In Hong Kong, Taiwan and Southeast Asia, we will deepen brand awareness and accelerate the expansion of our store network. We will adapt to local conditions by improving and enforcing customized franchise management strategies. Furthermore, we will research and develop beauty and health products that are suitable for local consumers.

C. Through its e-commerce channel, the Company aims to optimize product structure and upgrade consumer concepts. The Company introduced its "HOMESPA" concept to develop a round-the-clock, location-independent marketing approach, enhancing channel construction and product coverage.

D. In the field of aesthetic medicine, we have promoted the development of our own aesthetic medical clinics. Combining aesthetics, medicine, and science, we are providing consumers with comprehensive services to help them stay beautiful, healthy, and resistant against aging. We also set foot in the high-end cosmetic medicine industry, taking advantage of advanced artificial intelligence and regenerative medicine to bring additional momentum to the Company's revenue.

E. For the Nail and Eyelash salon channel, we will maintain the features of our brands, make use of the segmentation of the products and services, and continue to provide the best and premium services in the industry, optimizing management performance, and increasing operating revenue.

F. Corporate sustainability and implementation of ESG initiatives: While continuously striving to improve business performance, the Company has continued to fulfill its corporate social responsibility for more than a decade as a responsible and warm leader in the beauty industry. We deeply integrate our brand culture and public welfare philosophy into our actions. Our Light Up Charity Foundation covers many fields such as public welfare, reading, environmental protection, and cultural activities, fully demonstrating the corporate culture of "love and sharing" and achieving in-depth connection and emotional resonance with the public. Currently, all the Group's business units continue to carry out ESG implementation tasks, including the completion of the greenhouse gas inventory and reduction plan, disclosure of TCFD information, company information security, talent management, social welfare, and product carbon footprint reduction, which are summarized in the Company's ESG Sustainability Report.

(II) Long-term plans:

A. Enhance the R&D capabilities and continue to develop specialized high-end quality products for specific channels and different consumer segments.

B. Continue to deepen the content of the brand, maximize brand influence, reinforce consumer loyalty and franchise store stickiness.

C. Adjust to the macro environment to implement suitable sales and management strategies.

D. We will continue to promote the development of our e-commerce network to achieve

around-the-clock, ubiquitous marketing, and to adapt to the habits and preferences of consumers for the continuous expansion of the business scale.

E. We will leverage innovative AI technology and regenerative medicine to extend our reach into high-end aesthetic medicine products and create new revenue channels for the Company.

F. We adhere to the business philosophy of “stability and pragmatism,” undertake corporate social responsibility, pursue corporate sustainable development, carry out and implement ESG corporate sustainability plans and tasks, and introduce core ESG ideas to all employees, product development, channels, brand concept, and other aspects. The Company participates in social welfare activities, pays attention to the earth’s ecological environment and maintains social and ecological balance to achieve the goal of sustainable operations with a positive attitude and the spirit of continuous improvement.

II. Market and Distribution Overview

1. Market analysis

(I) Revenue by region

Unit: RMB1,000; NT\$1,000

Item	2024			2025		
	RMB	NT\$	%	RMB	NT\$	%
Mainland China	875,061	3,899,006	95.88	858,888	3,717,869	95.87
Others (Note)	37,610	167,581	4.12	37,029	160,286	4.13
Total	912,671	4,066,587	100.00	895,917	3,878,155	100.00

Note: “Others” include Taiwan and Vietnam

(II) Market Share

According to iiMedia Research, the market size of China’s overall cosmetic industry in 2025 was evaluated at RMB 579.1 billion, with a year-on-year expected increase of 5.6%. Based on the Company’s 2025 annual revenue of RMB 896 million, its market share was less than 1%. The revenue of the Company as shown above, however, does not include income from services provided to end consumers at franchise stores, nor was it calculated based on the final retail price of the products. If the final retail price on the market were used to calculate the Company’s sales, income from services provided to consumers at franchise stores would still not be included. According to internal statistics, the Company’s total sales, including those from franchise stores, reached approximately RMB 3.1 billion in 2025, accounting for around 1% of the overall cosmetics market in Mainland China.

The beauty brand “CHLITINA” features specialized beauty services provided through the Company’s franchise system and has quickly expanded on the market. At present, it is already one of the largest beauty franchises in Mainland China. In light of the gigantic development potential of the beauty sector in China, the fact that consumers are paying increased attention to brand image, product quality, and efficacy driven by economic development and the increase in income, the Company has complete control of its beauty and skin care products, from the upstream research and development to production and packaging and then the downstream distribution. In other words, the Company keeps sufficient track of the operational values from research and development, production, distribution, brand, and distribution channels and owns a complete industrial chain as well as the advantage of vertical integration.

(III) Future supply & demand and growth in the market

A. Beauty industry

China is the world's largest beauty market. Currently, the Chinese beauty industry has entered a relatively stable growth plateau period. According to Statista data from February 2025, the market size of China's beauty industry (by revenue) grew from US\$54.23 billion in 2018 to US\$69.41 billion in 2024, with a compound annual growth rate (CAGR) of 4.2%. The market size was projected to reach US\$72.41 billion in 2025, and to grow at an average annual rate of 3.8% from 2024 to 2030, reaching an estimated US\$86.72 billion by 2030.

Looking at the sub-markets, cosmetics and skincare products are performing exceptionally well. The cosmetics market is projected to grow significantly at a CAGR of 5.0% from 2024 onwards; the skincare market maintains steady growth, with a projected CAGR of 4.1%. Despite the overall slowdown, the Chinese beauty market still demonstrates strong resilience.

2018-2030 Projected CAGR Growth Rate by Product Category

CAGR	2018-2024	2024-2030 (estimate)
Cosmetics	5.5%	5.0%
Personal Care	3.3%	2.9%
Skincare	4.6%	4.1%
Fragrances	3.0%	3.1%
Overall	4.2%	3.8%

Source: "The "Face" Value Economy: A New Chapter in the Beauty Economy: China Beauty Market Industry Report 2025" (Statista, report by KPMG China Research Institute, 2025/11)

In recent years, the distribution landscape of China's beauty industry has been undergoing profound changes. Driven by both the digital wave and consumption upgrades, online channels have become the core engine of industry growth thanks to their data-driven precision marketing, innovative content-based consumer experiences, and efficient supply chain management. Meanwhile, offline channels maintain their unique competitive advantages through scenario-based experiences, personalized services, and differentiated positioning. This deep integration of online and offline channels—the "omnichannel integration" model—not only meets the increasingly diverse shopping needs of consumers but also restructures the beauty industry's ecosystem, creating greater market opportunities and higher operational value for brands.

The Company has been active in the beauty industry for over 30 years, possessing keen insight into the industry's current state and proactively planning ahead. This includes implementing "digital management," modularizing and standardizing operational metrics to improve the accuracy of various strategies, thereby enhancing operational efficiency and ultimately pursuing growth goals.

Every year, a fixed percentage of expenses is invested in research and development, tailoring professional, high-end, and high-quality new skincare products to specific channels and consumer groups.



Source: “The “Face” Value Economy: A New Chapter in the Beauty Economy: China Beauty Market Industry Report 2025” (Statista, report by KPMG China Research Institute, 2025/11)

B. Aesthetic medicine

China is promoting the development of its medical aesthetics industry through policy support, encouragement of innovation, and the promotion of medical tourism. With the increasing participation of both domestic and foreign players, the Chinese aesthetics medicine industry is showing a trend of continued growth. Government agencies are continuously issuing various regulatory rules for the industry, aiming to promote its development, enhance R&D capabilities, promote medical tourism, and improve service quality.

A new round of innovation and strategic transformation is gradually reshaping the landscape of the industry. From breakthroughs in biotechnology to the use of digital platforms, and to global business expansion, the following trends demonstrate the main pathways for the medical aesthetics industry to achieve rapid and intelligent growth.

New Trends in Aesthetic Medicine

Key emerging themes



Decentralized services via telemedicine

- Aesthetic services will increasingly shift from centralized tier 1 city clinics to digitally enabled **decentralized models**, reaching lower tier cities and rural areas, driven by expansion of 5G and satellite internet in these areas⁹¹
- Platforms such as SoYoung will increasingly integrate AI-driven consultations, allowing users to receive **personalized aesthetic advice remotely**⁹²



Regenerative aesthetics

- Stem cells are used in regenerative aesthetics to repair and rejuvenate skin by promoting collagen production, healing damaged tissue, and stimulating hair growth⁹³
- Exosomes** (nano-sized cell particles that act as a cell-free therapy for skin rejuvenation) are being explored as a cell-free alternative to stem cell therapy for future which may give a boost to the industry⁹⁴



Subscription-based business model

- Subscription-based aesthetic plans may emerge as a future business model trend in the industry wherein clinics will introduce monthly or quarterly packages for injectables, facials, and regenerative treatments
- The subscription model will help ensure recurring revenue, customer loyalty, and predictable cash flow for the businesses⁹⁵





Cross-border expansion

- Chinese medical aesthetics companies are expected to expand into Southeast Asia due to rising demand for aesthetics services in the region
- Companies such as So-Young International are likely to explore cross-border growth through franchise partnerships

"The franchise model will play an important role in future expansion. Thus, we plan to pilot two to three franchise centers in Q4 this year" - Xing Jin, CEO of So-Young International, Jul 2025⁹⁶


Source: Redefining Beauty: Navigating China's Medical Aesthetics Upheaval. (KPMG China Research Institute, 2025/11).






Technology generalization

- The increasing accessibility of technology continues to drive the development of lightweight products. Easy- to-use and short recovery minimally invasive aesthetic products will be more widely adopted and reach a larger population.
- AI will further reshape the entire experience of cosmetic medical services, and is expected to achieve deep personalization in pre-operative consumption, project matching, and effect prediction, providing more accurate and efficient decision-making assistance.



Service standardization

- Through in-depth cooperation among manufacturers, institutions, and platforms, the standardization process of the medical aesthetics market is accelerating, and will upgrade from "wild growth" to "refined governance."
- Regulatory oversight mechanisms will be gradually deepened, developing towards a more comprehensive, detailed and operable direction; at the same time, institutions and manufacturers will collaborate with platforms to impose consumer rights protection mechanisms.



Ecosystem synergy

- Barriers between medical aesthetics, routine beauty treatments, and health management will break down quickly; service touch points around dimensions such as image, health, and lifestyle will expand; an integrated service ecosystem will emerge.
- Institutions, manufacturers, platforms, and consumers will collaborate to build a virtuous cycle centered on user experience, achieving value reshaping and upgrading across the entire value chain.

Source: Sources: 2025 Aesthetic Medicine White Paper (data from Statista, report from Roland Berger&Meituan, 2025/8)

(IV) Competitive niche:

A. Market scale differentiation

The increased purchasing power and inflation in China have resulted in surging prices of commercial real estate and also a sudden hike in the cost of opening a store, which is a barrier to quick expansion for new entrants. The Company, however, operated 4,116 stores across Mainland China as of the end of December 2025 to serve densely populated cities along the southeast coast up to the northwest areas. People in these areas are entitled to consistent quality services provided by Chlitina. We are now a benchmark brand and corporation of scale in the beauty market in Mainland China. Systematic regional management has helped effectively reduce relative store opening costs and created immediate devotion to the market operations which make it possible to leverage our size to accelerate the expansion of operational footprint and sufficiently ensure our leading market position and making it difficult for competitors to surpass us.

In alignment with its overall strategic footprint in Mainland China, and supported by strong nationwide brand recognition and influence, the Company continues to upgrade its products and services, driving the evolution of consumer perceptions. It also strengthens the management of existing franchise stores, enhances their profitability, and improves overall franchise quality, with a focus on sustained, long-term growth. At the same time, it actively develops untapped markets by identifying latent consumer demand. Through region-specific strategies, it reinforces tiered management—maintaining high expansion speed while ensuring the quality of new store openings.

In addition, as of the end of December 2025, the Company operated 223 franchise stores in Taiwan and 19 in Southeast Asia, and both regions are experiencing rapid growth. The Company intends to replicate and improve upon our successful experience in Mainland China in order to realize quick scale-up expansions on other markets around the world.

B. Autonomous product R&D capabilities

The Company has enriched formula development experiences and is capable of designing products with the best CP ratio according to price positioning on the market. Our outstanding product lines include home supplies and professional care packages to support professional skin care regimens.

The Company dedicates itself to seeking the application of the skin concept “medicine-based, beauty-focused” by providing professional skincare solutions to women who are plagued by various skin problems. Through the introduction of advanced technology in the industry and focusing on consumer groups targeted in different market channels, the company will continue to launch new products for beauty and health to broaden the distribution of product lines.

The products of the Company, with its own formula design and development of the manufacturing technique to differentiate itself on the market, cannot be reproduced in either quality or efficacy. Most cosmetics companies on the market have an R&D department that relies on suppliers to provide the formula and have raw materials coming from specific manufacturers. As a result, they cannot change their formulas or raw materials on their own and have no control over cost. Meanwhile, our production facilities are certified by both the UK Intertek GMP and ISO 9001. The quality is highly recognized. The advanced vacuum emulsifying and mixing process and continuous cooling system, the high-speed cutting and mixing process, and the micro-flow collision high-pressure homogenizing process, among other protection technologies, are combined to ensure outstanding quality.

C. Advantages of owning our brands

Brands reflect products or corporate core values. Chlitina, with many years of history on the consumer market in Mainland China, has become a well-known brand and also a high-end and highly well-reputed one. Its consumers are perceived as people with a personal taste and social status. Therefore, it is a successful example that counterparts look up to.

The Company also has pleasant partnerships with all parties concerned, making it a role model in terms of sound and steady operations.

D. Outstanding training capabilities

Training is key to maintaining service quality and winning recognition among consumers. As one of the most capable quality beauty franchises in Mainland China in terms of training, the Company owns a training academy that can accommodate more than 2,000 people at the same time. Since 1997, it has been meant to provide training to quality beauty professionals and talent. Focusing on developing a continuous career path, the training consists of three stages for beauty elites, they are: Basic Training, Beauty Ambassador, and Advanced Adviser. The classes cover different topics, including corporate culture, beauty regimen planning, personal professional image shaping, lecturer education, customer mindset and talking points, store management practice, basic/high-end products and general skin care skills, advanced warehouse management and market exploration ability, business development advanced seminars, as well as new products and skin care knowledge, among others.

For managers wishing to join the franchise, systematic training that is suitable for new and existing store managers is provided and relatively mature franchisees are encouraged to share their successful stories so that new franchisees can get on the right track as soon as possible and devote themselves to operations on the market so that operational risk may be reduced and management may be effectively united.

E. Vertical Integration of the Industrial Chain

The Company manages the entire process from the development and production of skincare formulations to the production and packaging of products and finally the downstream sale of these products. The Company's operational value encompasses R&D, production, sales, branding, and distribution channels, forming a comprehensive advantage in the integrated health industry.

(V) Favorable and unfavorable factors in development prospects and response strategies

A. Favorable Factors

a. Cluster effect of well-known brand franchises

The competition among brands on the beauty market in Mainland China is fierce. With over 4000 physical locations on the Mainland China market, thanks to its years of devotion to the local market and the consolidated brand loyalty established as such, Chlitina effectively benefits from the approval and preference of the general public. Meanwhile, the cluster effect contributes to the "bigger is better" attraction effect so that the corporate territory can be steadily expanded.

b. Strong corporate image

Chlitina received multiple accolades at the 2025 brand Influence Development Conference, including "Benchmark Brand in the Beauty Chain Industry." The Group's CEO Chao, Chen-Yu, was honored as "Leader of the Year," and the brand also obtained a certification recognizing it as the first Chinese beauty brand to globally launch skincare products featuring deer amniotic liquid cells. In addition, Chlitina was named among the "Forbes China Top 100 Beauty Brands (3rd edition)." These recognitions affirm the brand's three decades of sustained investment in brand equity and product development. Looking ahead, Chlitina will continue to leverage its established brand influence and execution capacity to lead the market.

In terms of the sustainable development of beauty products, the Group invests a defined percentage of its investment budget in the development of innovative beauty and skin care products every year. As ESG and environmental sustainability gain global momentum, the Chlitina Group has already taken

preparatory measures. From the perspective of packaging materials, so far this year, more than 90% of product outer boxes are made of sustainably sourced paper that is certified by the EU's FSC (Forest Stewardship Council), and we are moving towards the goal of 100%. Where plastic remains necessary, recyclable materials are prioritized. On the consumer side, by the end of 2025, cumulative recycling volume reached nearly 37 tons corresponding to a reduction of approximately 90 tons of carbon emissions.

Beyond this, Chlitina has deeply integrated its brand culture and public welfare philosophy into its actions. Our "Light Up Charity Fund" covers many fields such as emergency assistance, reading initiatives, environmental protection, and cultural activities, fully demonstrating the corporate culture of "love and sharing" and achieving in-depth connection and emotional resonance with the public. The Group won the "2025 ESG Model Enterprise" and the "2025 Public Welfare Person of the Year Award," which not only represent that the Group's long-term public welfare achievements have been highly recognized, but also demonstrate the Group's warmth and responsibility for caring for society.

c. Mainland China's strategy to increase domestic demand to drive economic and new urbanization

According to the Statistical Communique of the People's Republic of China on the 2025 National Economic and Social Development released by the National Bureau of Statistics of China, the GDP growth rate in Mainland China was 5.0% and the value added by the tertiary industry accounted for 57.7% of the gross domestic product in Mainland China. Driven by multiple factors, such as industrialization, digitization, and the upgrading of residents' consumption, the tertiary sector, especially the service industry, continues to develop steadily. The final annual consumer expenses made a contribution of 2.6 percentage points to the gross domestic product in Mainland China. The urbanization process and increased per capita disposable income of urban residents point to the great potential of the consumer product market in China, especially the cosmetics and service industries.

d. Professional Talent Education

Chlitina owns an educational training center that is about 6,000 square meters in area in Songjiang District, Shanghai City, China. The European-style elegant building and modern hardware space houses various specialized classrooms and dormitories for centralized management. The most professional and advanced service skills and knowledge training is provided. New trainees are introduced to the correct mindset and get familiar with the brand from the start. Focused on continuous career development, the beauty elite training consists of three stages, namely Basic Training, Beauty Ambassador, and Advanced Adviser. Classes cover content such as "basic store management program for new franchisees," "basic/high-end product and general skin care skills," "advanced warehouse management and market expansion capabilities," "business development advanced seminar," "new product and skin care knowledge," among others. Consistent high-quality services are provided to meet the manpower demand while the number of stores keeps growing. Soft and hard skills are upgraded simultaneously. Best results are accomplished by word of mouth and brand visibility. On a market with fierce competition, Chlitina has gradually accumulated a strong potential for explosive market growth.

e. Regulations Governing Services Provided in the Beauty Sector

Chlitina's requirements for systems and guidelines are all in compliance with regulations governing services provided in the beauty sectors promulgated in Mainland China, and through organized education and counseling, more rigid

requirements are communicated in order to stand out in the mist of competition in beauty business.

f. In-house R&D capabilities and regenerative medicine research

- Basic research

Experienced R&D people continuously collect and analyze the latest scientific literature and research reports on skin physiology to be the basis for their research, ensuring product efficacy and forward-thinking innovation. The research includes the mechanisms of aging, the synthesis of melanin, skin hydration and barrier reconstruction mechanisms, and the biochemical pathways involved in allergic and immune responses. Active ingredients capable of antagonizing, promoting, or inhibiting various biochemical reactions are being sought in order to come up with products with powerful and comprehensive formula functionality.

- Formulation Research

Professional knowledge such as interface chemistry and colloid chemistry is flexibly applied to different formulations such as soluble, melt adhesive, dispersion, suspension, emulsion and micro-emulsion, and nano-emulsion to design formulations with excellent permeability, controlled release, sensory appeal, and pleasant fragrance and skin feel.

- Process Research

Different mechanical forces are applied (such as mixing, shearing, shredding, grinding, and homogenization) to realize consistent and steady mass production quality. Senior researchers combine three professional techniques and experiences to constantly develop novel products for which mass production is possible and whose quality is stable.

B. Unfavorable factors and countermeasures

a. Cosmetologist turnover

Professional beauticians are the mainstay of beauty salons, and it takes two years to complete the educational training. However, due to the high turnover rate in the overall environment, beauticians may vary in skills from one another. In addition, fierce market competition increases the turnover rate of professional beauticians.

Response measures:

According to internal statistics, cosmetologists who participate in corporate training sessions at least twice a year have a retention rate over 90%.

Additionally, by shifting from centralized training at the headquarters to regional training across various provinces of China in order to reduce the time and transportation, among other costs. This approach not only enhances the staff retention rate, but also allows for timely updates on product information and the provision of the latest service training.

Chlitina has a complete educational training mechanism. The training available for beauty elites consists of three stages, they are: Basic Training, Beauty Ambassador, and Advanced Adviser. Reinforced learning is provided to meet the needs for market deployment and reflect the learning phase. Intensive educational learning programs are organized to provide complete and long-lasting professional human resources.

b. Changing commodity prices affect operational cost

Chlitina products contain natural plants extracts, and major raw materials include rose, pollen, algae, vitamins, amino acids, and various types of precious plants, and the availability of those raw materials is susceptible to climate impacts, affecting production costs. As far as the packing materials are

concerned, paper, plastic, and glass are also affected by fluctuating crude oil prices, which in turn has an impact on procurement costs.

Response measures:

Despite the fact that the fluctuating prices in plant-based materials and crude oil have slightly driven up the costs of commodities and hardware, expanding the overall operational scale can relatively reduce operating expenses. Besides this, the main source of cost for Chlitina comes from the operational cost of channels that offer high-end services. Compared to product pricing, the cost of raw materials accounts for a relatively small weight for the Company. Meanwhile, enhanced staff organization and training adds to the value of service.

Additionally, by boosting digital technology, remote education and circulation of information, we can also relatively reduce the cost of training.

2. Important purpose and production process of major products

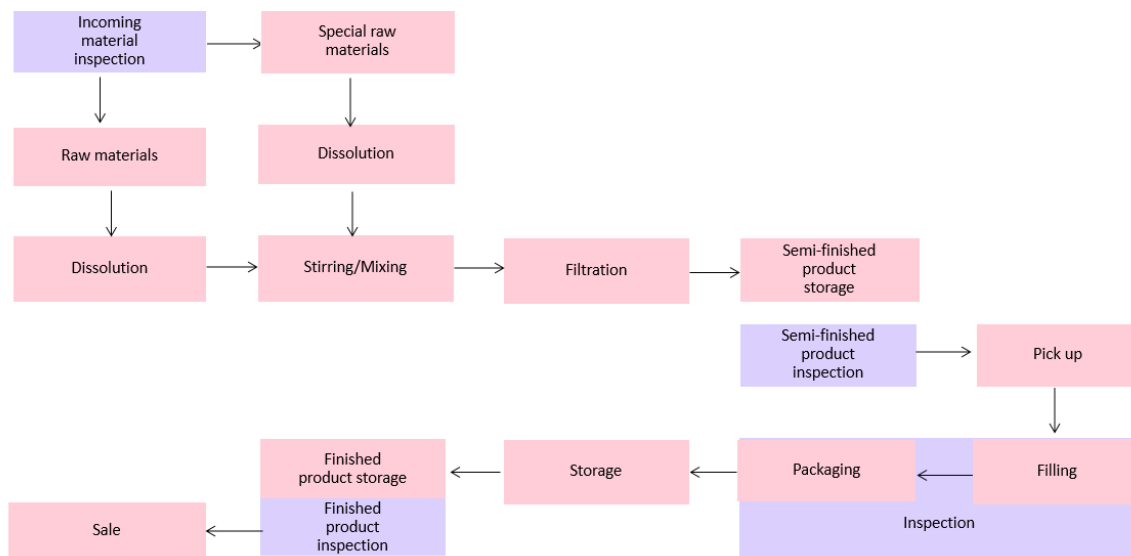
(I) Important purpose of major products

The Company mainly supplies skin care and beauty care products designed for women to use on their face for skin maintenance, whitening, softening, reducing fine lines, and anti-aging effects. The distribution, on the other hand, is done through a brand franchising model. That is, the Company provides franchisees with educational training and helps them train skin care cosmetologists. The Company supplies products to franchised stores and establishes consistent corporate branding. Franchised stores are only allowed to use and sell the Company's products.

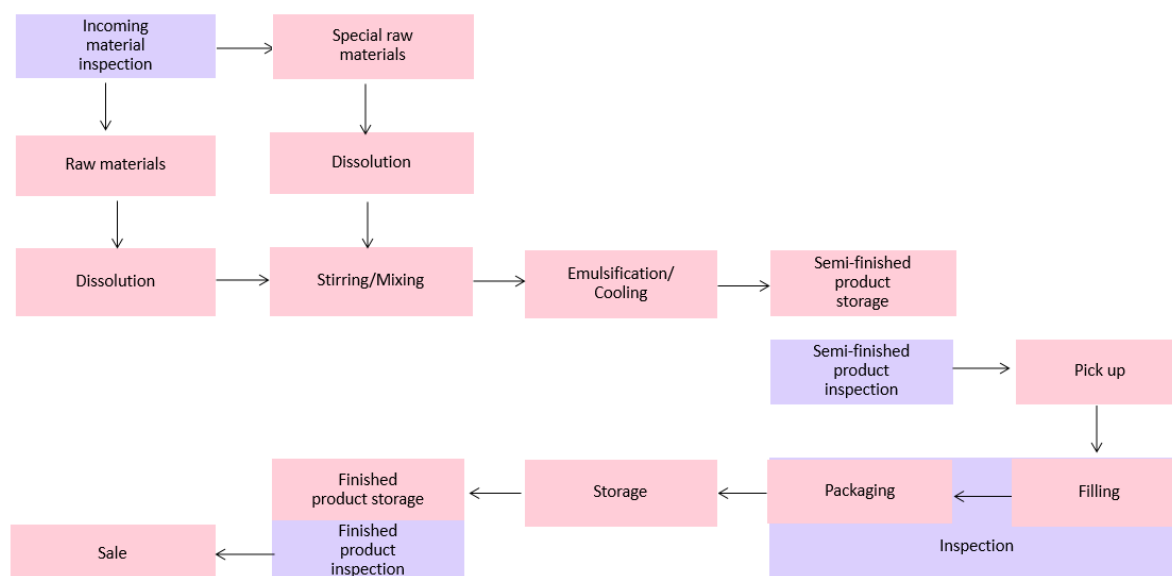
(II) Production process of major products

Production equipment, facilities, and production capabilities are divided into two categories: general liquids (cleansing products, toners and gels), and cream/lotion (skin care and hair care products). The process flow is as follows:

General Liquid Unit Production Flow



Cream/Lotion Unit Production Flow



3. Supply status of main materials

The raw materials procured for the production of our beauty and skincare products primarily include chemical ingredients, semi-finished products, and packaging materials. We have numerous suppliers for these raw materials, and the supply situation has been stable over the past three years. To ensure a steady supply, quality compliance, and competitive pricing, our company not only signs annual contracts with major suppliers to secure the yearly supply volume and obtain more competitive market prices but also actively audits and manages these suppliers. This year, our strategy involves developing relationships with more renowned domestic and international manufacturers and suppliers of raw materials. For each major raw material, we maintain multiple suppliers and have long-standing, positive relationships with them to ensure the stability of our supply sources. We collaborate with our suppliers to achieve mutual growth.

4. Description of major changes in gross profits by primary product or department in the past two years

Unit: NT\$1,000

Item \ Year	2024	2025
Operating revenue	4,066,587	3,878,155
Gross profit	3,371,459	3,183,550
Gross profit ratio	82.91%	82.09%
Change in gross profit ratio	-0.71%	-0.99%

As the change in the Company's gross profit margin in 2025 compared to that in 2024 did not reach 20%, no analysis was made.

5. List of major import and export customers

(I) Suppliers accounting for 10% of total purchases or more in any of the past two years, procurement amounts and proportions, and explanations for increases or decreases:

Our procurement items primarily include chemical raw materials, semi-finished products, packing materials, and health drinks, among others. In terms of chemical raw materials, semi-finished products, and packing materials, we maintain several suppliers and there have been no shortage or disruptions in supply. No single supplier accounted for more than 10% of our total procurement in the past two years and, thus, there was no risk of over-concentration of purchase. Generally speaking, changes in suppliers in the past two years have been reasonable.

(II) Customers accounting for 10% of total sales or more in any year of the past two years and the value and ratio of sales to them, with descriptions of reasons for increases or decreases:

The Company's products are mainly sold in China and the Company is positioned as a franchise brand on the market. We establish and maintain a marketing network through our brand platform, and keep a brand franchise relationship with all franchisees. In recent years, the successful expansion in the business operations of the Company's franchised stores contributed to steady growth in the Company's sales, causing an increase in the number and the decentralization of the Company's sales customers. There are no single sales customers accounting for 10% of the net sales of the Company in the past two years, therefore there is no risk of over-reliance on any single customer. Generally speaking, no major abnormalities were found with sales customers in the past two years.

III. Number of employees in the most recent two years

Item		End of 2023	End of 2024	End of 2025
Number of employees	Manager	145	132	173
	Ordinary staff	671	701	606
	Production line employees	48	48	36
	Total	864	881	815
Average age		38.31	38.15	
Average years of service		5.51	5.88	
Education distribution ratio (%)	Doctorate	0.10	0.11	0.25
	Master's degree	5.40	5.90	6.38
	University/college	78.30	80.26	79.87
	Senior high school and below	16.20	13.73	13.50
	Total	100.00	100.00	100.00

IV. Environmental protection expenditures information

In the overall factory production chain, cosmetics and care products belong to the low-pollution and high-tech, and environmentally friendly business category within the overall production chain. The production focuses on formula research and precise formulation and packaging of biotechnological raw materials. The Company utilizes advanced processes such as vacuum emulsifying and mixing, continuous cooling, high-speed shear mixing, and the micro-flow collision high-pressure homogenization to create marvelous quality care and cosmetic products with pure and clean natural raw materials.

1. As is required by law, for those that should apply for a permit for setting up contamination facilities or a permit for contamination emissions or should pay pollution prevention and control fees or should have an environmental protection unit and staff, the application, payment, or establishment statuses are described as follows:

The Company's subsidiary Weishuo Company has a production factory in Shanghai, China where the ISO 9001 Quality and 14001 Environmental Management System are enforced, and Good Manufacturing Practice criteria are complied with. Meanwhile, it is certified for HACCP (Hazard Analysis and Critical Control Point) compliance. The environmental assessment report was obtained as soon as the factory was first established. Also, because the premises were rented from related party Kelti China and the volume of contaminated water generated during production and to be discharged has yet to reach the criteria of control, it is now discharged into the sewer after having been treated through the water treatment equipment and having gone through biochemistry treatment by Kelti China, and the said related party has also obtained the water discharge permit. In addition, as far as waste treatment is concerned, contracts have also been entered into with qualified waste treatment service providers to ensure periodic treatments.

2. Investments of the Company in major equipment to help prevent environmental pollution and the purposes as well as possible benefits: None.

3. Pollution disputes in the Company's efforts to correct environmental pollution in the most recent two years and up to the publication date of the prospectus and management process: None.

4. Losses borne by the Company due to environmental pollution (including damage compensation and violations of environmental regulations disclosed in the environmental protection audit result, the date of remedial measures taken and the document number, the provision violated, the violations, and the remedial measures taken shall be listed) in the most recent two years and up to the publication date of the prospectus and disclose the possible estimated values and countermeasures at present and in the future. If they cannot be reasonably estimated, describe the fact that they cannot be reasonably estimated: None.

5. Current pollution prevention status and the impacts of pollution mitigation on the Company's earnings, competitive advantages, and capital expenditure, and estimated major environmental protection-oriented capital expenditure in the coming two years: None.

V. Relations between employees and employer

1. Various benefits, continuing education, training, and retirement systems available at the Company and their implementation status and the agreement between the employer and employees and measures on the protection of various employees' rights:

(I) Employee benefit measures and implementation status

The main location of operations for the Group is Mainland China. The Company has set up a Welfare Committee. The benefits provided by the Company include those required by the Laws of the People's Republic of China on Employment Contracts, the Regulations of Shanghai Municipality on Labor Contracts, and labor insurance and health insurance in compliance with the local government's requirements. Besides benefits under the applicable China laws, regulations, and policies, the Company also provides employees with various kinds of allowances, bonuses, vacations, cultural and recreational activities, continuing educational programs, social insurance, etc. For details about employee benefits, please refer to the Promotion of Sustainable Development section (IV. Social issues) of this report and to the Governance / Employee Welfare and Environmental Safety section of the Group's Investor Relations website.

(II) Further education and training status

In order to implement our philosophy of employee training, we continue to devote ourselves to the promotion of talent cultivation and development. In the future, we will keep deepening and expanding the Company's talent development, build a high-quality talent team, encourage employees to actively participate in various learning and training courses, and create a good learning environment within the company.

Training implementation in prior years is described as follows:

A. We have encouraged employees to participate in relevant training provided by various

internal and external institutions in order to provide them with the latest industry and market information. We also actively encourage the diversified development of existing employees.

- B. For new employees, the Company provides comprehensive knowledge, skill and attitude orientations, including but not limited to the Company’s management philosophy, brand culture introduction, business and organizational structure introduction, product and business model introduction, an explanation of the code of conduct and rules and regulations, information security and environmental safety, and financial process explanation.
- C. The “Accelerated Growth Program” enables middle and senior management to enhance their management skills and professional training to enhance their operational capabilities and unlock greater value.

The Company is committed to promoting talent development, deepening and expanding our talent development philosophy, building a high-quality talent pool, encouraging employees to actively participate in various learning and training programs, and fostering a positive learning atmosphere within the workplace.

Training information for the past two years:

Item	2024	2025
Average training hours per month (hrs.)	980	2,169
Average number of trainees per month (person)	429	656
Total training hours for the year (hrs.)	11,757	26,029
Total number of trainees for the year (person)	5,151	7,873

(III) Retirement system and implementation status

Since July 1, 2005, Taiwan Branch of the Group has established the defined retirement contribution system applicable to employees with R.O.C. according to the “Labor Pension Act.” Taiwan Branch of the Group contributes the pension no less than 6% of the salary to the exclusive personal account at the Bureau of Labor Insurance based on the labor pension system of the “Labor Pension Act” selected by the employee. The payment of employee pension is paid on a monthly basis or in a lump sum based on the amount from an employee’s individual labor pension account and the accrued dividends.

The subsidiary in Mainland China contributes the pension based on certain ratio of the employee’s total monthly salary according to the old-age pension system regulated by the government of the People’s Republic of China. The pension of the employees is managed and organized by the government and the Group has no further obligation other than the monthly allocation.

The subsidiary Hong Kong Chlitina implemented the mandatory pension plan for employees hired according to the Employment Ordinance in compliance to the regulations of the Mandatory Provident Fund Schemes Ordinance, Hong Kong. The plan is a pension plan with fixed contribution managed by the independent trustee. In addition, according to the regulations of the plan, the employer and the employee shall contribute 5% of the employee’s relevant income separately. The Group has no further obligations other than the monthly allocation.

The Vietnam subsidiary, Vinh Le/Yong Li, in accordance with the Social Insurance Law and Health Insurance Law, employers are required to contribute 21.5% of the total labor wages (including 17.5% for social insurance, 3% for health insurance, and 1% for unemployment insurance).

Laborers are responsible for contributing 10.5% of their total wages. Regarding the pension payout, for male workers, the base amount is calculated as 45% of the average monthly wage, equivalent to 20 years of social insurance contributions. For each additional year of service beyond 20 years, an additional 2% is added to the base of 45%, up to a maximum of 75%, whereas for female workers, the base amount is calculated as 45% of the average monthly wage, equivalent to 15 years of social insurance contributions. For each additional year of service beyond 15 years, an additional 2% is added to the base of 45%, up to a maximum of 75%. The Group has no further obligation other than the monthly allocation.

(IV) Employer–employee agreement and measures to protect various rights of the employees

- A. Regular communication meetings between supervisors and employees are held to disseminate the Company’s business philosophy and ensure smooth communication channels
- B. The Company has an employee complaint channel available so that the various rights of employees may be handled fairly and reasonably in various ways. To date, the Company has not experienced any major employer–employee disputes.
- C. Internal and external audit mechanisms are implemented to strengthen the Company’s management system.
- D. Multi-faceted policy promotion methods (e.g. internal website, e-mail, knowing and doing approach, and online learning platforms) are used to enhance employees’ understanding of various policies.

(V) Work environment and employee safety protection measures:

A. Personnel Safety Training

The Company strictly implements the occupational health and safety education and training system, conducting employee safety and health education and training annually. In 2025, the Company organized a total of 407 hours of safety and environmental protection training (including external certification training) such as “Voluntary Firefighters’ Emergency Rescue and Fire-fighting Drill”, “Fire Emergency Evacuation Drill”, “Case-based Accident Prevention Education and Training”, “Hazardous Chemical Practitioner Certification Training”, “Forklift Driver Certification Training”, “Environmental Accident Emergency Drill”, “Certification Training for Personnel Responsible for Fire Safety”, “Fire Safety Management Personnel Certification Training”, “Special Equipment Operator Certification Training”, “Anti-fraud Knowledge and Safety Training”, “Winter and Summer Accident Prevention and Safety Knowledge Training”, “Special Operation Safety Knowledge Training,” etc. Such trainings enriched employees’ knowledge on safe production, improved their safety skills, and enhanced their awareness of safe production.

B. Investment in Safety Equipment and Facilities

To ensure forklift charging safety, in November 2025, the Company invested in 5 additional sets of suspended dry powder fire extinguishers in the forklift operation area, so that in the event of a combustion, the fire can be automatically extinguished immediately, preventing it from spreading.

Replacement of expired emergency supplies: In November 2025, 106 dry powder fire extinguishers and 66 fire hoses nearing their expiration date were replaced.

C. Monitoring of the operation process (outsourced inspection)

To ensure the discharge of pollution sources (waste water, waste gas, noise) in accordance with discharge standards, the occupational health and safety of employees in the workplace, and the reliability of the lightning protection facilities in the production and office premises:

- In April 2025, before the thunderstorm season, the Company commissioned

Shanghai Zhizhen Lightning Protection Technology Co., Ltd. to inspect the lightning protection facilities in the production workshop, warehouse, and office, and timely rectifications were made for hidden dangers found in the inspection to ensure the effectiveness of the lightning protection facilities.

- In June 2025, the Company commissioned Shanghai Weizheng Testing Technology Co., Ltd. to inspect the Company's environmental pollution sources, including wastewater, exhaust gas, and noise. The inspection data showed compliance with national and local standards.
- In October 2025, the Company commissioned Shanghai Hezhonghe Testing Technology Co., Ltd. to conduct on-site inspection for occupational hazards and evaluate the current status. The inspection data showed compliance with relevant national regulations.
- In October 2025, the Company commissioned a qualified occupational health examination institution to conduct annual occupational disease examinations for employees. No occupational disease was found among the employees.

D. Other relevant measures

- In November 2024, the Company prepared special contingency plans (valid for three years) for various production safety incidents, abnormalities or emergencies that may occur. At the same time, the Company also prepared corresponding comprehensive plans for comprehensive incidents. We conduct assessment, drills, and verification according to the plans, and report to relevant government emergency management departments for the record.
- Regarding the use of precursor chemicals, the Company has formulated relevant management systems, required dedicated personnel to participate in training for hazardous chemical practitioners to obtain certification, and implemented double-lock management where two people must sign the stock ledger for confirmation. The use and purchase of precursor chemicals in the previous year is reported to the police's precursor chemical management division in the first quarter of each year. The Company obtained a record-filing certificate on March 17, 2025.
- The Company's subsidiary and supply chain partner Weishuo (Shanghai) Daily product Co., Ltd. obtained ISO 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System, and ISO 9001 Quality Management System certifications, and regularly conducts surveillance audits and upgrades. The implementation of ISO system management requirements has improved its management standards in occupational health and safety management and environmental management. This ensures proactive assessment, in-process control, and post-event correction of employee personal safety, environmental risks, and quality control within the company.

2. Losses borne by the Company due to employer-employee disputes (including damage compensation and violations of the Labor Standards Act disclosed in the labor inspection result, the date of remedial measures taken and the document number, the provision violated, the violations, and the remedial measures taken shall be listed) in the most recent year and up to the date the annual report was printed and disclose the possible estimated values and countermeasures at present and in the future. If they cannot be reasonably estimated, describe the fact that they cannot be reasonably estimated:

The employer-employee relations of the Company have been harmonious. No major losses have ever occurred due to employer-employee disputes. It is estimated that no such major losses will occur in the future.

VI. Cyber security management

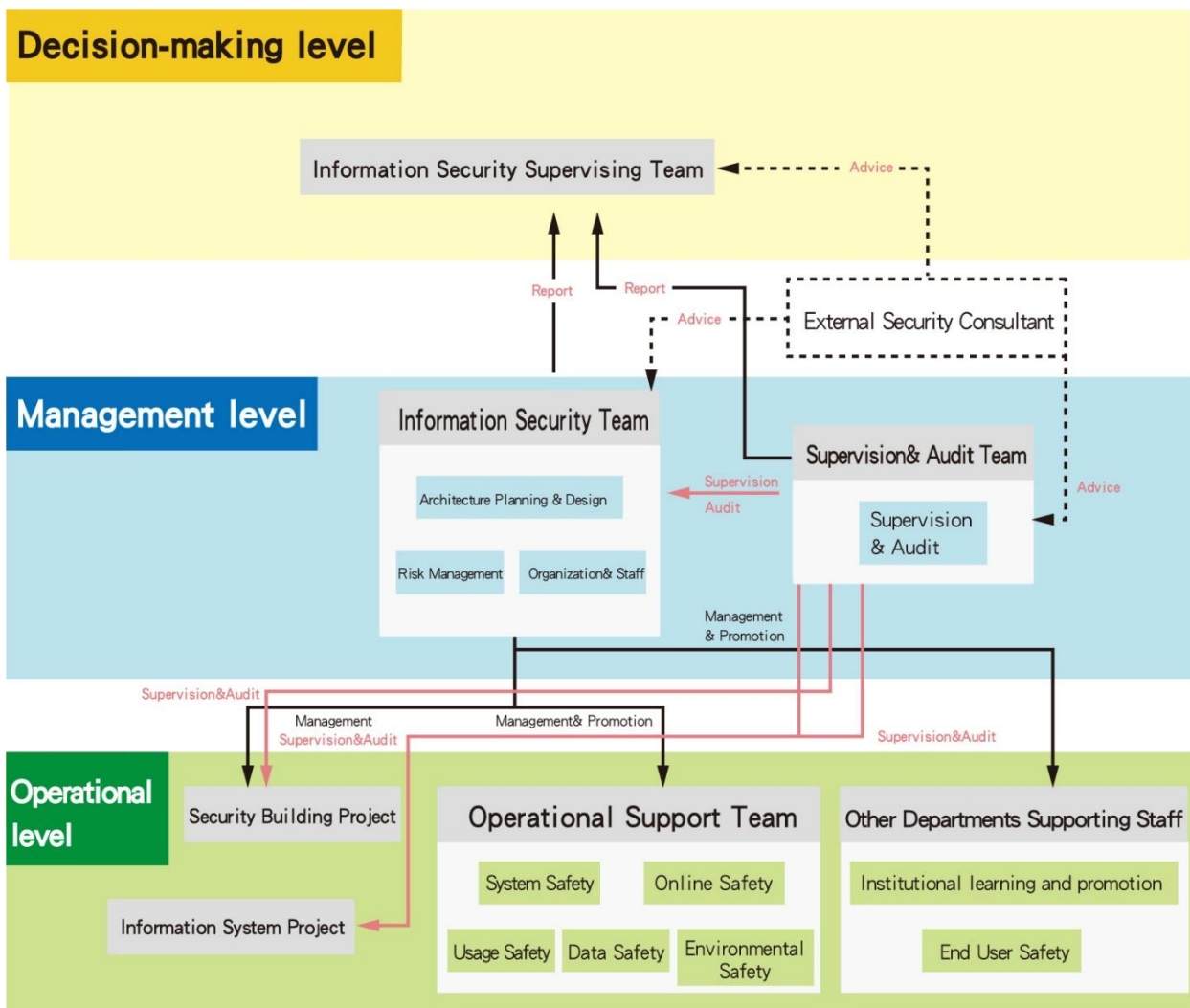
1. Describe the cyber security risk management structure, cyber security policy, specific management plans, and resources invested in cyber security management.

(I) Cyber security management structure

(1) Information security management system

To secure the Company's information security and high system availability, the Company continues to build information security by setting up the information security group and establishing the "Information Security Management System" and "Code of Practice for Information Security Management" in accordance with the requirements of the national cyber security evaluation (S3A3). The Company has gradually improved its information security framework, which includes firewall configuration, intrusion detection, and abnormal behavior monitoring, among other multi-layered protective measures. The Information and Audit Departments regularly inspect the implementation of security measures and assess potential risks, ensuring the effectiveness of preventive mechanisms, minimizing security risks, and safeguarding business stability and data security.

(2) Organizational structure of the information security management system



(II) Cyber security policy

In response to changeable business models and diversified transaction modes, and in accordance with the Personal Data Protection Act and the Information Security Protection 2.0, the Company has strengthened information security protection and reduced information leakage and transaction risks. Information security has been enhanced especially for the Chlitina Store Management System and for the Chlitina Portal Website System under the new compliance standard to reduce the disclosure and transaction risk of customer information, including: optimizing access control to restrict access to sensitive data; introducing a log auditing system to monitor and recording operational activities; establishing a security management platform using multi-layered protection technologies to reduce cybersecurity risks. These measures have effectively lowered the risk of customer data breaches and transaction risks, further ensuring that the Company's digital operations are stable, secure, and compliant with regulatory requirements.

(III) Specific management plans

The Company enhances cyber security from four perspectives to ensure the security of information assets and system stability:

- (1) Platforms: Integrate all important systems into the cloud, learn and use the latest cloud technologies, conduct off-site backup of cloud systems, and implement SaaS security protection.
- (2) Tools: Install a security posture awareness system, control the authorization of network access by terminal equipment, pre-check for and isolate risks, and set security lines for network access by terminal equipment to reduce the risk of unauthorized access.
- (3) Data: Establish a password management system and perform structured data management (various types of databases), and non-structured data management (file servers).
- (4) Network: Integrate the Group's networks, wireless and network access authorization (including mobile terminals), and the Group's monitoring equipment. Enhance monitoring equipment capabilities to improve network activity visibility and traceability.

Comprehensive security enhancement measures:

Over the past three years, the Company has continuously promoted upgrades in network security, data backup, and network access across multiple layers of software and hardware. Additionally, the optimization of the private cloud platform has been completed, significantly enhancing overall security management capabilities. Specific measures taken include:

- (1) Network security: Implemented automated monitoring tools to strengthen real-time threat detection and interception capabilities, effectively preventing network attacks and anomalous behaviors.
- (2) Data backup: Established multi-layered backup and disaster recovery mechanisms to ensure data can be quickly restored in abnormal situations, safeguarding business stability.
- (3) Network Access: Optimized identity verification and authorization management for endpoint devices, strictly limiting access for unauthorized devices to reduce the risk of network intrusion.
- (4) Private Cloud Platform Optimization: Conducted a comprehensive upgrade of the private cloud architecture, enhancing data storage security and system stability, and improving resource management efficiency.

Based on the cybersecurity audit results, the Company has established quantitative analysis and cybersecurity drill mechanisms. Through regular risk assessments and simulated attack tests, the Company continuously optimizes protection measures to ensure cybersecurity compliance and effectively reduce potential risks.

(IV) Implementation status in 2025

- (1) Cybersecurity personnel: A team of 5 professional cybersecurity personnel was established to manage information security and risk prevention, ensuring the implementation of security policies and the stable operation of systems.
- (2) Network and system setup and maintenance costs: An investment of 2.54 million dollars was made for upgrading security software and hardware, system maintenance, and optimization, effectively reducing potential risks. (Note)
- (3) Security audit mechanism: Regular internal and external audits were conducted to comprehensively review security measures and protective measures, ensuring continuous compliance with the latest standards and regulatory requirements.
- (4) Security training and awareness: Periodic security awareness activities and tests were held to enhance the security awareness and risk response capabilities of all employees, preventing human-induced security incidents. One cloud-based remote backup and restore test was performed.
- (5) Cloud backup testing: At least one cloud backup and restoration test was conducted annually to ensure the effectiveness of the backup system and verify data recovery capabilities in emergency situations, safeguarding business stability.
- (6) The Chlitina store management system obtained network security level protection certification: The application system has obtained Network Security Level Protection (Equal Protection) certification, meeting national cybersecurity compliance standards.
- (7) The Chlitina Portal website system obtained network security level protection certification: The application system has obtained Network Security Level Protection (Equal Protection) certification, meeting national cybersecurity compliance standards.
- (8) Application system risk scanning and penetration testing: Periodic automated risk scanning and penetration testing of the application system were conducted to simulate real attack scenarios, comprehensively detect potential security vulnerabilities, and promptly address them, further reducing the risk of system intrusion.

(Note): The total investment amount includes the following cybersecurity services: Information security situation awareness system maintenance service: RMB220,000 per year; Data security backup maintenance service: RMB167,500 per year; Network access control maintenance service: RMB90,000 per year; Shanghai Zhongshan Wanbo virtualization maintenance service: RMB86,000 per year.

Total converted to New Taiwan Dollars: approximatively NT\$2.54 million.

2. List the losses incurred due to material cyber security incidents in the most recent year and up to the publication date of the annual report, their possible impacts, and countermeasures. If the losses cannot be reasonably estimated, describe the fact that they cannot be reasonably estimated: None.

VII. Important contracts

- (1) Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.

Contract type	Counterparty	Contract beginning and ending date	Contents	Restrictive terms
Lease contract	Company A	2019.3.10-2028.12.31	Housing leasing	Confidentiality clauses

(2) Shanghai Lunxin Medical Beauty Clinic Co., Ltd.

Contract type	Counterparty	Contract beginning and ending date	Contents	Restrictive terms
Lease contract	Yang, (-) Da	2019.1.1-2028.4.30	Housing leasing	None

(3) Hong Kong Chlitina International Limited

Contract type	Counterparty	Contract beginning and ending date	Contents	Restrictive terms
Collaborative agreement	General Biologicals Corporation	Contract signature date: 2020.1.14	Equity investment and exclusive supply	Confidentiality clauses

Six. Review and Analysis of Financial Status and Performance, and Risk Factors

I. Financial status

Unit: NT\$1,000

Item \ Year	2024	2025	Difference		Change analysis
			Amount	%	
Current Assets	6,131,948	6,584,215	452,267	7.38	
Real estate, plant and equipment	1,657,693	1,707,266	49,573	2.99	
Intangible assets	79,301	83,810	4,509	5.69	
Other assets	1,024,227	1,148,621	124,394	12.15	1
Total assets	8,893,169	9,523,912	630,743	7.09	
Current Liabilities	2,055,055	3,536,806	1,481,751	72.10	2
Non-current liabilities	1,294,157	710,296	(583,861)	(45.12)	3
Total liabilities	3,349,212	4,247,102	897,890	26.81	2
Capital stock	824,924	824,924	-	-	
Capital reserves	1,898,218	1,669,425	(228,793)	(12.05)	4
Retained earnings	3,244,088	3,254,609	10,521	0.32	
Other equities	(423,273)	(472,148)	(48,875)	11.55	
Treasury stock	-	-	-	-	
Total equity	5,543,957	5,276,810	(267,147)	(4.82)	

Explanation of increases (decreases) and analysis of changes (for changes exceeding 10% and where the difference amounts to 1% of the total assets for the year):

1. Increase in other assets: Primarily due to an increase in right-of-use assets during the period.
2. Increase in current liabilities and total liabilities: Primarily due to an increase in short-term borrowings during the period.
3. Decrease in non-current liabilities: primarily due to corporate bonds payable maturing within one year, thus reclassified as current liabilities.
4. Decrease in capital reserves: primarily due to cash dividends paid during the current period.

Response plan: The Company will continue to focus on the accuracy and reasonableness of various financial indicators and will adjust short-term development strategies based on the company's long-term development plan and actual circumstances.

II. Financial performance

1. Analysis of changes in operating outcome

Unit: NT\$1,000

Item \ Year	2024	2025	Increase (decrease) amount	Ratio of changes (%)	Analysis of changes
Operating revenues	4,066,587	3,878,155	(188,432)	(4.63)	
Operating costs	695,128	694,605	(523)	(0.08)	
Gross profit	3,371,459	3,183,550	(187,909)	(5.57)	
Operating profit and loss	752,064	737,462	(14,602)	(1.94)	
Non-operating revenues and expenses	(6,990)	107,508	114,498	(1,638.03)	1
Net profit before tax	745,074	844,970	99,896	13.41	2
Net profit before tax from continuing operations	745,074	844,970	99,896	13.41	2
Current net profit (loss)	472,675	588,001	115,326	24.40	2
Other consolidated income (net after tax) – current period	217,367	(48,909)	(266,276)	(122.50)	3
Total consolidated income – current period	690,042	539,092	(150,950)	(21.88)	4
Net profit attributable to the owner of parent	472,675	588,001	115,326	24.40	
Net profit attributable to uncontrolled equity	-	-	-	-	-
Net profit from total consolidated profit/loss attributable to the owner of parent	690,042	539,092	(150,950)	(21.88)	
Total consolidated income attributable to uncontrolled equity	-	-	-	-	-
Explanation of increases (decreases) and analysis of changes (for changes exceeding 10% and where the difference amounts to 1% of the total assets for the year):					
1. Increase in non-operating income and expenses: mainly due to increased					

currency exchange gains.

2. Increase in pre-tax net profit and net profit for the period: mainly due to decreased operating expenses and increased currency exchange gains for the period.

3. Decrease in other comprehensive gains and losses for the period: mainly due to exchange rate fluctuations.

4. Decrease in total comprehensive gains and losses for the period: mainly due to exchange rate fluctuations.

2. Estimated sales in the coming year and the basis for this estimate

In the coming year, the Company will capitalize on the strong momentum in the beauty service industry in mainland China, adopting a dual focus on expansion and enhancement as its core operating strategy to drive high-quality business development. The Company will continue to strengthen brand influence, actively roll out diverse marketing and membership initiatives, and further enhance customer retention and brand reputation. At the same time, it will accelerate the expansion of its chain network into moderately prosperous and developing regions across mainland China, while continuously optimizing store network layout and service structure to improve operational efficiency and overall competitiveness. Against a backdrop of significant market potential, the Company will adopt more flexible operating strategies and more refined management practices to capture growth opportunities. It is expected that, over the coming year, overall sales scale and operating performance will demonstrate stable improvement with sustained growth.

3. Possible impact on the future financial position of the Company and the corresponding plan

China's beauty consumption market is on a growth trajectory, with the lifestyle beauty segment showing particularly notable progression. The industry is in a growth phase, and in the future, Chlitina will leverage its strong brand recognition and localized sales strategies to providing a favorable external environment for the Company's business expansion. In response to these market trends, the Company will closely track evolving consumer demand, continuously optimize its product and service mix, and strengthen marketing execution and cost control to enhance operational efficiency and profitability. Over the next year, these initiatives are expected to effectively support business expansion and provide a positive contribution to the Company's financial position, ensuring steady progress and sustained improvement while maintaining overall operational resilience and stability.

III. Cash Flow

1. Analysis and description of changes in cash flow for the most recent year (2025)

Unit: NT\$1,000

Item	Year	2025	2024	Increase (decrease)	
				Amount	%
Net cash flows from operations		775,777	574,539	201,238	35.03
Net cash flows from investing activities		(155,491)	(1,275,043)	1,119,552	(87.81)
Net cash flows from financial activities		(164,004)	(796,409)	632,405	(79.41)

(1) Net cash flows from operating activities: Mainly due to the increase in the net profit before tax in 2025 compared

to 2024.

- (2) Net cash flows from investing activities: Mainly due to higher balance of fixed deposits with maturities of more than three months in 2024 compared to the end of 2025.
- (3) Net cash flows from financing activities: Mainly due to the increase in borrowings by the Company in 2025, resulting in increased cash inflows from financing activities.

2. Liquidity improvement plan

Since the Company's cash flow from operating activities in 2025 was positive, and sufficient to meet operational needs, the Company did not experience any liquidity shortage. The Company does not have any liquidity problem.

3. Analysis on the cash liquidity in the coming year (2026)

Unit: NT\$1,000

Initial cash balance	Estimated net cash flow from operating activities for the year	Estimated net cash flows from financing activities and financing activities	Cash surplus (insufficient)	Corrective measures against insufficient cash position	
				Investment plans	Financial management plans
3,750,352	1,029,206	(1,440,689)	3,338,869	-	-

A. Analysis of cash flow changes in the coming year:

- (1) Cash inflows from operating activities: A net cash inflow is expected mainly due to the projection that the Group will make a profit in 2026.
- (2) Investing activities: A net cash outflow is expected mainly due to the increase in capital expenditure.
- (3) Financing activities: Net cash outflows are expected mainly due to the repayment of borrowings.

B. Remedial measures for any projected cash deficiency and analysis of liquidity: NA.

IV. Major Capital Expenditures for the Most Recent Year

1. Major capital expenditures and their usage: None.
2. Expected benefits: None.

V. Investment Strategies, Causes for Investment Gains and Losses, Planned Improvements for the Most Recent Year, and Investment Plan for the Coming Year

1. Reinvestment policy

The Company's investments are primarily focused on its core business. The Company does not engage in investments in unrelated industries. Besides the investment cycle provisions in the internal control regulations, the Company also manages its investments in accordance with its Related Party Transaction Management Guidelines and Subsidiary Supervision and Management Guidelines. The Company also considers the operating conditions of each invested company in accordance with local laws and regulations to assist them in establishing appropriate internal control systems.

2. Main reasons for gains or losses in reinvestment for the most recent year

Unit: NT\$1,000, December 31, 2025

Invested company	Location	Main Operations	Initial investment amount	Reason for gains or losses	Improvement plans	Future other investment plans
Chlitina Group Limited	British Virgin Islands	Investment holding	826,927	Holding company's gains attributable to the subsidiary	None	None
Chlitina International Limited	British Virgin Islands	Investment holding	744,441	Holding company's gains come from the subsidiary	None	None
Chlitina Intelligence Limited	British Virgin Islands.	Investment holding and R&D	-	Collection of trademark royalties	None	None
W-Amber International Limited	British Virgin Islands.	Investment holding	50,880	Holding company's losses attributable to the subsidiary	None	None
W-Champion International Limited	British Virgin Islands.	Investment holding	34,518	Holding company's gains attributable to the subsidiary	None	None
C-Asia International Limited	British Virgin Islands.	Investment holding	920	No actual operations to date	None	None
Hong Kong Chlitina International Limited	Hong Kong	Investment holding and marketing of skincare products	276,221	Sale of own brand products and investment income of subsidiary	None	None
Chlitina Marketing Limited	British Virgin Islands	Investment holding and marketing of skincare products	485,427	Sale of own brands and other brands and the operation and management of franchised chain stores	Further expand the Taiwan market and overseas market	None
Centre de Recherche et de Développement de CHLITINA France EURL	France	R&D Center	188	Product R&D	None	None
K&S Biomedical Ltd.	Taiwan	Marketing of skincare and daily products	157,000	Operations have not yet achieved economies of scale	Strengthen business expansion and R&D	None
Chlitina (South East Asia) Holding	Singapore	Investment holding	6,092	No actual operations to date	None	None
Hong Kong Crystal Asia International Marketing Limited (Note 1)	Hong Kong	Investment holding	-	Holding company's attributable to from the subsidiary	None	None

Hong Kong W-Champion International Limited	Hong Kong	Investment holding	61,865	Holding company's losses attributable to the subsidiary	Planned for dissolution	None
Hong Kong W-Amber International Limited	Hong Kong	Investment holding	1,013,011	Holding company's losses attributable to the subsidiary	Subsidiary instructed to improve operations and profitability	None
Yong Li Trading Company Limited	Vietnam	Marketing of skin-care products	78,260	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Huapao Sdn. Bhd.	Malaysia	Marketing of skin-care products	3,502	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Hong Kong Jing Tai International Investment Limited	Hong Kong	Investment consultation and regular trade	4,392	No actual operations to date	None	None
PT Pining Beauty Indonesia	Indonesia	Import of goods and management consultation	-	No actual operations to date	None	None
Vinh Le Company Limited	Vietnam	Marketing of skin-care products	3,003	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Hong Kong Crystal International Services Limited	Hong Kong	Investment holding, marketing of skincare products and health food products	2,754	No actual operations to date	None	None
W-Champion Marketing Limited	British Virgin Islands	Investment holding	31,783	No actual operations to date	None	None
W-Amber Marketing Limited	British Virgin Islands	Investment holding	56,280	No actual operations to date	None	None
Wan Ju International Investment Limited	Taiwan	Investment holding	2,000	No actual operations to date	None	None
Chlitina (China) Trade Limited	Mainland China	Marketing of skincare products and health food products	308,631	Sale of own brands and other brands and the operation and management of franchise stores	None	None
Shanghai Zhe Mei Technology Training Co., Ltd.	Mainland China	Beauty practitioners training service	78,302	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company	None
Weishuo (Shanghai) Daily Product Limited	Mainland China	Production and marketing of skincare products	64,207	Manufacturing and sale of own brand products	None	None
Weihu	Mainland	Investment	815,579	No actual	Subsidiary	None

(Shanghai) Health Management Consulting Co., Ltd.	China	holding, marketing of skincare products and health food products		distribution business, losses attributable to the subsidiary	instructed to improve operations and profitability	
Crystal Asia (Shanghai) Trade Limited	Mainland China	Marketing of skincare products and health food products	105,110	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Li Shuo Biotechnology (Shanghai) Co., Ltd.	Mainland China	Corporate management consulting and investment holding	9,889	Holding company's losses attributable to the subsidiary	Subsidiary instructed to improve operations and profitability	None
Shanghai Yuanshuo Management Consulting Limited	Mainland China	Corporate management consulting and investment holding	497,646	Holding company's losses attributable to the subsidiary	Subsidiary instructed to improve operations and profitability	None
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	Mainland China	Medical cosmetology service	29,810	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	Mainland China	Medical cosmetology service	73,823	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Mainland China	Medical cosmetology service	90,799	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Jinghe Clinic (Nanjing) Co., Ltd.	Mainland China	General clinic and food	5,181	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Shanghai Hedeng Clinic Co., Ltd.	Mainland China	General clinic	19,884	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company.	None
Hainan Shoumao Investment Limited	Mainland China	Corporate management consulting and investment holding	151,515	Holding company's losses come from the subsidiary	None	None
Shanghai Jiekan Trading Co., Ltd.	Mainland China	Marketing of skincare products and health food products	75,593	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company	None
Shanghai Yongshang Trading Co., Ltd.	Mainland China	Sales of cosmetics and manicure services	88,399	Operations have not yet achieved economies of scale	Strengthen the business expansion of the Company	None

Note 1: Hong Kong Crystal Asia International Marketing Limited was dissolved in April 2025.

3. Investment plans for the coming year

In recent years, the Company, besides actively expanding its franchised chain stores, has also embarked on the development of cosmetic-related businesses, boosting the brand positioning, enhancing the overall competitive edge of the Group, expanding the Company's sales channel and operational scale and profitability, and creating more value for shareholders.

- (1) Set up and invest in medical beauty clinics, as well as make use of current cosmetics chain resource to expand medical beauty market;
- (2) Cooperate with enterprises or individuals who possess excellent resources to promote research on the regenerative medicine;
- (3) Check the market demands and operational needs of subsidiaries, and carry out and publicize diversified channel and store expansion plans.
- (4) As for relevant investment plans, the Company will conduct investment evaluation and verification procedures in accordance with regulations.

VI. Risk analysis and assessment in the most recent year and up to the publication date of this annual report:

1. If, in the most recent fiscal year, any single overseas business establishment or subsidiary meets one of the criteria for important subsidiaries stipulated in Paragraph 2, Article 2-1 of the rules for accountants, an explanation of the risk factors related that overseas business establishment or subsidiary shall be added:

The subsidiaries of the Company that comply with the aforesaid criteria for the recognition of the so-called "important business establishments or subsidiaries" include the Chlitina Group Limited, Chlitina International Limited, Chlitina Marketing Limited, Hong Kong Chlitina International Limited, Hong Kong W-Amber International Limited, Chlitina (China) Trade Limited, Weishuo (Shanghai) Daily Product Limited, Weihu (Shanghai) Health Management Consulting Co., Ltd., and Shanghai Yuanshuo Management Consulting Limited. Notes shall be made regarding the local economic profile, changes in political and economic environment, foreign exchange control, taxes and relevant laws, and whether the effect of civil decisions of the courts of the Republic of China is acknowledged, as well as other risks and countermeasures.

2. Foreign issuing companies shall also brief the economic profile, changes in political and economic environment, foreign exchange control taxes and relevant laws of the country where a foreign issuing company is incorporated and the main country of operation, and the risks of whether the civil decisions of the courts of the Republic of China are acknowledged, and the countermeasures taken:

(I) Country of incorporation: The Cayman Islands

A. Economic profile and changes in the political and economic environment

The Cayman Islands is an autonomous British overseas territory in the West Indies. It is in the Caribbean Sea, which is 268km away from Jamaica in the northwest and 640km away from the south of Miami. It mainly consists of three islands. It is an overseas territory of UK. George Town is its capital and commercial center. Its economic revenue mainly comes from the financial service industry. Now, it has become the 5th financial center in the world after New York, London, Tokyo and Hong Kong. It has many professional service agencies in law and accounting, and can render rapid and convenient services.

Companies incorporated in the Cayman Islands can be divided into five categories, namely, Ordinary Company, Ordinary No-Resident Company, Exempted Company,

Exempted Limited Duration Company and Foreign Company. Among them, the exempted company has been usually used by enterprises and individuals of other countries for financial planning because an exempted company cannot operate locally. In recent years, the Cayman Islands government has actively strengthened its reputation of its offshore financial operations while vigorously developing the financial, insurance and shipping businesses. It has concluded the “Mutual Legal Assistance Treaty” with the US and UK for joint prevention of illegal transactions of international criminal organizations by making use of the financial system of the Cayman Islands. To sum up, the Company is a holding company incorporated in the Cayman Islands as an exempted company, and has no material operating activities there. Moreover, the Cayman Islands have been stable in politics for a long time. Its general economic profile and changes in political and economic environment have no material the Company’s operations.

B. Foreign exchange controls and tax risks and relevant regulations

The Cayman Islands does not impose foreign exchange controls. Except for an annual license fee, exempted companies are not subject to corporate income tax or value-added tax. See below for the laws and regulations in the Cayman Islands on exempted companies:

- a. An exempted company is prohibited from operating business within the territory of the Cayman Islands unless such business has direct help to the offshore business of the company.
- b. Unless approved by the Cayman Islands Financial Secretary, an exempted company cannot hold any land within the territory of the Cayman Islands. Exempted companies that do not list in the Stock Exchange of the Cayman Islands cannot invite citizens of the Cayman Islands to subscribe to their shares or bonds.
- c. The Company Act of the Cayman Islands does require companies to hold annual shareholders’ meetings. Companies shall hold shareholders meetings and board meetings as stipulated in their Articles of Association, which may not necessarily be held in Cayman Islands. According to the Articles of Association of the Company (“Articles of Association of the listed company”) passed through resolutions of the shareholders’ meeting held on June 19, 2014, the Company shall hold a general meeting within six months after the end of each fiscal year or other period approved by the stock exchange. Moreover, the Articles of Association of the listed company also stipulate that during the stock listing period, the shareholders’ meetings of the Company shall be held within the territory of the Republic of China.
- d. The issuance of new shares shall be subject to the resolutions of the board of directors. The Company’s Articles of Association stipulate that the issuance of new common stock shall require the attendance of at least two-thirds of the directors and the approval of a majority of the directors present. The Company is prohibited from offering shares whose capital stock has not been paid or has been paid partially.
- e. An exempted company does not need to submit or declare detailed materials of shareholders to or with the company registry of the Cayman Islands. According to the Articles of Association of the Company, the board of directors shall keep the register of shareholders at an appropriate place within or beyond the territory of the Cayman Islands.
- f. The register of shareholders of an exempted company is not necessarily

- accessible by the public.
- g. An exempted company may apply to the Cayman Islands government for tax exemption undertaking. Initial undertaking is valid for 20 years and may be renewed upon expiry.
 - h. An exempted company may apply for deregistration, and transfer the place of incorporation to another country.
 - i. An exempted company may be registered as an exempted limited duration company. A limited duration company shall have at least two shareholders and a maximum duration of 30 years.
 - j. Since the Cayman Islands laws on the protection of minority interest vary from the laws of the Republic of China and other jurisdictions, the Company has, according to such laws of the Republic of China as the Securities and Exchange Act and requirements of competent authority, amended the Articles of Association within the scope permitted by the Cayman Islands laws to safeguard the rights and interests of Taiwan investors.
 - h. Unless otherwise approved, such words as bank, trust, mutual fund, insurance, royal, imperial, empire, assurance, building society, or reinsurance shall not appear in a company's name. Moreover, the registration documents shall be written in English.

To sum up, since the Cayman Islands implements an open foreign exchange regime without relevant restrictions, there is no material impact on the Company's capital deployment. Moreover, the local government has granted preferential tax treatment to exempted companies, and has no major restrictions on the operation of exempted companies, with the exception of the aforesaid operation with the territory of Cayman Islands, inviting Cayman citizens to subscribe their shares or bonds, purchasing land within the territory of Cayman Islands and company naming. As the Company is only a holding company incorporated in the Cayman Islands and has no operating activities there, its incorporation in the Cayman Islands, Cayman Islands taxes and relevant laws have no material impact on the overall operations of the Company.

C. Whether civil judgments rendered by the courts of the Republic of China are acknowledged

a. Risks relating to litigation claims:

The Company is an exempted company incorporated in Cayman Islands, and has not applied for a license from the Ministry of Economic Affairs in accordance with the Company Act of Taiwan, but its Articles of Association expressly provide that certain shareholder protection matters may be subject to the jurisdiction of the Taipei District Court in Taiwan as the court of first instance. The Company has also designated agents for litigation and non-litigation matters within the Republic of China in accordance with the requirements of the Taiwan Stock Exchange.

Nevertheless, if investors initiate legal proceedings against the Company or its responsible persons in the courts of the Republic of China, such courts may still determine, on a case-by-case basis, whether they have jurisdiction and the appropriate method of service. The courts may also require investors to explain the relevant foreign laws applicable to the case. Accordingly, it cannot be assured that all types of cases will be able to obtain substantive judgments in the courts of the Republic of China.

b. Risks relating to recognition and enforcement of judgments

Cayman Islands law does not expressly provide for the enforcement of civil decisions rendered by courts of the Republic of China ("decisions made by the

court of the Republic of China”) in the Cayman Islands, but according to its common law, the decisions made by a court in the Republic of China shall comply with the following requirements, and only thus will a Cayman Islands court acknowledge its validity and execute it: (1) the foreign court making such decision has proper jurisdiction, (2) the decision has explicitly stated that the debtor shall bear the obligation of paying the liquidated sum stated in the decision, (3) the decision shall be final, (4) does not involve taxes, fines, and/or amercement, and (5) the method of obtaining the decision, the decision’s acknowledgment, and execution do not violate the principle of fairness and justice or the public policy of the Cayman Islands.

If a Cayman Islands court does not acknowledge the decision of a Republic of China court, even if the investor has obtained the decision, it cannot be executed. Therefore, the investor may encounter the risk of being unable to successfully make claims abroad. The investors shall know the legal risks with the securities issued by foreign issuers.

- D. May the Republic of China extradite the defendant to the Republic of China for trial?
- The securities regulator of the Cayman Islands where the Company is incorporated has executed the “Multilateral Memorandum of International Securities Regulators”. The Financial Supervisory Commission of the Executive Yuan of the Republic of China shall, according to the memo, apply to the securities regulator of the Cayman Islands for submission of the relevant information or documents, including but not limited to the current records (including the bank and account records regarding funds and asset transfers) enough to rebuild the transactions of securities and derivative financial commodities. Since the memo does not have any provisions on extradition, Taiwan cannot apply to the Cayman Islands to extradite the defendants to Taiwan according to the memo. Next, Taiwan has not executed any agreement for reciprocal judicial assistance in criminal cases with Cayman Islands. To sum up, Taiwan may face the risk of unable to apply to Cayman to extradite the defense to Taiwan for trial.
- E. Risk with the governing law due to the difference between the laws of Cayman Islands and the laws of the Republic of China
- a. The Company is a company established according to the Cayman Islands laws. In order to list in Taiwan Stock Exchange Corporation, the Company has modified its Articles of Association according to relevant laws of the Republic of China to secure shareholders’ rights. As for the matters not covered in the Articles of Association, the Company will handle them according to relevant laws of the Cayman Islands and of the Republic of China governing foreign issuers. Given the differences between the Cayman Islands laws and the Taiwan laws on corporate operations, investors cannot apply the same legal protections and expectations as those applicable to investments in Taiwan companies to investments in Cayman-incorporated companies. Investors should fully understand these differences and, where necessary, consult professional advisors to assess whether investing in a Cayman company may result in shareholder rights protections that are not equivalent to those available under Taiwan law.
 - b. Since the differences between Cayman Islands and the Republic of China in laws and stock exchange regulations may cause conflicts in governing law or interpretation, the resolution of conflicts in governing law or interpretation is still subject to the court’s decision. Therefore, investors are hereby reminded to be aware that if they intend to apply to a court in the Cayman Islands to execute a Taiwanese court’s decision, or file a lawsuit or

apply to a court in the Cayman Islands for execution of their relevant rights, the court in the Cayman Islands will not necessarily recognize the Taiwanese laws and practices (including but not limited to the method of equity transfer and records of equity holders), which may incur risks of exercising rights to foreign companies.

- c. Before investing, investors should understand the characteristics and risks of the company, including: liquidity risks associated with market trading in the country; financial and operational risks of the company; political, economic, and social changes in the country of registration and primary operations; industry cyclic fluctuations, compliance with laws and regulations.
- d. It is not possible to detail all risks associated with investing in foreign securities and factors affecting market conditions. Before trading, investors should carefully read the annual reports and other disclosure information. They should also consider other factors that may affect investment decisions, conduct thorough financial planning, and assess risks to avoid incurring unbearable losses due to trading.

(II) Main country of operation: British Virgin Islands (BVI)

The major subsidiaries of the Company in the main country of operation include Chlitina Group Limited, Chlitina International Limited, and Chlitina Marketing Limited, which are all established according to the British Virgin Islands laws. See below for details about the risks:

A. Economic profile and changes in the political and economic environment

The British Virgin Islands are a British overseas territory in the Caribbean and to the east of Puerto Rico. The BVI and the adjacent US Virgin Islands and the Spanish Virgin Islands are collectively referred to as the Virgin Islands. Currently, BVI are a British overseas territory featured by autonomous management, legislation through the independent legislative council and stable politics. The economic revenues of the British Virgin Islands mainly come from the tourism and financial services. The USD has been its common currency since 1959, and its official language is English.

B. Risks related to foreign exchange control, laws and taxes

The British Virgin Islands do not impose control over foreign exchanges. Except for the government license tax to the local government, and the fees for using the registered address and registered agent, which are paid annually, the offshore income of business companies incorporated in the British Virgin Islands is exempted from the corporate tax, capital gains tax or property tax or other taxes applicable to business companies. The British Virgin Islands business companies may obtain special exemption from paying the income tax. The Income Tax Act also exempts the business companies from following relevant provisions in the Stamp Duty Tax and the Registration and Recording Act for the documents or contracts involved in operations of the business companies, including transaction in which a business company transfers its property to another business company or transactions involving the corporate securities. The people living and working in the British Virgin Islands only pay limited income tax. In terms of laws and regulations, according to the 2004 British Virgin Islands Law for Business Companies, a company may not declare or distribute dividends unless its directors believe that after the dividend distribution, a. the company can still repay its debts falling due; and b. the assets of the company are more than its liabilities.

C. Whether civil judgments rendered by the courts of the Republic of China are acknowledged

The British Virgin Islands laws have not explicitly stipulated that the civil decision made by a court of the Republic of China (“decision made by a court of the Republic of China”) shall be executed in the British Virgin Islands. The British Virgin Islands court

will deem the final decision made by a Taiwanese court requiring a company to pay a certain amount (other than the multiplied damages, taxes, or other amounts of a similar nature, or fines or other amercements) to certain people as valid, and will make a decision accordingly, but a. the Taiwanese court shall have appropriate jurisdiction over the parties involved in the decision, b. the Taiwanese court has not violated the principle of natural justice of the British Virgin Islands, c. such decision has not been obtained by means of cheating, d. the execution of such decision will not violate the public policies of the British Virgin Islands, e. the British Virgin Islands court, before making a decision, has not received any new evidence adopted and related to the lawsuit, and f. it has followed the due process under the British Virgin Islands' laws.

(III) Main country of operation: Hong Kong

The important subsidiaries of the Company in the main country of operation are Hong Kong Chlitina International Limited and Hong Kong W-Amber International Limited, which mainly engage in the investment and sale of skincare products. See below for details about relevant risks:

A. Economic profile and changes in the political and economic environment

Hong Kong is located on the coast along the South China Sea and on the east side of the Pearl River estuary. It adjoins Guangdong's Shenzhen in the north, can see the Wanshan Archipelago in the south, and is adjacent to Macau and Guangdong's Zhuhai in the west. Hong Kong consists of 263 islands including Hong Kong Island, Kowloon, and the New Territories. In 1984, Hong Kong and the UK concluded the "Sino-British Joint Declaration". On July 1, 1997, the sovereignty of Hong Kong was handed over and the Special Administration Region was established. Hong Kong implements the "Basic Law of Hong Kong" which stipulates explicitly that Hong Kong does not implement socialism, and will continue its capitalism system and way of life for fifty years. Hong Kong enjoys a high degree of autonomy in all matters except defense and foreign affairs, as well as the right to participate in international affairs, under the principle of "Hong Kong people governing Hong Kong" with a high degree of autonomy. It is currently an important place in the Asia-Pacific area, and it is a modern international metropolis focusing on industry and business. Hong Kong is an important international hub of finance, service, and shipping, and famous for its incorruptible society, excellent public order, economic freedom, and exemplary legal system.

Locally incorporated companies may establish private joint stock companies or incorporate and establish an unlimited liability companies and guarantee limited liability companies according to the HK Companies Ordinance. A company must have an English name, or both Chinese and English names. There is no restriction on the amount of the minimum authorized capital. Generally, the amount is HKD 10,000. A Hong Kong company shall engage a Hong Kong citizen to serve as its company secretary, and engage at least one director (individual or legal person). The Hong Kong company shall obtain a business registration certificate and register with the Inland Revenue Department, and submit the annual declaration form to the registration office for filing within 42 days of the anniversary date of its incorporation, and have qualified independent auditors (i.e. a certified public accountant) conduct an annual audit. Companies that may be subject to profit tax will receive a profit tax return. The company shall fill in the relevant information and submit it together with the audited accounts to the government within one month upon issue of the return (it is stipulated in the Inland Revenue Ordinance that a newly incorporated Hong Kong company generally shall confirm whether it needs to fill out the tax return within 18 months after its incorporation and submit it together with the audited accounts).

B. Risks of foreign exchange control, taxes and relevant legal

Hong Kong does not impose controls on foreign exchange. Moreover, the HK tax system is based on the “territory” or “tax source.” Generally speaking, HK only levies taxes on the income or profits obtained within the territory of HK other than those obtained beyond the territory of Hong Kong. Main taxes:

- (1) Salaries tax: means the tax levied on the salaries of taxpayers earned for work in Hong Kong. The government will offer the salaries of taxpayers with various tax allowances and collect the tax at a progressive tax rate after deducting the tax allowances.
- (2) Income tax: which is a tax paid by the taxpayer for the profits obtained from its business operation in Hong Kong.
- (3) Property tax: which is a tax paid by the taxpayer for holding a property in Hong Kong and earning profits by leasing the property. There is no need to pay the property tax for just holding a property, but the rates, land rates or land rents.
- (4) Stamp duty: is the tax levied by the Hong Kong government on real estate transfer or leasing and stock transfer.
- (5) Commodity tax: Hong Kong generally does not levy a commodity tax, with the exception of liquor, tobacco, hydrocarbons, and methanol.

C. Whether the civil decision effect of a court of the Republic of China are acknowledged Since the Hong Kong courts and courts of the Republic of China do not have measures for reciprocal enforcement, the winner in a court of the Republic of China has to follow the common law of Hong Kong when in Hong Kong. However, whether to acknowledge and implement the decision of a court of the Republic of China or not, the Hong Kong court will, according to the details of each decision, consider whether the decision complies with several conditions, including but not limited to:

- (1) Whether or not the rights covered by the decision belong to private rights or not;
- (2) Whether or not such decision complies with the needs of judicial interests, common knowledge and legal order or not;
- (3) Whether not the acknowledgment of such decision will impair the sovereign interests or leads to violation of other public policies;
- (4) Whether or not the decision complies with the common law principles, including but not limited to: (i) whether or not such decision is valid and final;
- (5) whether or not the persons involved in the decision (or the stakeholders) are the same as the ones in the case on which the H Hong Kong K court makes a decision; and (iii) whether or not the decision made by the Hong Kong court can resolve the disputable event.

(IV) Main country of operation: Mainland China

The important subsidiaries of the Company in the main country of operation include Chlitina (China) Trade Limited, Weishuo (Shanghai) Daily Product Limited, Weihu (Shanghai) Health Management Consulting Co., Ltd., and Shanghai Yuanshuo Management Consulting Limited, which are all established according to Chinese laws. See below for details about the relevant risks:

A. Economic profile and changes in political and economic environment

According to the Statistical Communique of the People’s Republic of China on the 2025 National Economic and Social Development released by the National Bureau of Statistics of China, the annual GDP was RMB 140.19 trillion with a growth rate of 5.0% YoY. The value added by the tertiary industry accounted for 57.7% of the gross domestic product. The final annual consumer expenses made a contribution of 2.6 percentage points to the gross domestic product. The total annual retail sales of

consumer goods surpassed the RMB 50 trillion to reach RMB 50.12 trillion, with an increase of 3.7% in comparison with the previous year. Among the sales of enterprises above the designated size in retailing, the growth rate of cosmetics increased by 5.1%. Most of the Company's products are manufactured and produced in China, and the development strategies of the Company have taken the Mainland China market as the main base of operation, and its operating revenue also comes from the Mainland China. Therefore, the financial status, operation results and prospect of the Company will be subject to the policies, economy and legal development of China.

B. Risks of foreign exchange control, taxes and relevant legal

(1) Foreign Exchange Control

Since 1978, China's foreign exchange administration system has been gradually adjusted from a highly centralized planned model to a market-oriented one. Starting in 1994, China has carried out the reform of its foreign exchange administration system to further give play to the role of the market mechanism. The first is to align the RMB exchange rate with that of the international market and to implement a single, managed, floating exchange rate system based on market supply and demand. The second is to implement the banking foreign exchange settlements and sales system and to gradually realize free convertibility of the RMB in the current account balance. Finally, to establish the inter-bank foreign exchange market, improve the exchange rate formation mechanism, and maintain a reasonable and relatively stable RMB exchange rate. The exchange rate of RMB against foreign currencies depends on changes in China's politics and international political and economic environment. Since July 21, 2005, when China adopted a floating exchange rate policy, the RMB exchange rate was officially delinked from the US dollar and instead follows a managed peg, allowing the RMB exchange rate to fluctuate slightly. Changes in the exchange rate of the RMB against the dollar may have an uncertain impact on cash flow, profit performance, earnings distribution, and financial conditions. The Company's functional currency is mainly RMB, and it is the same case for purchasing and sales. Therefore, changes in the exchange rate of the RMB against the dollar will not have an uncertain impact on cash flow, profit performance, earnings distribution and financial conditions of the company.

(2) Income Tax and Value-added Tax

In addition, on March 16, 2007, China promulgated the "Law of the People's Republic of China on Enterprise Income Tax." On December 6, 2007, China promulgated the "Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China." The new law came into force on January 1, 2008. Pursuant to the new enterprise income tax law, all enterprises (including enterprises with foreign investment) would be subject to the statutory income tax rate of 25%.

In terms of value-added tax, all units and individuals engaged in the sales of goods, provision of processing, repairs and replacement services, and the importation of goods within the territory of Mainland China are taxpayers of Value-Added Tax, the rate ranging from 0% to 13%. For taxpayers exporting goods, the tax rate shall be 0%. In addition, in accordance with the Law of the People's Republic of China on Enterprise Income Tax which came into force on January 1, 2008 and the regulation on its implementation, enterprises established outside Mainland China but with "actual management functions" conducted in China are seen as "resident enterprises." They shall pay enterprise income tax at the rate of 25% for income derived from or accruing in or outside of Mainland China.

Additionally, in accordance with the new enterprise income tax law, from January 1, 2008, where the non-resident enterprises have no office or premises established in Mainland China or the income derived or accrued has no de facto relationship with the office or premises established, they shall pay the prepaid enterprise income at a rate of 10% for various passive incomes (e.g. dividends) derived from or accruing in Mainland China. (In accordance with the tax treaty of the Hong Kong Special Administrative Region, the tax rate is 5%.)

(3) Labor Contract Law

On January 1, 2008, China began to implement the new Labor Contract Law with the purpose of protecting the lawful rights and interests of employees and specifying the rights and obligations of the parties to employment contracts. The Labor Contract Law stipulates that once a company hires employees (including probation), the parties to employment contracts shall sign a written labor contract within one month from the date of employment. If employers have not signed a written labor contract with employees for more than one month and less than one year from the date of employment, each month the employers shall pay twice as much as the salary of the employees. If employers fail to enter into a written labor contract with employees within one year from the date of employment, it shall be deemed that the employer and the employee have entered into an open-ended employment contract. When the employment relationship ends, under certain circumstances stipulated in the labor contract law, the employer must pay severance pay. If the employer provides equal or better renewal terms than the present, but the employee refuses to sign a new contract, the employer is exempt from severance pay.

If the implementation of the Labor Contract Law greatly increases employment costs, there are clear regulations for manufactures in terms of the establishment of labor contracts, severance pay, a large number of dismissals, placement, and even non-competition. However, the Company is not in a labor-intensive industry, and most of the human resources in the Chinese market are sales and management personnel. In recent years, the salaries of many Chinese employees have been increased to respond to changes in the human resources market. As the Company has always been committed to providing employees with a good working environment and benefits, it is expected to effectively retain competent employees. Therefore, the Labor Contract Law that has been implemented since January 1, 2008 has had a limited impact on the Company, but legal changes in China in the future may affect the Company's operation.

(4) Land and Real Estate Specificity

There is no private ownership of land in China. Except where it is stipulated by law that it belongs to the state, the land within China is collectively owned by the working masses. According to "Law of the People's Republic of China on Urban Real Estate Administration" (hereinafter referred to as "Real Estate Administration Law") adopted by the National People's Congress to adjust the urban real estate relationship, the main body of land ownership in China is specific, including the state and the collective. The land ownership is divided into national land ownership and collective land ownership, and the collectively owned land can be requisitioned in accordance with the law by the state.

In accordance with the "Real Estate Administration Law" and the "Measures for the Administration of Commercial Housing Leasing" which was promulgated on December 1, 2010 and implemented on February 1, 2011, parties to housing leasing shall enter into a written leasing contract and housing leasing shall be registered. According to the "Contract Law of the People's Republic of China" and the Supreme People's Court "Interpretation of several issues concerning the

application of the ‘Contract Law of the People’s Republic of China’ (1),” laws and administrative regulations provide that the contract shall be subject to registration procedures. But for a contract which is not clearly defined to be effective only after registration, the failure of the parties to complete the registration procedures will not affect the validity of the contract, and the ownership of the subject matter of the contract and other property rights cannot be transferred. Given the “Real Estate Administration Law” and “Measures for the Administration of Commercial Housing Leasing” and other relevant laws, administrative regulations do not stipulate that the leasing contract is only effective after registration; therefore, not completing leasing registration will not affect the validity of the leasing contract.

(5) Social Insurance and Housing Provident Fund

a. Social Insurance

In accordance with the “Provisional Regulations on Collection and Payment of Social Insurance Premiums,” the types of social insurance cover basic pensions, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. It stipulates that employers shall, from January 22, 1999, pay social insurance premiums for employees. But given that China’s social insurance system is in the process of gradual establishment and improvement, there are enormous differences in the actual situations of various regions. Provinces, autonomous regions and municipalities directly under the Central Government, according to the actual local conditions, in compliance with the basic rules of the “Provisional Regulations on Collection and Payment of Social Insurance Premiums,” formulated their respective specific regulations of the collection and payment of social insurance premiums to realize the local management of social insurance.

The Company’s major subsidiaries in Mainland China, including Chlitina China ,Weishuo, Weihu Shanghai, and Shanghai Yuanshuo, all comply with the local regulations applicable in the Shanghai region. Both Chlitina China and Weishuo Company have obtained the “Basic Information on Participation in Urban Social Insurance for Employer Units” issued by the Shanghai Social Insurance Fund Management Center, and there are no outstanding payment obligations. From January to July 2015, Chlitina China authorized Qianjin Network Company and its partners to make social insurance contributions on behalf of certain employees, and has obtained the relevant documents proving the above fact. From August, 2015, Chlitina China began to pay social insurance for relevant employees directly.

As described above, the Company pays and withdraws various social insurance premiums for employees in accordance with the relevant laws, regulations, and local policies. The social insurance premium base number and rate are in compliance with the relevant laws and administrative regulations, and there is no need to pay a dodged amount and there are no penalties. By the date of issuing this certificate, above subsidiaries, did not have any major illegal or bad records of labor and social insurance, nor had any major labor disputes or employee strikes, nor had been subject to administrative penalties from the labor and social security authorities.

b. Housing Provident Fund

The “Regulations on Management of Housing Provident Funds” were promulgated and implemented on April 3, 1999, stipulating that employers should pay housing provident funds for employees. But given that Mainland China’s housing provident fund system is in the process of gradual establishment and improvement, provinces, autonomous regions and municipalities directly under the Central Government, according to the actual local conditions, in compliance with the basic rules of the “Regulations on Management of Housing Provident Funds,” formulated their respective specific regulations for the collection and payment of housing provident funds, or published policies related to the base number and rate of housing provident funds every year, to realize the local management of housing provident funds.

The Company’s major subsidiaries in Mainland China, including Chlitina China, Weishuo, Weihu Shanghai, and Shanghai Yuanshuo, all comply with the laws and regulations to open a provident fund account and pay provident funds, and pay housing provident funds for employees in accordance with the law. Above subsidiaries do not violate the laws and regulations of the State and Shanghai on the management of housing provident funds and have obtained the “Housing Provident Fund Deposit Certificate” issued by the Shanghai Provident Fund Management Center, indicating that the above two companies have not been subject to an administrative penalty from the center since they opened their account and deposited into it. Meanwhile, from January to July 2015, Chlitina China authorized Qianjin Network Company and its partners to pay housing provident funds for certain employees, and have obtained the relevant documents proving the above fact. From August 2015, Chlitina China began to pay the housing provident funds of the relevant employees on its own. As described above, the companies have complied with the “Regulations on Management of Housing Provident Funds” and “Regulations on Management of Housing Provident Funds in Shanghai” to pay housing provident funds for employees without disputes with employees due to housing provident fund issues.

(6) Environmental Protection

The Company’s production base is in Mainland China. A subsidiary of the Company in Mainland China, Weishuo Company, is mainly responsible for production and manufacturing. Therefore it must comply with a number of environmental regulations in China. The Weishuo manufacturing plant obtained the environmental impact assessment report at the time of the establishment, and passed the acceptance check of the local environmental protection authority. Weishuo leased the plant to Chlitina (China), and the sewage generated during its production has not yet reached the standard of the pipes. Therefore, the sewage goes through physiochemical and biochemical treatment of the water treatment equipment of Chlitina (China) before being discharged into the sewer. As for waste disposal, Weishuo also entered into contracts with qualified waste disposal companies for regular processing. Although the Company has done its best to comply with applicable environmental laws and regulations, China’s central and local governments may modify environmental regulations and implement more stringent environmental standards and regulatory requirements.

Compliance with the relevant regulations may result in significant costs for the Company, but the Company may not be able to pass on such costs to customers. If the Company fails to comply with or is accused of violating these environmental protection regulations, it may pay fines or be asked to shoulder other environmental liabilities, which may adversely affect the Company's reputation. If the Chinese government changes its existing environmental protection regulations, it may also cause the company to increase its spending on environmental protection.

The Company did not have an adverse record of environmental protection violations as of the publication date of the annual report, and will continue to comply with environmental protection laws and regulations.

(7) The Company's subsidiaries in Mainland China are supervised and regulated by Chinese government agencies, including but not limited to the commerce departments, industry and commerce departments, foreign exchange administration departments, environmental protection departments, safety supervision departments, and drug regulatory departments. The aforementioned government regulatory authorities have the right to promulgate and/or enforce laws, regulations, and regulations concerning the production and operation of subsidiaries in Mainland China in accordance with the laws and regulations. The production and operation of the company's subsidiaries in Mainland China requires obtaining the relevant approvals and licenses from the government regulatory authorities. If subsidiaries in Mainland China cannot obtain or continue to hold the approvals and licenses of various government regulatory authorities, remedial measures may be taken including fines, termination, or restriction of business. The occurrence of any of the above conditions will affect the company's production and operation. The company will continue to closely observe and understand the Chinese government's policy development trends and regulatory changes, and is committed to following them.

(8) Dividends Distribution

As the Company is a holding company, the ability to pay dividends depends on the surplus and distribution of its subsidiaries, and the distribution method and amounts approved by the Board of Directors. Therefore, the dividend distribution in the future will be based on the overall operating performance, financial condition, cash requirements and applicable laws of the group, as well as applicable laws and regulations. For example, in accordance with Chinese law, Chinese subsidiaries can only distribute and pay dividends from their net profits, and the amount of net income is based on the retained earnings calculated in accordance with China's generally accepted accounting principles and China's relevant financial laws and regulations, differing from international financial reporting standards.

In addition, in accordance with the relevant laws and regulations, when a Chinese subsidiary distributes profits, it is required to allocate at least 10% of the net profit after taxation for the current year to be the statutory surplus (a statutory reserve for no distribution of dividends, but only when the reserve accumulated reaches 50% of the company's registered capital). If a subsidiary in Mainland China pays dividends to the company in repatriation of funds, it is subject to 10% income tax, which may reduce the company's ability to allocate dividends to shareholders.

- C. Whether acknowledging the civil decision effect of a court of the Republic of China
In accordance with the "Provisions of the Supreme People's Court on People's Courts Recognizing Civil Judgments of Taiwan's Related Courts" and the "Supplementary Provisions of the Supreme People's Court on People's Courts Recognizing Civil

Judgments of Taiwan's Related Courts" that were promulgated and implemented by the Supreme People's Court, if the person's domicile or habitual residence or the location of the property to be executed is in the other provinces, autonomous regions, or municipalities directly under the Central Government, the civil judgments of Taiwan's related courts may be submitted to the People's Court for approval within two years after the determination of the validity of the judgment, and the person concerned can also apply for property preservation. The civil judgments of the related courts of Taiwan approved by the people's court shall have the same effect as the effective judgments made by the people's courts. Although there is no mutual legal assistance agreement or other similar agreement between the Chinese judicial authorities and the judicial authorities, in accordance with the relevant regulations of the Chinese judicial authorities and mutual legal assistance agreements signed by cross-strait institutions, Chinese lawyers believe that China, on the basis of the reciprocity principle without the violation of related laws, public order, or good customs, can recognize and enforce the civil judgments and arbitration awards of Taiwan. However, if the Chinese court does not recognize the judgments of the Republic of China Court, even if the investor has obtained the determined judgment in the Republic of China, it may not be able to execute the judgment. Therefore, the investor may encounter the risk of being unable to successfully claim compensation abroad. The investor should understand the legal risks of purchasing the securities issued by foreign issuers.

3. The impact of changes in interest rates, exchange rates, and inflation on the company's profit and loss and future response measures in the most recent year and up to the publication date of the annual report:

(I) Interest rates

The interest rate risk for the company mainly relates to its borrowing from the bank, which exposes the company to the risks of cash flow interest rates and the market interest rates. The interest income is derived from bank deposits. Interest expenses are the rates charged for being lent funds. The Company's interest income in 2024 and 2025 amounted to NT\$ 115,296 thousand and 71,766 thousand, respectively, accounting for 2.84% and 1.85% of net operating revenue respectively. Interest expenses amounted to NT\$ 115,055 thousand and NT\$ 84,150 thousand, respectively, representing 2.83% and 2.17% of the net operating income respectively. These are not high ratios, therefore the impact of changes in interest rates on the Company's operation is limited.

Response measures:

The Company has been maintaining good relations with the banks and keeping good financial stability and creditability to obtain a better level of interest rate. It's expected that the Company's overall operation in the future will not be significantly impacted by interest rate changes. In addition, in order to adopt appropriate response measures that reduce the Company's profit and loss impacted by the changes of interest rate, it's essential to keep alert to the changes of interest rate.

(II) Exchange rates

The Company was listed on the Taiwan Stock Exchange (TWSE) on November 27, 2013. As a result of changes in the economic environment, the resolution of the Board of Directors changed the company's monomeric functional currency from the United States dollar (USD) to New Taiwan dollar (NT\$). The company's combined functional currency is Renminbi (RMB). In all of company's main operating entities are located in Mainland China, as a result, the day-to-day operations of the Renminbi are adopted as a trading currency. Basically, most sales are also RMB-denominated. Foreign exchange profit (-loss) of NT\$ -49,739 thousand and NT\$ 27,972

thousand occurred respectively in 2024 and 2025. The impact ratio on operating profit was low at -6.61% and 3.79% for the respective periods.

The risk exposures for the company's main operating entities in the current environment of exchange rate fluctuations are the revenues from and purchases of non-functional currencies. The company's royalty income derived from intellectual properties and the subsidiaries purchased from Taiwan are transacted in USD. However, the amount of revenue and payment only accounts for a small ratio of the company's cash flow, and the risk of the exchange rate is also relatively low. Additionally, since most of the Company's loans are calculated in USD, fluctuation of the exchange rate has an impact on the Group.

Response measures:

- ① Continuously strengthen our financial personnel's concept of hedging (a way for the company to minimize foreign exchange risk) by the means of a real-time online exchange rate system and intensified contacts with financial institution to analyze the movements in exchange rates as a reference for foreign exchange settlement.
- ② Maintain intense contacts with major banks and monitor changes in the Forex (foreign exchange market) at all times to provide the relevant managers with comprehensive information that grasps the movements in exchange rates. In case of processing alternate currency receipts, appropriate adjustments can be made in time.
- ③ As far as possible, use the same currency of sales revenue to pay procurement and other related expenses and achieve an automatic hedging effect.

(III) Inflation

Under the rapid changes in the overall economic environment so far, there's no immediate and significant impact to the company caused by inflation and deflation mentioned above. In particular, the end users of products produced by the company are the general public. The company will keep alert to global economic changes, fluctuations of market prices of raw materials and end products, as well as good interactive relationships with suppliers and consumers. Furthermore, in the face of changes in the global economic environment, the marketing strategy and cost structure will be adjusted by the company at any time in response to the impact of these changes in the overall economic environment caused by inflation and deflation, so as to prevent the company from any significant impacts.

4. The main causes of profit and loss, as well as the future response measures to the company's policies of engaging in high-risk, highly leveraged investments, capital loans to others, endorsements, guarantees, and derivative commodity transactions in the most recent year and up to the publication date of this annual report.

(I) The main causes of profit and loss, as well as the future response measures to the company's policies of engaging in high-risk, highly leveraged investments:

Based on the principle of stability and pragmatic business philosophy, in addition to our focus on the main business, the company has not engaged in high-risk or highly leveraged investment but has taken the principle of prudent conservatism as the financial policy. All investments engaged in are carefully executed after considerate assessments.

(II) The main causes of profit and loss, as well as the future response measures to the company's policies of engaging in loans to other:

The resolution, "Management Approach for Loans to Others", of the Board of Directors serves as the basis for compliance by the company and its subsidiaries engaging in the related business. The company's funds and loans and the cases comply with the provisions of the operation and announcement. There are no funds or loans to other companies other than the merged company in

the most recent year and up to the publication date of this annual report. Overall, there is no significant impact on the profit or loss in the consolidated financial statements.

(III) The main causes of profit and loss, as well as the future response measures to the company's policies of engaging in endorsement and guarantees:

The resolution, "Management Approach for Endorsement and Guarantees" of the Board of Directors serves as the basis for compliance by the company and its subsidiaries in the related business. There are no endorsements or guarantees between the company and the merged companies and no endorsements or guarantees for companies other than the merged company in the most recent year and up to the publication date of this annual report. Overall, there is no significant impact on the profit or loss of the consolidated financial statements.

(IV) The main causes of profit and loss, as well as the future response measures to the company's policies of derivative transactions:

As for the hybrid contract involving the equity and embedded options for the investment of the Company in Enhance Stem Cell Technology (Hainan) Co., Ltd., the Company has the right to exercise the option and request Enhanced Stem Cell Technology, the original shareholders, or its founder to repurchase part or all of the equity at a non-fixed price pursuant to the contract. As of December 2025, the value of the hybrid contract based on the fair value at the end of the period was NT\$ 126,755 thousand. The Company will periodically assess the operation of related hedging strategies depending on the operational status of the Company and act in accordance with the "Regulations Governing the Acquisition and Disposal of Assets".

5. The company's research and development plans and projected investment costs in the most recent year and up to the publication date of this annual report:

The Company dedicates itself to seeking the application of the skin concept, "medicine-based, beauty-oriented" by the means of providing professional skincare solutions to women who are plagued by various skin problems. Through the introduction of advanced technology in the industry and focusing on consumer groups targeted in different market channels, the company will continue to launch new products for beauty and health to broaden the distribution of product lines. In 2025, CHLITINA launched two major product series, the Skin Radiance Refining series (including professional treatment set) and the White Crystal Dark Spot Correcting series (Special certification). Both performed extremely well in terms of product efficacy, consumer feedback, and sales, successfully strengthening the brand's professional image in the field of high-end performance skincare, while creating substantial revenue growth and product line upgrade benefits for the Company.

Different products launched through different channels can satisfy the needs of different consumers for personalized skincare and healthy lifestyles to the greatest extent.

(I) Future development plans

For the Company's future R&D plans, please refer to Chapter Five, profiles of "New R&D Products" related to the current business operating status.

(II) Estimated R&D expenses in the future

The Company's R&D costs in 2023, 2024, and 2025 amounted to NT\$ 19,616 thousand, NT\$ 16,375 thousand, and NT\$ 13,172 thousand respectively, and each accounted for 0.43%, 0.40%, and 0.34% of the annual revenue during the respective period. At present, the Company's R&D is fully directed to professional beauty products, personal skin care products, aromatherapy and spa products, and relevant fields. With the expansion of the R&D scale in the future, the annual R&D costs for 2026 are expected to account for about 1% of the annual revenue.

6. The impacts on the company's financial operations of important policies nationwide and worldwide and changes in the law, as well as the response measures in the most recent year and up to the publication date of this annual report:

The Company was incorporated in the Cayman Islands, and its main operations are in Mainland China. The main economic activity in the Cayman Islands is financial services with an open economy without foreign exchange control. China has become one of the world's major economies. Although the economic environment has tended to be open, outward fund remittance is still subject to the foreign exchange control of the Chinese government. Consequently, in the future, if there are changes of policies, taxation, economic status or interest rate policy made by the Chinese government, or the occurrence of any political, diplomatic or social events, the Company's business may be impacted. The Company complies with important policies nationwide and worldwide, as well as the legal regulations to execute each business operation. Also, the Company has been keeping alert to the development of important policies nationwide and worldwide in order to adopt appropriate response measures to the changes in the market environment in a timely manner.

7. The impacts on the company's finance and business of changes in technology (including cybersecurity risks) and in the industry, as well as the response measures in the most recent year and up to the publication date of this annual report:

With the rapid changes in modern technology, in addition to grasping movements in the market and the trend of improvement in technology, the company's research focuses on all kinds of raw materials and skin care products in order to develop skin care products that are best suitable for the skin and physical conditions of Asian weather. We provide the best quality products and services to consumers to expand the market share and better control the changes in the industrial environment. At present, there are no major changes in the technology (including cyber security and risks) or industry that significantly impact the company's financial business in the most recent year and up to the publication date of this annual report.

8. The impacts to the company's crisis management caused by the changes of corporate image, as well as the response measures in the most recent year and up to the publication date of this annual report:

The Company operates with a prudent and pragmatic spirit. Since its inception, the Company has progressively strengthened its internal management, improving quality and efficiency. The Company has never experienced a crisis management caused by changes of corporate image. In the future, should any change of corporate image impact the Company's crisis management, it might lead to the Company not being able to implement timely coping responses to a boom or changes in the market, as well as adverse effects to the Company's business operation. Therefore, the Company will put more dedication to maintaining corporate governance by insisting on transparent operation and strengthening the capacity of the management team to return good results to the shareholders and the public, so as to fulfill the Company's corporate social responsibility as well as reinforce its excellent image.

9. Expected benefit(s), possible risk(s), and response action(s) of mergers and acquisitions in the most recent year and up to the publication date of this annual report.

The Company had no acquisition or merging plans in the most recent year and up to the publication date of this annual report.

10. Expected benefit(s), possible risk(s), and response action(s) of the expansion of factory plants in the most recent year and up to the publication date of this annual

report.

The Company had no plans for expansion of its manufacturing plants in the most recent year and up to the publication date of this annual report.

11. Risks related to sales and purchasing concentration, as well as countermeasures in the most recent year and up to the publication date of this annual report:

(I) Risk of purchasing concentration

Numerous suppliers provide the main raw materials adopted by the Company, including chemical raw materials, semi-finished products and packaging materials. In order to maintain negotiation flexibility in the price of raw materials, as well as ensure the sources of raw materials, the group has signed a one-year supply contract with several suppliers. Retaining several suppliers as the sources of raw materials and keeping good long-term collaborative relationships can ensure the stability of supply sources.

(II) Risk of sales concentration

The Company's business is mainly operated through a chain management system that offers professional beauty care services and product sales. In addition to the expansion of the Company's franchise store number, we made investments in the development of self-owned e-commerce and medical cosmetology businesses in recent years. This has contributed to increasing the number of our end-customers as well as their distribution. Therefore, there is no sales concentration risk for the Company.

12. Effect, risk, and response actions associated with large transfers or changes in shareholdings by directors, supervisors, or major shareholders holding over 10% in the most recent year and up to the publication date of this annual report:

The Company is an investment holding company established on July 3, 2012 in the Cayman Islands. Ever since its establishment, there has been no substantial transfer or replacement of shares by directors, supervisors, or major shareholders holding over 10%.

13. Impact, risk, and countermeasures of changes in management of the Company in the most recent year and up to the publication date of this annual report.

There has been no change in management of the Company in the most recent year and up to the publication date of this annual report. The Company has strengthened its corporate governance measures and introduced independent directors in order to enhance the overall protection of shareholders' rights. The Company day-to-day operations mostly relies on professional managers, and the current strong professional management team has made a considerable contribution to the Company's operating performance. In the future, the Company should therefore continue to enjoy the shareholders' support, and any change in management should not have any significant negative impact on Company's management and operational advantages.

14. Litigation and non-litigation matters

(I) Regarding the company's cases of litigation, non-litigation, or administrative disputes which have been determined: Any of the facts which may have a significant impact on the shareholder's equity or the price of the securities that should be disclosed, including the amount of the subject matter, the date of commencement, the main lawsuit parties, and the present ongoing situation in the most recent year and up to the publication date of this annual report: None.

(II) The company's directors, supervisors, presidents, substantive principals, major shareholders with a shareholding ratio of over 10%, and subordinate companies regarding the company's cases of litigation, non-litigation, or administrative disputes which have been

determined, or any of the facts which may have a significant impact on the shareholder's equity or the price of the securities that should be disclosed, including the amount of the subject matter, the date of commencement, the main lawsuit parties, and the present ongoing situation in the most recent two years and up to the publication date of this annual report: None.

15. Other important risk(s) and response action(s) in the most recent year and up to the publication date of this annual report.

(I) Risks of damage to the brand image:

As a cosmetic and skincare chain brand that directly faces a vast group of consumers, brand image is of paramount importance to the Company. With the Company's continuous business operation and expansion, there are risks to the Company's products being counterfeited or maliciously attacked. Such actions might have a certain degree of negative effect to Company's image and interests. If the Company's brand image and other rights are infringed or if its reputation suffers malicious slander, the Company will resort to legal action, which might consume a certain amount of its financial, material and manpower resources and negatively impact the Company's operations. The Company's CHLITINA brand has been recognized as a Well-Known Trademark in China, which allows for heavier penalties for counterfeiters, highlighting the government's emphasis on protecting the CHLITINA brand, and thus helping to mitigate the risk of product counterfeiting and damage to brand image.

(II) Risks caused by the turnover of professional beauticians

Professional beauticians are the backbone of beauty salons. A complete training program typically takes about two years. However, due to the high turnover rate in the industry, the skills of beauticians vary from one another. In addition, fierce market competition can easily lead to significant turnover among professional beauticians.

(III) Risks related to franchise store management

The advantages of franchising lie in its rapid brand penetration, as well as the relatively low threshold. However, its disadvantages include a strong sense of dependence on the company's headquarters and potential negligence in operation and sales, thus increasing management difficulty. For an effective management of the vast number of chain stores extensively distributed in Chinese cities at all levels, in addition to managing stores at the provincial level through branch offices, including supervision, on-site training, and promotional guidance, we have strengthened control over our franchise stores by establishing a comprehensive and sound system and regulations. Upon joining, franchisees are required to sign contracts with the Company that includes non-compete clauses. Also, the Company will assess the performance of each store by visiting from time to time, thereby preventing vicious competition and other irregularities, while maintain the Company's reputation and competitiveness. Although the company has established a perfect management system and is committed to controlling franchise stores, without timely discipline and improvement, the emergence of substandard franchise stores might adversely affect the Company's reputation.

(IV) Risks of price fluctuation and operating costs

The Company promotes the use of natural plant extracts, main raw materials including rose, vanilla, pollen, algae, vitamins, amino acids and all kinds of extracts from precious plants. These raw materials are vulnerable to climate impact which may lead to an increase of production costs. Besides, the cost of product packaging materials, which include paper packaging, plastic packaging, and glass packaging, is also affected by the fluctuation of crude oil prices.

(V) Risks of formula theft

Our main products are manufactured using proprietary formulas, with core technologies developed through repeated scientific experiments and research and long-term production practices. Although the Company has implemented stringent protection for these formulas, key technical personnel possess some confidential information. If a competitor or other third party obtains the Company's exclusive formulas and develops or produces a product with similar formulation, it may affect the financial status and the operating condition of the Company to a certain degree. Nevertheless, consumer choice in cosmetics and skincare products is significantly influenced by brand trust. Even if products have nearly identical functions and ingredients, consumers tend to choose brands they trust. This brand loyalty mitigates the risks associated with formula theft.

(VI) Risks to shareholder's rights and interest protection

There are many differences between the Cayman Islands Companies Act and the Republic of China Company Act. Although the Company has amended its Articles of Association in compliance with the "Important Examples for Shareholder Rights Protection" provided by the Taiwan Stock Exchange Corporation (TWSE), there are still many legal differences between the two countries regarding the regulation of company operations. As a result, investors cannot secure the application of the same legal rights when investing in a Cayman Islands company and in a Taiwanese company. Investors should fully understand and consult with experts about whether they are able to acquire shareholder rights protection when investing in a Cayman Islands company.

(VII) Information security risks

To ensure information security and system stability, the Company has been actively promoting cybersecurity initiatives in recent years. A dedicated information security team has been established, and in accordance with the National Cybersecurity Assessment Standard (S3A3), the Company has developed the "Information Security Management System" and the "Practical Rules for Information Security Management." These efforts aim to continuously optimize the Company's cybersecurity framework and management systems.

Faced with increasingly complex business and transaction models, the Company has enhanced its cybersecurity risk management by establishing various cybersecurity standards, such as hardware and software management procedures. The IT Department and Audit Department of the Company also conduct regular audits and spot checks for the relevant implementation of the information security systems to minimize information security risks. Since the implementation of the "Data Security Protection Law" and the "Cybersecurity Multi-Level Protection 2.0" in 2021, the Company has enhanced the security of the "Chlitina Store Management System" and of the "Chlitina Portal System" under the new compliance standards. This includes implementing access controls, log auditing, and security management platforms, effectively reducing the risk of customer data leakage and transaction risks. We acquired the IT security evaluation certification in 2023.

Key cybersecurity enhancement measures over the past 3 years:

Cyber security: Monitor the risk in the network and terminal application systems with early warning functions, deploy integrally, and enable anti-virus software and cyber security management strategies to reduce the risk network intrusion.

Data backup and Recovery: Create unified data backup, disaster recovery and platform recovery to provide data redundancy for the unknown risk of damage or loss of data.

Network access: Control the access to the terminal equipment, perform preliminary checking and isolation of risks, and specify security standard checks for network access to reduce security concerns.

Regular audits: The effectiveness of information security management is monitored through internal audits, external audits, and national equal protection, and the system adjustment

process is regularly revised to reduce and prevent new risks.

Private Cloud Platform Optimization: Upgrade the performance and security of the private cloud architecture to strengthen data storage protection and system stability while improving resource scheduling efficiency.

Through these enhanced security measures, the company has effectively reduced cybersecurity risks, ensured data security and system stability, met regulatory requirements, and maintained a stable operating environment.

(VIII) Intellectual property infringement risk

To effectively manage and safeguard intellectual property (IP), strengthen its IP portfolio, respect third-party rights, and mitigate infringement risks, the Company has established an Intellectual Property Management Plan. The management strategy and objectives focus primarily on core technologies and brand value, adopting a PDCA (Plan–Do–Check–Act) management cycle to ensure compliance with the laws and regulations of China (including Hong Kong and Macau) and Taiwan (such as Patent Law and Trademark Law), while remaining closely aligned with the Company’s development strategy. The plan aims to achieve the following objectives:

- Strengthen IP protection for core technologies and packaging design
- Build a competitive brand portfolio with strong international recognition
- Reduce infringement risks while enhancing R&D momentum and market trust

The Intellectual Property Management Plan covers the following areas:

- Patent management system
- Trademark management system
- Copyrights
- Risk management and dispute resolution

The Company reports annually to the Board of Directors on the implementation of its IP management. The 2025 execution status is scheduled to be presented at the Board meeting on May 11, 2026. Key implementation highlights in recent years are as follows:

- 2024: Updated IP policies and objectives in response to evolving financial needs driven by Taiwan’s aging population. By leveraging patented technologies—such as artificial intelligence, blockchain, and digital identity recognition—we aim to enhance user experience for elderly customers and expand their access to financial services, thereby improving their quality of life. We also strengthen the Company’s trade secret management mechanisms and progressively enhanced control over confidential information through regular training programs, further reinforcing customer privacy protection.
- 2025: In response to international conventions, adjusted the existing trademark management framework to communicate the concept of a green circular economy, raising public awareness of environmental protection and sustainability. Actively enforced trademark rights to ensure public confidence in the Company’s services.

IP portfolio and achievements:

- **Patents:** In 2025, the Company obtained 1 U.S. invention patent and 3 Chinese utility model patents. As of the end of 2025, total patent applications reached 65, including 5 granted invention patents (2 in Taiwan, 1 in France, 1 in the United States, and 1 in China), 27 utility model patents, and 5 design patents, for a total of 37 granted patents. Applications under examination include 22 utility model patents and 6 design patents. Invention and utility model patents together account for over 80% of

the Company's total patent filings.

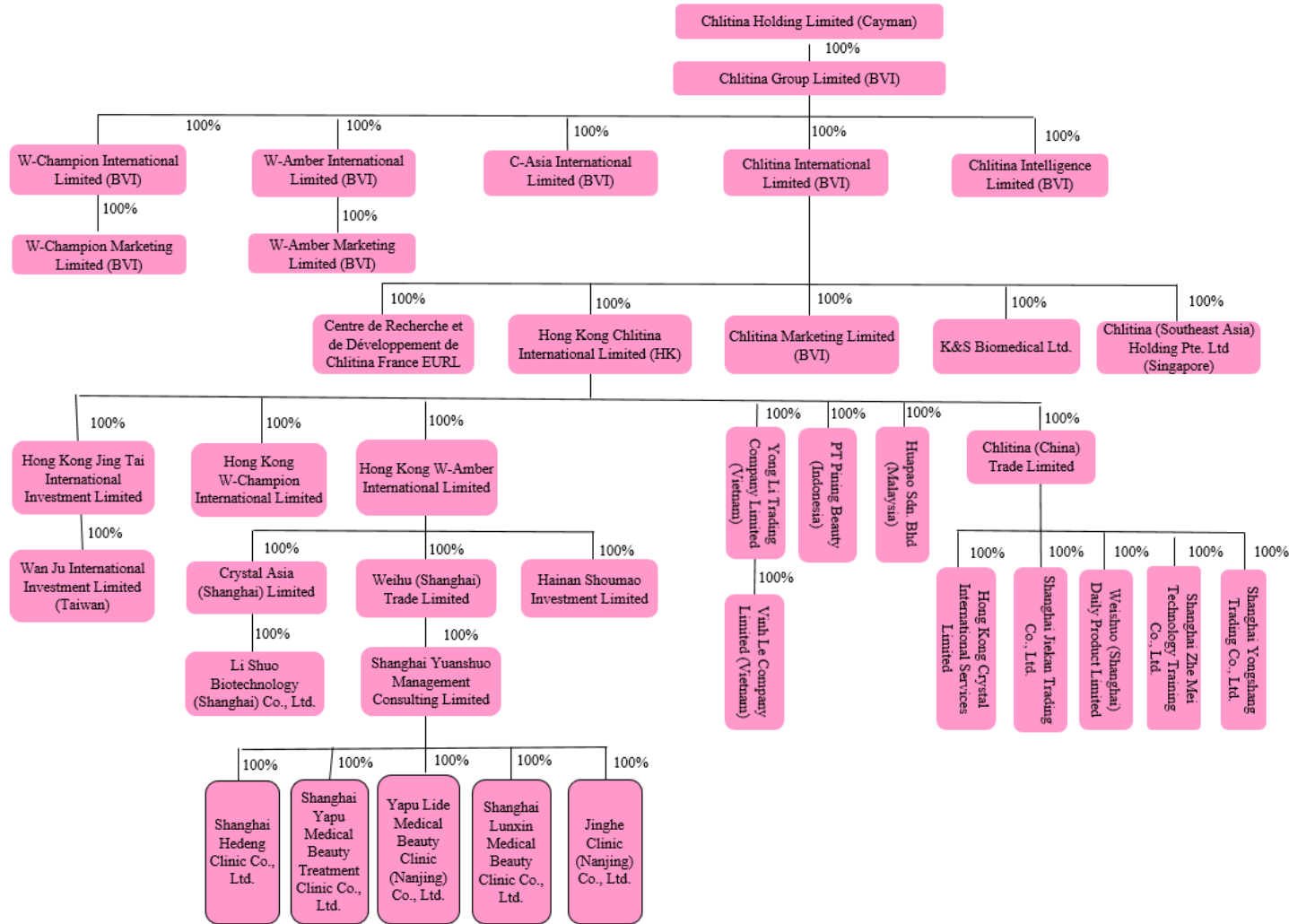
- Trademarks: In 2025, 7 new trademarks were registered in China. As of the end of 2025, the Company had accumulated a total of 755 approved trademarks worldwide (Taiwan: 228; Thailand: 34; Indonesia: 20; Singapore: 23; Malaysia: 31; Vietnam: 12; Cambodia: 3; Philippines: 2; Japan: 5; South Korea: 7; Canada: 2; France: 6; New Zealand: 2; Australia: 6; United States: 6; China: 336; Hong Kong: 18; Macau: 14). The trademark portfolio spans categories including cosmetics, food, beauty services, and charitable services, supporting product development, market expansion, and philanthropic initiatives, with the objective of sustainable growth.

VII. Other significant events: None

Seven. Special items

I. Information on Affiliates:

1. Organizational chart (as of December 31, 2025)



Note: Chlitina Intelligence Limited, Chlitina Marketing Limited, and Chlitina (China) Trade Limited all have numerous branches not shown in the above chart. See the beginning of the document for information pertaining to these branches.

2. Basic information regarding affiliates

December 31, 2025

Company name	Date of establishment	Address	Paid-in capital	Principal business or production lines
Chlitina Group Limited	November 08, 2011	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 26,637 thousand	Investment holding
Chlitina Intelligence Limited	April 03, 2012	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 0.001 thousand	Investment holding and R&D
Chlitina International Limited	June 25, 2007	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 24,280 thousand	Investment holding
W-Amber International Limited	May 07, 2014	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 1,150 thousand	Investment holding
W-Champion International Limited	March 11, 2016	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 930 thousand	Investment holding
C-Asia International Limited	December 07, 2016	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 20 thousand	Investment holding
Centre de Recherche et de Développement de CHLITINA France EURL	June 09, 2008	102, avenue des Champs Elysées, 75008 Paris, France	EUR 5 thousand	R&D Center
Hong Kong Chlitina International Limited	December 15, 2009	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	HKD 69,850 thousand	Investment holding and marketing of skincare products
Chlitina Marketing Limited	November 08, 2012	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 14,980 thousand + RMB 13,500 thousand	Investment holding and marketing of skincare products
W-Amber Marketing Limited	May 07, 2014	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 1,150 thousand	Investment holding
Hong Kong Crystal Asia International Limited (Note 1)	December 29, 2016	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	0	Investment holding
Hong Kong W-Champion International Limited	April 08, 2016	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	USD 2,950 thousand	Investment holding
Hong Kong W-Amber International Limited	July 11, 2014	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	HKD 92,800 thousand + USD 10,600 thousand + RMB 58,700 thousand	Investment holding
W-Champion Marketing Limited	March 11, 2016	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 930 thousand	Investment holding
Yong Li Trading Company Limited	July 14, 2017	129F / 95L Ben Van Don, Ward 8, District 4, Ho Chi Minh City, Vietnam	VND 226,000 thousand + USD 2,710 thousand	Marketing of skincare products
Vinh Le Company Limited	August 20, 2020	No. 102, Ha Huy Tap, Nam Thien 1 Quarter, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam	VND 2,730,000 thousand	Marketing of skincare products
Huapao Sdn. Bhd.	April 23, 2019	Level 02.02A(I), Menara Keck Seng, 203 Jalan Bukit Bintang 55100 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	USD 121 thousand	Marketing of skincare products
Hong Kong Crystal International Services Limited	September 16, 2019	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	RMB 628 thousand	Investment holding, marketing of skincare products and health food products

Chlitina (China) Trade Limited	November 14, 2006	Building F, Room 1201, 1033 Zhaojiabang Road, Xuhui District, Shanghai City, China	USD 8,570 thousand + RMB 12,131 thousand	Marketing of skincare products and health food products
Shanghai Zhe Mei Technology Training Co., Ltd.	August 22, 2012	No.2, Alley 100, Jingxi Rd., Songjiang Industrial Park, Shanghai City, China	RMB 18,000 thousand	Beauty practitioners training service
Weishuo (Shanghai) Daily Product Limited	February 28, 2007	1F and 3F of Building 2, No.58, Jingxi Rd., Songjiang Industrial Park, Shanghai City, China	RMB 13,755 thousand	Production and marketing of skincare products
Weihu (Shanghai) Health Management Consulting Co., Ltd.	November 06, 2014	Room 213, No.1, Alley 180, Shaanxi S. Rd., Xuhui District, Shanghai City, China	USD 26,300 thousand	Investment holding, marketing of skincare products and health food products
Crystal Asia (Shanghai) Limited	August 14, 2015	Room 315, 3F., No.238 Shaanxi S. Road, Xuhui District, Shanghai City, China	USD 3,599 thousand	Marketing of skincare products and health food products
Li Shuo Biotechnology (Shanghai) Co., Ltd.	April 27, 2018	Room 366 of Building 2, No.692, Yongjia Rd., Xuhui District, Shanghai City, China	RMB 2,255 thousand	Enterprise management consulting and investment holdings
Shanghai Yuanshuo Management Consulting Limited	May 17, 2017	Room 320, 9F., No.583 Lingling Rd., Xuhui District, Shanghai City, China	RMB 113,400 thousand	Enterprise management consulting and investment holdings
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	August 30, 2019	Room 1404-1406, No.666, Huaihai W. Rd., Changning Dist., Shanghai City, China	RMB 7,000 thousand	Medical cosmetology service
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	May 20, 2019	Shop No. 1F-16 and 2F-01, No.2-12, Shuiximen St., Qinhuai District, Nanjing City, Jiangsu Province, China	RMB 17,100 thousand	Medical cosmetology service
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	September 25, 2019	1-2F., No.518 (Temp.), Hongqiao Rd., Xuhui District, Shanghai City, China	RMB 20,800 thousand	Medical cosmetology service
Jinghe Clinic (Nanjing) Co., Ltd.	August 19, 2019	Shop No. 2F-03, No.2, Shuiximen St., Qinhuai District, Nanjing City, Jiangsu Province, China	RMB 1,200 thousand	General clinic and food
Shanghai Hedeng Clinic Co., Ltd.	June 14, 2019	Room 1403, No.666, Huaihai W. Rd., Changning Dist., Shanghai City, China	RMB 4,600 thousand	General clinic
Hong Kong Jing Tai International Investment Limited	September 01, 2020	Room 308, 3/F, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	RMB 1,000 thousand	Investment consultation and regular trade
PT Pining Beauty Indonesia	November 29, 2019	CEO Suite, Indonesia Stock Exchange Tower 2 Lantai 17, Jalan Jenderal Sudirman Kav 52-53, Kel.Senayan, Kec. Kebayoran Baru, Kota Adm. Jakarta Selatan, Prop. DKI Jakarta	0	Import of goods and management consultation
Hainan Shoumao Investment Limited	May 17, 2021	B025, B026, B027, 2F, Building F, Kangxiang Rd., Boao Lecheng International Medical Industrial Center, No. 1, Kangle Road, Boao Lecheng International Medical Tourism Pilot Zone, Qionghai City, Hainan Province	RMB 35,000 thousand	Enterprise management consulting and investment holdings
Wan Ju International Investment Limited	July 09, 2021	10F., No.107, Songren Rd., Xinyi District, Taipei City	NT\$ 2,000 thousand	Investment holding

Shanghai Jiekan Trading Co., Ltd.	May 13, 2021	Room 1701, No.666, Huaihai W. Rd., Changning Dist., Shanghai City, China	RMB 17,000 thousand	Marketing of skincare products and health food products
Shanghai Yongshang Trading Co., Ltd.	February 23, 2022	9F., No.583 Lingling Rd., Xuhui District, Shanghai City	RMB 20,000 thousand	Cosmetics retail and manicure services
K&S Biomedical Ltd.	December 09, 2019	10F-2, No. 266, Section 1, Wenhua 2nd Road, Linkou District, New Taipei City	NT\$ 500 thousand + USD 5,007 thousand	Selling skin care and daily products
Chlitina (Southeast Asia) Holding Pte. Ltd.	April 18, 2024	531A Upper Cross Street #03-108 Hong Lim Complex, Singapore (051531)	USD 200 thousand	Investment holding

Note 1: Hong Kong Crystal Asia International Limited was struck off in April 2025.

3. Information on the directors, supervisors and presidents of affiliated enterprises

December 31, 2025

Company name	Title	Name of individual(s) or representative(s)	Shares held	
			Number of shares (shares)	Holding ratio
Chlitina Group Limited	Director	Chen, Pi-Hua	2,728,707,348	100
Chlitina International Limited	Director	Chen, Pi-Hua	25,470,001	100
Chlitina Intelligence Limited	Director	Chen, Pi-Hua	1	100
W-Amber International Limited	Director	Chen, Pi-Hua	1,150,000	100
W-Champion International Limited	Director	Chen, Pi-Hua	930,000	100
C-Asia International Limited	Director	Chen, Pi-Hua	20,000	100
Hong Kong Chlitina International Limited	Director	Chen, Pi-Hua	69,850,001	100
Chlitina Marketing Limited	Director	Chen, Pi-Hua	17,112,882	100
Centre de Recherche et de Développement de Chlitina France EURL	Director	Chen, Pi-Hua	500	100
K&S Biomedical Ltd.	Director	Chen, Po-Hung	Note 1	100
Chlitina (Southeast Asia) Holding Pte. Ltd.	Director	Chen, Pi-Hua	2,000,000	100
Hong Kong Crystal Asia International Limited	Director	Chen, Pi-Hua	Note 2	100
Hong Kong W-Champion International Limited	Director	Chen, Pi-Hua	2,950,000	100
Hong Kong W-Amber International Limited	Director	Chen, Pi-Hua	189,303,060	100
W-Amber Marketing Limited	Director	Chen, Pi-Hua	1,150,000	100
W-Champion Marketing Limited	Director	Chen, Pi-Hua	930,000	100
Yong Li Trading Company Limited	Director	Chen, Pi-Hua	Note 1	100
Vinh Le Company Limited	Director Partner	Chen, Pi-Hua Thi Bui Thuy Diem	Note 1	100
Huapao Sdn. Bhd.	Director	Chen, Pi-Hua	500,000	100
Hong Kong Crystal International Services Limited	Director	Chen, Pi-Hua	100,000	100
Hong Kong Jing Tai International Investment Limited	Director	Chen, Pi-Hua	1,000,000	100

PT Pining Beauty Indonesia	Director	Chen, Pi-Hua	Note 1	100
Wan Ju International Investment Limited	Director	Chen, Pi-Hua	200,000	100
Chlitina (China) Trade Limited	Executive director/General manager	Chao, Chen-Yu	Note 1	100
	Supervisor	Chen, Le-Wei		
Shanghai Zhe Mei Technology Training Co., Ltd.	Executive director/General manager	Chao, Chen-Yu	Note 1	100
	Supervisor	Chen, Chao-Ching		
Weishuo (Shanghai) Daily Product Limited	Executive director	Chao, Chen-Yu	Note 1	100
	Supervisor	Chen, Le-Wei		
Weihsu (Shanghai) Health Management Consulting Co., Ltd.	Executive Director	Chang, Pei-Ling	Note 1	100
	Supervisor	Chen, Le-Wei		
Crystal Asia (Shanghai) Limited	Director	Chang, Pei-Ling	Note 1	100
	Supervisor	Chen, Pei-Wen		
Shanghai Yuanshuo Management Consulting Limited	Executive director	Chang, Pei-Ling	Note 1	100
	Supervisor	Ting, I		
Li Shuo Biotechnology (Shanghai) Co., Ltd.	Director	Chang, Pei-Ling	Note 1	100
	Supervisor	Chen, Chao-Ching		
Shanghai Hedeng Clinic Co., Ltd.	Executive director/General manager	Li, Liang	Note 1	100
	Supervisor	Chao, Chen-Yu		
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	Executive director	Chang, Pei-Ling	Note 1	100
	Supervisor	Ting, I		
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Executive director	Ting, I	Note 1	100
	Supervisor	Chao, Chen-Yu		
Jinghe Clinic (Nanjing) Co., Ltd.	Executive director	Chang, Pei-Ling	Note 1	100
	Supervisor	Xu, Zhen-Qiong		
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	Executive director	Chang, Pei-Ling	Note 1	100
	Supervisor	Xu, Zhen-Qiong		
Hainan Shoumao Investment Limited	Director/General manager	Chang, Pei-Ling	Note 1	100
	Supervisor	Li Liang		
Shanghai Yongshang Trading Co., Ltd.	Executive director/ General manager	Chao, Chen-Yu	Note 1	100
	Supervisor	Ting, I		
Shanghai Jiekan Trading Co., Ltd.	Executive director/ General manager	Chao, Chen-Yu	Note 1	100
	Supervisor	Li Liang		

Note 1: Limited company, with no shares issued.

Note 2: Hong Kong Crystal Asia International Limited was struck off in April 2025.

4. Operating profile of affiliated companies

December 31, 2025, Unit: NT\$1,000

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit	Profit or loss in current period (after tax)	Earnings per share (NT\$) (after tax)
Chlitina Group Limited	826,927	7,613,111	1,320,068	7,016,579	0	-2	636,538	Note 1
Chlitina International Limited	744,441	7,326,323	1,320,068	6,006,255	0	-35	567,956	Note 1
Chlitina Intelligence Limited	0	528,510	242,668	285,843	190,134	83,062	68,585	Note 1
W-Amber International Limited	50,880	76	0	76	0	0	-3	Note 1
W-Champion International Limited	34,518	39	0	39	0	0	-1	Note 1
C-Asia International Limited	920	106	0	106	0	0	-4	Note 1
Hong Kong Chlitina International Limited	276,221	8,864,789	3,087,058	5,777,730	4,882	-61,744	613,567	Note 1
Chlitina Marketing Limited	513,915	238,552	75,921	162,632	143,519	-10,922	-9,284	Note 1
Centre de Recherche et de Développement de Chlitina France EURL	188	0	0	0	0	0	0	Note 1
K&S Biomedical Ltd.	157,000	28,993	9,907	19,085	14,398	-37,332	-37,034	Note 1
Hong Kong Crystal Asia International Limited	-	-	-	-	-	-	-	Note 3
Hong Kong W-Champion International Limited	61,865	55,845	0	55,845	0	0	0	Note 1
Hong Kong W-Amber International Limited	1,013,011	242,676	61	242,615	0	-160	-72,460	Note 1
Yong Li Trading Company Limited	78,260	26,241	8,030	18,211	976	-6,929	-8,252	Note 1
Huapao Sdn. Bhd.	3,502	2,402	107	2,296	0	-274	-470	Note 1
Hong Kong Jing Tai International Investment Limited	4,392	3,367	61	3,308	0	-111	-95	Note 1
PT Pining Beauty Indonesia	0	0	0	0	0	0	0	Note 1
Vinh Le Company Limited	3,003	5,390	12,261	-6,871	2,189	-2,105	-2,100	Note 1 Note 2
Hong Kong Crystal International Services Limited	2,754	2,376	32	2,343	0	-82	-76	Note 1
W-Champion Marketing Limited	31,783	39	0	39	0	0	-1	Note 1
W-Amber Marketing Limited	56,280	45	0	45	0	0	-2	Note 1
Wan Ju International Investment Limited	2,000	1,553	22	1,530	0	-81	-71	Note 1

Chlitina (Southeast Asia) Holding Pte. Ltd.	6,092	6,286	0	6,286	0	0	-2	Note 1
Chlitina (China) Trade Limited	308,631	7,486,583	1,100,056	6,386,529	3,497,183	823,013	756,560	Note 1
Shanghai Zhe Mei Technology Training Co., Ltd.	78,302	81,688	43,453	38,234	79,279	5,337	1,059	Note 1
Weishuo (Shanghai) Daily Product Limited	64,207	1,151,532	217,023	934,509	583,709	19,586	31,504	Note 1
Weihu (Shanghai) Health Management Consulting Co., Ltd.	815,579	86,493	21,833	64,659	31,034	-12,252	-65,940	Note 1
Crystal Asia (Shanghai) Limited	105,110	44,706	4,132	40,575	1,705	-1,409	-1,671	Note 1
Li Shuo Biotechnology (Shanghai) Co., Ltd.	9,889	1,595	0	1,595	0	-319	-319	Note 1
Shanghai Yuanshuo Management Consulting Limited	497,646	-36,192	8,556	-44,748	0	-5,603	-49,304	Note 1
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	29,810	22,856	52,085	-29,229	46,932	-13,571	-4,275	Note 1
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	73,823	44,897	52,833	-7,935	21,952	-17,951	-7,733	Note 1
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	90,799	101,934	119,475	-17,541	50,665	-25,576	-21,327	Note 1
Jinghe Clinic (Nanjing) Co., Ltd.	5,181	0	0	0	0	-2,811	3,447	Note 1
Shanghai Hedeng Clinic Co., Ltd.	19,884	6,932	6,540	392	4,599	-12,751	-12,778	Note 1
Hainan Shoumao Investment Limited	151,515	136,044	0	136,044	0	-142	-2,378	Note 1
Shanghai Jiekan Trading Co., Ltd.	75,593	96,836	44,078	52,758	82,403	-3,550	2,797	Note 1
Shanghai Yongshang Trading Co., Ltd.	88,399	61,637	8,508	53,129	18,340	-6,383	-6,378	Note 1

Note 1: Not applicable as it is a limited company.

Note 2: Since 100% shares of the investee shall be held in the name of another person pursuant to local laws, 100% substantial control over the investee is imposed.

Note 3: Hong Kong Crystal Asia International Limited was struck off in April 2025.

II. Handling of private securities in the most recent year (2025) and up to the publication date of the annual reports: None

III. Other important supplementary information:

Description of the significant differences from the Republic of China's regulations on the protection of shareholders' interests.

Given the slight differences between the laws and regulations of the Cayman Islands and those of the Republic of China, the "Checklist of Shareholders' Rights Protection Matters for Foreign Issuers in their Country of Registration" (hereinafter referred to as "Shareholders' Rights Protection Matters") issued over the years by the Taiwan Stock Exchange Corporation may not automatically apply to the Company. The table below sets out the differences between the Cayman Islands legal requirements and the relevant provisions of the Company's Articles of Association.

Differences	Cayman Islands laws and notes	Provisions of the Articles of Incorporation and notes
<p>The term “special resolution” means the resolution adopted by a majority of present shareholders that represent two-thirds or more of the total shares issued by the company. As for a company issuing shares to the public, if the total shares represented by the shareholders present at the shareholders’ meeting are less than the said amount, a special resolution shall be adopted by a majority vote of the shareholders present at the meeting and representing more than two-thirds of the total number of voting shares.</p>	<p>According to the Company Law of the Cayman Islands, the term “special resolution” means the resolution adopted, which is voted for by “over two-thirds” of the votes held by the shareholders present. The legal quorum of a shareholders’ meeting shall be the number of shareholders present which represent over half of the total shares issued by the company.</p>	<ol style="list-style-type: none"> 1. According to the notes stated in the Letter Tai-Zheng-Shang-Zi No. 0991701319 issued by Taiwan Stock Exchange Corporation on April 13, 2010, attendance and the number of votes involving significant proposals for equities of shareholders shall be “subject to the presence of shareholders representing over half of the total shares issued and consent of shareholders representing over two-thirds of the votes held by the shareholders present,” so as to comply simultaneously with the requirements of Cayman Islands law and the Republic of China’s Company Act on special resolutions of public companies. 2. Article 31 and 2 (1) of the Company’s Articles of Association stipulate that the term “special resolution” means the resolution adopted at the shareholders’ meeting attended by shareholders representing over half of the voting shares issued by the Company and voted for by the shareholders representing more than two-thirds of the votes held by the shareholders present, as well as complying with the provisions of the Cayman Islands laws and the Republic of China’s Company Act on special resolutions of public companies.

Differences	Cayman Islands laws and notes	Provisions of the Articles of Incorporation and notes
<ol style="list-style-type: none"> 1. A company shall not cancel its shares, unless a resolution on capital reduction has been adopted by its shareholders' meeting; the capital reduction shall be done in proportion to the shares held by shareholders. 2. Any company reducing its capital shall return the stock capital by properties other than cash; the property returned and the amount offset shall be subject to the resolution of the shareholders' meeting, and consent from the shareholder receiving such property. 3. The board of directors shall submit the value of the said property and the amount offset to a certified public accountant of the Republic of China for audit and verification prior to the shareholders' meeting. 	<p>According to the compulsory provisions on capital reduction in Articles 14 to Article 18 of the Company Law of the Cayman Islands, a company may not reduce its capital unless agreed by the shareholders' meeting through special resolutions or permitted by a court of the Cayman Islands through orders.</p>	<p>Since the Company Law of the Cayman Islands has strict requirements on the capital reduction, and relevant provisions are compulsory, the capital reduction cannot be done unless the company modifies the Articles of Association. After confirming with lawyers in the Cayman Islands, Article 18-1 of the Articles of Association was modified to adopt an alternative approach—namely, repurchasing shares based on the shareholding proportion of the shareholders and cancelling such repurchased shares—to meet the requirements stated in the left-most column, which has no material difference with the content of the provision.</p>

Differences	Cayman Islands laws and notes	Provisions of the Articles of Incorporation and notes
<p>Any shareholder holding more than 3% of the total issued shares for more than one year shall state the proposal and reasons in writing and require the board of directors to hold the special shareholders' meeting. Where the board of directors fails to issue a notice on the convention of a special shareholders' meeting within 15 days as of the date when such request is filed, the shareholder may hold it independently after obtaining an approval from the competent authority.</p>	<p>There is no such competent authority for approving the convention of shareholders' meetings in the Cayman Islands.</p>	<p>According to the Letter (Tai-Zheng-Shang-Zi No. 0991701319) issued by Taiwan Stock Exchange Corporation on April 13, 2010, a foreign issuer, under the premise of no violation of the laws of the place of registration, may delete the part "competent authority for approving the convening of shareholders' meeting" and specify the right of minority shareholders to request for the convening of special a shareholders' meeting in the Articles of Association. According to Article 26(1) of the Company's Articles of Association, any shareholder holding more than 3% of the total issued shares for more than one year shall state the proposal and reasons in writing and require the board of directors to hold an extraordinary shareholders' meeting. Where the board of directors fails to issue a notice on the meeting convention within 15 days upon receipt of such request, the shareholder filing such request may hold the shareholders' meetings independently. The aforesaid Article 26(1) of the Articles of Association complies with the provision on the left-most column, that is, when the board of directors fails to issue the notice for convention of a shareholders' meeting according to the written request, the shareholder filing such request may hold the shareholders' meeting without consent of the competent authority.</p>

Differences	Cayman Islands laws and notes	Provisions of the Articles of Incorporation and notes
<p>When the voting rights of the Company are to be exercised in writing or electronic means, such means of exercise shall be expressly provided in the notice to the shareholders' meeting. A shareholder exercising voting rights in writing or electronic means will be deemed as having participated in the shareholders' meeting in person but shall be deemed as having waived the right with respect to the extempore motions and amendments to original proposals at that meeting.</p>	<p>The Company Law of the Cayman Islands stipulates that the voting right may be exercised personally or by entrusting a proxy. Cayman lawyers are of the opinion that exercise of the voting right in writing or electronically is different from the presence in person defined in the Company Law of the Cayman Islands, and shall not be deemed as "having attended the shareholders meeting personally," and shall be deemed as having appointed the Chairman of the shareholders' meeting as the proxy.</p>	<p>Article 46 of the Articles of Association stipulates that shareholders exercising their voting rights in writing or electronically shall be deemed as having appointed the Chairperson of the shareholders' meeting to serve as their proxy. Such appointment shall not be deemed as proxies defined in the provisions on listing (OTC). There is no material difference in effect of the two.</p>
<p>After a shareholder exercises the voting right in writing or electronic means, if he or she intends to participate in the shareholders' meeting in person, he or she shall withdraw their votes using the same method by which the vote was cast in the first place two days prior to the date scheduled for the shareholders' meeting. In the event that he or she fails to withdraw within the specified time limit, he or she shall still exercise the voting right in writing or electronic means.</p>	<p>The Company Law of the Cayman Islands stipulates that the voting right may be exercised personally or by entrusting a proxy.</p>	<p>As stipulated in the later paragraph of Article 47(2) of the Company's Articles of Association, any shareholder failing to withdraw and attending the shareholders' meetings personally, in principle, shall still have the right to attend the shareholders' meeting personally and exercise the voting right, which shall be deemed as the cancellation of the appointment which appoints the Chairman as the proxy, unless such prior cancellation of notice is irrevocable due to the accompanying interests or other reasons stipulated in the Cayman laws. The two vary from each other in the effect of overdue cancellation, but have no material difference in the protection of shareholders' interests.</p>

Differences	Cayman Islands laws and notes	Provisions of the Articles of Incorporation and notes
<p>Relevant provisions of the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies,” such as the entrusted solicitor, manner of solicitation, solicitation announcement and restrictions, etc.</p>	<p>Cayman lawyers specified that the laws of the Cayman Islands do not have any equivalent concept to the solicitation of the proxy.</p>	<p>According to the notes stated in the Letter Tai-Zheng-Shang-Zi No. 0991701319 issued by the Taiwan Stock Exchange Corporation on April 13, 2010, foreign issuers may be allowed to incorporate the general clause in the Articles of Incorporation, which is applicable to the Republic of China’s “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”. Therefore, according to Article 57 of the Company’s Articles of Incorporation, the use and solicitation of proxies shall be handled according to the Cayman laws and the listing (OTC) provisions, especially the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”. We have already complied with the contents stipulated in the left-most column.</p>

Differences	Cayman Islands laws and notes	Provisions of the Articles of Incorporation and notes
<p>After a proxy is served to the Company, if a shareholder decides to participate in the shareholders' meeting in person or to exercise voting rights in writing or electronic means, he or she shall inform the Company in writing to withdraw the proxy two days prior to the date scheduled for the shareholders' meeting. In the event that such shareholder is overdue in withdrawing the notice, the voting rights exercised by the delegated proxy shall prevail.</p>	<p>The Company Law of the Cayman Islands stipulates that the voting right may be exercised personally or by entrusting a proxy.</p>	<p>As stipulated in the last paragraph of Article 53 in the Company's Articles of Association, any shareholder failing to withdraw the proxy and attend the shareholders' meeting personally, in principle, shall still have the right to attend the shareholders' meeting personally and exercise the voting right, which shall be deemed as its cancellation of the appointment which appoints the Chairman as the proxy unless such prior cancellation notice is irrevocable due to the accompanying interests or other reasons stipulated in the Cayman laws. The two vary from each other in the effect of overdue cancellation, but have no material difference in the protection of shareholders' interests.</p>
<p>Regulations related to the supervisor.</p>	<p>The Company Law of the Cayman Islands does not have such provisions.</p>	<p>The Company has not set a supervisor, therefore there is no specific regulations regarding the supervisor. According to Article 85(1) and (2) of the Company's Articles of Association, the Company shall set the audit committee during the listing period. Thus, the Company has set the audit committee as stipulated previously, which complies with the provisions in the left-most column.</p>

<p>1. When resolving one of the following items at the shareholders' meeting, the dissenting shareholder of the Company shall have the appraisal right:</p> <ol style="list-style-type: none"> (1) Splits, mergers, acquisitions, or equity transfers of the Company. (2) The Company signs, changes, or terminates the contract related to the leasing of all businesses, entrusted operations, or joint operations with others, assigns all or the main part of the businesses or properties, or acquires all of the businesses or properties of others which have a significant impact on the operations of the Company. <p>2. The shareholder filing a request under the preceding paragraph shall make it in writing and specify the price for buying back within 20 days from the resolution date of the shareholders' meeting. If the Company and shareholder reach an agreement about the price of buying back, the Company shall pay for the shares within 90 days from the resolution date of the shareholders' meeting. In case no agreement is reached, the Company shall pay the fair price it has recognized to the dissenting shareholder who asks for a higher price within 90 days from the resolution date of the shareholders' meeting. If the Company does not pay, the Company shall be considered to be agreeable to the price requested by the</p>	<p>The Cayman lawyer specified that when merger is made according to the Company Law of the Cayman Islands, the shares of the dissenting shareholders will be canceled after the completion of merger. The dissenting shareholder only has the right to apply to the Cayman Islands court for a ruling on the buyback price. The merger procedure may proceed and be completed without the completion of the buyback procedure. The Cayman lawyer considered that there may be a dispute since it is uncertain whether the Company may complete the merger procedure based on the Company Law of the Cayman Islands when the merger of the Company is executed on the Cayman Islands while the dissenting shareholder requests to buy the Company's shares by referring to the requirements stated in the left-most column. To avoid doubts, the Cayman lawyer suggested the Company to specify that the requirements stated in the left-most column shall apply without any violation against the Cayman laws and comply with the rights of the dissenting shareholders stipulated in the Cayman laws.</p>	<p>In 2020, the Company amended Article 39(3) of the Articles of Association regarding the execution procedure of the appraisal rights for the dissenting shareholders based on the rights of the dissenting shareholders stipulated in the Cayman laws without any violation. In 2020, the Company amended Article 39(4) of the Articles of Association to specify that if the Company and dissenting shareholder do not reach an agreement within a certain period, the Company shall apply to the court for a ruling on the price to ensure the execution of the dissenting shareholder's appraisal right. The laws of the Cayman Islands and the Articles of Incorporation vary from each other in the handling of the shares held by the dissenting shareholders, but have no material difference in the protection of shareholders' interests.</p>
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Differences	Cayman Islands laws and notes	Provisions of the Articles of Incorporation and notes
<p>shareholder.</p> <p>3. Shareholders who cast a negative vote or waived their right to vote at the shareholders' meeting may file a request for share purchasing to the Company in accordance with Sub-paragraph 1 of Paragraph 1. If no agreement is reached within 60 days from the resolution date of the shareholders' meeting, the Company shall apply to the court for a ruling on the fair price against all dissenting shareholders as the opposing party within 30 days after that duration. Taiwan Taipei District Court shall be the court of first instance.</p> <p>4. The number of shares abstained from voting in the preceding paragraph shall not be counted towards the number of voting rights of the shareholders present at the meeting.</p>		

Eight. In the most recent year and up to the publication date of the annual report, where there is any event having a significant impact on the shareholders' interests or the securities price as stipulated in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, note it one by one: None.

Chlitina Holding Limited

Chairman: Chen, Pi-Hua