Stock Code: 4137

麗豐股份有限公司
Chlitina Holding Limited

2024 Annual Report

This annual report is available at: MOPS – http//mops.twse.com.tw
Company website: http//www.chlitina.com
Prepared by Chlitina Holding Limited｜Published on March 28, 2025

Chairman's Remarks

In 2024, we started experiencing the so-called "new economic normal." Global economic growth has slowed, and industrial chains are undergoing significant reshuffling and restructuring. Despite these challenges, the beauty and personal care industry continues to develop steadily, and the Chlitina Group has demonstrated remarkable resilience amidst this competitive landscape. Our annual revenue for 2024 reached NTD 4.06 billion, with 96% coming from mainland China, remaining the core of our business. Our main channel, Chlitina, comprises 4,587 stores worldwide, firmly maintaining a leading position in the beauty industry.
Reflecting on these accomplishments, I am reminded of a phrase from the Book of Rites: "Steady progress leads to far-reaching achievements."

Stability comes from consolidation and continuity.
Looking back over the past year, we have received numerous accolades in the areas of brand, products, corporate social responsibility, and ESG. In 2024, for the ninth time, our flagship brand, Chlitina, was the sole representative of the beauty industry among Taiwan's Top 25 Global Brands. Chlitina also ranked among Asia's Top 500 Brands, and Forbes China's Top 100 Beauty Brands. The Chlitina Group was further recognized for its outstanding corporate social responsibility and ESG practices, receiving the "2024 ESG Exemplary Enterprise Award" at the China Charity Festival. Additionally, our CEO, Mr. Chao Cheng-Yu, was awarded the Forbes China Young Leader in the Beauty Industry Awards.
These honors are a testament to our commitment to long-term brand values, which is what I mean by "stability."

Our forward momentum demonstrates confidence and cohesion.
According to a report by Fortune Business Insights, the Chinese skincare market reached USD 59.08 billion in 2024 and is projected to exceed USD 128.61 billion by 2032, with an annual growth rate of 10.43%. As consumer demand for health and technology-driven skincare solutions rises, we are leveraging this trend by advancing our digital platforms and diversifying our distribution channels. Our goal is to create holistic beauty and health solutions.
In 2024, we launched CHLITINA HOME SPA, a new retail brand offering efficient and enjoyable at-home skincare experiences. Additionally, our RnD brand has expanded into high-end makeup with the introduction of the RnD SPA MAKE UP line, featuring foundation and lipstick, further broadening our business scope. We will integrate our channel advantages to drive the global health and beauty industry forward. Soon, Chlitina will also introduce cellular-level anti-aging beauty products, once again leading industry innovation.
While celebrating these achievements, Chlitina will continue to focus on training, development, and talent cultivation to provide strategic support for the company's growth. We are also embracing digital marketing, digital commerce, and technological trends, fully integrating AI technology to enhance smart analytics and data applications. This will improve operational efficiency and market competitiveness. Chlitina's AI-powered skincare and treatment robot was unveiled toward the end of 2024, offering precise and personalized solutions for consumers.
In the future, we will actively leverage AI, big data, and manufacturing advantages to empower consumers and become a global leader in the beauty and health industry.
Finally, I want to share a thought: "True leaders do not shine in calm waters but prove themselves in turbulent times. As we navigate this challenging landscape, we leave behind not just a trail, but a new map for the entire industry." Every steady step strengthens our foundation, and every forward stride illuminates our future path. As we enter a new year filled with challenges, let us rise to the occasion and reach new heights. I am confident, and I invite you to join me in this endeavor. Thank you all!

I. Name, Title, Contact Tel. and E-mail for Spokesperson and Vice Spokesperson

Spokesperson:

Name: YEH, Eric
Title: Director, Accounting and Investor Relations
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, Grand Cayman, KY1-1111, Cayman Islands TEL: (886)2-27238666

(II) Subsidiaries and Branches:

1. Subsidiaries:

Name:	Chlitina Group Limited	Website:	http://www.chlitina.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	Chlitina International Limited	Website:	http://www.chlitina.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	Chlitina Intelligence Limited	Website:	http://www.chlitina.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	W-Amber International Limited	Website:	http://www.chlitina.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	W-Champion International Limited	Website:	http://www.chlitina.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	C-Asia International Limited	Website:	http://www.chlitina.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	Centre de Recherche et de Developpement de Chlitina France EURL	Website:	http://www.chlitina.com
Address:	102, avenue des Champs Elysées, 75008 Paris, France	TEL:	(886)2-27238666
Name:	Hong Kong Chlitina International Limited	Website:	http://www.chlitina.com
Address:	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong	TEL:	(852)-23763068
Name:	Chlitina Marketing Limited	Website:	http://www.chlitina.com
Address:	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	TEL:	(886)2-27238666
Name:	W-Amber Marketing Limited	Website:	http://www.chlitina.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.chlitina.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
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
Address:	102 Ha Huy Tap, Khu Pho Nam Thien1, Phuong Tan Phong, Quan 7, Ho Chi Minh City, Vietnam	TEL:	(84)028-54130709
Name:	Hua Pao Sdn. Bhd.	Website:	http://www.chlitina.com
Address:	Level 02.02A(I), Menara KeckSeng 203 Jalan Bukit Bintang55100 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	TEL:	(886)2-27238666
Name:	PT Pining Beauty Indonesia.	Website:	http://www.chlitina.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.chlitina.com
Address:	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong	TEL:	(852)-23763068
Name:	Hong Kong Crystal International Services Limited	Website:	http://www.chlitina.com
Address:	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong	TEL:	(852)-23763068
Name:	Hong Kong Jing Tai International Investment Limited	Website:	http://www.chlitina.com
Address:	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong	TEL:	(852)-23763068
Name:	Wan Ju International Investment Limited	Website:	http://www.chlitina.com
Address:	10F., No.107, Songren Rd., Xinyi District, Taipei City	TEL:	(886)-27238666
Name: Address:	K&S Biomedical Ltd. 10F.-2, No. 266, Sec. 1, Wenhua 2nd Rd., Linkou Dist., New Taipei City	Website: TEL:	https://kindtoshare.com/ (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:	Weihu (Shanghai) Health Management Consulting Co., Ltd.	Website:	http://www.chlitina.com
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
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
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
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
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
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
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
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:	Jinghe Clinic (Nanjing) Co., Ltd.	Website:	http://www.chlitina.com
Address:	Shop No. 2F-03, No.2, Shuiximen St., Qinhui District, Nanjing City, Jiangsu Province, China	TEL:	(86)21-22201388
Name:	Hainan Shoumao Investment Limited	Website:	http://www.chlitina.com

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
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
Address:	9F, No. 583 Lingling Road, Xuhui District, Shanghai, China	TEL:	(86)21-22201388

2. Branch:

Name:	British Virgin Islands Chlitina Marketing Limited, Taiwan Branch	Website:	http://www.chlitina.com
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
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, Dalien 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 Branch	Website:	http://www.chlitina.com.cn
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, Shanxi 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 Plaza, No. 130, Ma'anshan Rd., Baohe Dist., Hefei City, Anhui Province, China	TEL:	(86)551-62628988
Name:	Name: Chlitina (China) Trade Limited, Guangzhou Branch	Website:	http://www.chlitina.com.cn
Address:	Room 2008–2010, Yian Plaza, No. 33, Jiansheliuma Rd., Yuexiu Dist., Guangzhou City, Guangdong Province, China	TEL:	(86)20-83278819
Name:	Chlitina (China) Trade Limited, Shanxi Branch	Website:	http://www.chlitina.com.cn
Address:	7F., Site B, Sunshine International Business Center, No. 103, Changzhi Rd., Xiaodian Dist., Taiyuan City, Shanxi Province, China	TEL:	(86)351-7883498
Name:	Chlitina (China) Trade Limited, Tianjin Second Branch	Website:	http://www.chlitina.com.cn
Address:	No. 1661, 1660, 1659, 13-1658-3, No.11, 13, Nanma Rd., Nanshi St., Heping Dist., Tianjin City, China	TEL:	(86)22-27552680
Name:	Chlitina (China) Trade Limited, Hangzhou First Branch	Website:	http://www.chlitina.com.cn
Address:	Room 907, No. 203, Zhaohui Rd., Xiacheng District, Hangzhou City, Zhejiang Province, China	TEL:	(86)13616542676
Name:	Chlitina (China) Trade Limited, Hubei Branch	Website:	http://www.chlitina.com.cn
Address:	10F., Room 4 and 5, Pacific Financial Building, No. 548, 550, 552, 556 Jianshe Avenue, Jianghan District, Wuhan City, Hubei Province, China	TEL:	(86)27-85515152
Name:	Chlitina (China) Trade Limited, Hunan Branch	Website:	http://www.chlitina.com.cn
Address:	41F., 01, 02 & 03, Shimao World Financial Center, No. 393, Jianxiang Road, Furong District, Changsha City, Hunan Province, China	TEL:	(86)731-88318299
Name:	Chlitina (China) Trade Limited, Henan Branch	Website:	http://www.chlitina.com.cn
Address:	No. 229, Jinshui Road, Weilailu Subdistrict, Jinshui District, Zhengzhou City, Henan Province, China	TEL:	(86)0371-65896272
Name:	Chlitina (China) Trade Limited, Shenzhen Branch	Website:	http://www.chlitina.com.cn
Address:	16B, Jinrun Building, No. 6019, Shennan Avenue, Tianan Community, Shatou Subdistrict, Futian District, Shenzhen City, China	TEL:	(86)0755-82326992
Name:	Chlitina (China) Trade Limited, Chongqing Brand Management Branch	Website:	http://www.chlitina.com.cn
Address:	No. 6, 9F, Branch Road No. 10, Guihua Street, Jiangbei District, Chongqing City, China	TEL:	(86)023-88280158

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

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
TEL: (886)2-23611300

IV. Name, Office, Address, Website, and Telephone of the CPA for the most recent financial reports

Name: CPA Wang, Sung-Tse, CPA Lin, Yi-Fan
CPA firm: Pricewaterhouse Coopers 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: Pi-Hua Chen 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.chlitina.com

VIII. Directors of the Board

Title	Nationality	Name	Gender (Female/Male)	Major education background and work experiences	Concurrent positions at the Company and other companies
Chairman	R.O.C.	Pi-Hua Chen	F	EMBA, Tongji University PhD of Keuka College, USA	Note 1
Director	British Virgin IS.	Wealthy Garden Investment Limited	-	-	-
	R.O.C.	Representative: Chen, Pei-Wen	F	MBA, Seton Hall University, USA	Note 2
Director	R.O.C.	Chao, Cheng-Yu	M	Bachelor of Communication, Fudan University	CEO of Chlitina Holding Limited Note 3

				Master's, School of Economy and Management, Tongji University	
Director	Mainland China	Wu, Ssu-Tsung	M	Master of Economics, Shanghai University of Finance and Economics Bachelor of Economics, Jiangxi University of Finance and Economics Professor, Tongji University	Independent Director of Top Spring International Holdings Limited Chairman of Shanghai Guanzong Investment Limited
Independent Director	R.O.C.	Tsai, Yu-Chin	F	PhD, School of Accounting, Shanghai University of Finance and Economics Master, 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	Independent director/Remuneration Committee member/Audit Committee chair of Jiu Han System Technology, Co., Ltd. Assistant Professor, Dept. of Finance, China University of Technology
Independent Director	R.O.C.	Hsu, Wen-Kuan	F	BA, Dept. of Accounting, Soochow University CPA, PwC Lead Accountant, Suzhou Branch of PwC China Qualified to practice as a CPA in China	Independent Director, Eclatorq Technology Co., Ltd. Independent Director, (Cayman) BORETECH Resource Recovery Engineering Co., Ltd. Supervisor, Omnihealth Group, Inc.
Independent Director	R.O.C.	Huang, Lei-Kang	M	President of China Campus, Keuka College, New York, USA 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	--
Independent Director	R.O.C.	Lee, Jin-Wei	M	Founder and CEO of J-Reach Co. Ltd Founder and CEO of Momentx Co., Ltd Initiator and director of TAVAR (Taiwan Association for Virtual	Momentx Co., Ltd/Director/CEO

				and Augmented Reality) Initiator of Monte Jade Science &Technology Association, Monte Jade Youth Chapter	

Note 1: Director of (BVI) Chlitina Group Limited, Director of (BVI) Chlitina International Limited, Director of (BVI) Chlitina Intelligence Limited, Director of Centre de Recherche et de Developpement de Chlitina France EURL, Director of Hong Kong Chlitina International Limited, Director of (BVI) Chlitina Marketing Limited, Director of (BVI) W-Amber International Limited, Director of (BVI) W-Amber Marketing Limited, Director of Hong Kong W-Amber International Limited, Director of (BVI) W-Champion International Limited, Director of (BVI) W-Champion Marketing Limited, Director of Hong Kong W-Champion International Limited, Director of (BVI) C-Asia International Limited, Director of Hong Kong Crystal Asia International Limited, Director of Hong Kong Crystal International Services Limited, Director of Hong Kong Jing Tai International Investment Limited, Director of Yong Li Trading Company Limited, Director of Vinh Le Company Limited, Executive Director of Weihu (Shanghai) Health Management Consulting Co., Ltd., Executive Director of Crystal Asia (Shanghai) Limited, Executive Director of Shanghai Yuanshuo Management Consulting Limited, Executive Director of Li Shuo Biotechnology (Shanghai) Co., Ltd, Executive Director of Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd., Executive Director of Hainan Shoumao Investment Limited, Director of Huapao Sdn. Bhd., Director of PT PINING BEAUTY INDONESIA, Director of CHLITINA (SOUTHEAST ASIA) HOLDING PTE. LTD, Manager of British Virgin IS., Chlitina Marketing Limited Taiwan Branch, Manager of British Virgin IS., Chlitina Intelligence Limited Taiwan Branch, Representative of Juristic Person 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 Limited, Director of Quan Feng Sheng Investment Co., Ltd., Director of Jin Yongji Co., Ltd., Director of Chaoneng Biochemical Technology Co., Ltd.

Note 2: Director of Huapao Sdn. Bhd., Director of PT PINING BEAUTY INDONESIA, Supervisor of Crystal Asia (Shanghai) Limited, Director of J&V Global Limited, Director of TuTu & Bow International Limited, Director of FORTUNE RADIANCE INVESTMENT LIMITED, Supervisor of Kelti (China) Daily Product Co., Ltd., Supervisor of Jin Yen (Shanghai) Biotech Co., Ltd., Supervisor of Zhaocang (Shanghai) Trading Co., Ltd., Chairman of San Yen So International Co., Ltd., Representative/Director of Phiwing International Co., Ltd., Representative/Director of Chlitina International Limited, Director of Kelti International Trade Co., Ltd., Director of Charming Biotech Corporation, Director of Dida Biomedical Limited, Supervisor of Chaoneng Biochemical Technology, Supervisor of HUNZAS CO., LTD., Supervisor of Jin Yongji Co., Ltd., Supervisor of Quan Feng Sheng Investment Co., Ltd.

Note 3: Director of CHLITINA (SOUTHEAST ASIA) HOLDING PTE. LTD, Executive Director of Chlitina (China) Trade Limited, Executive Director of Weishuo (Shanghai) Daily Product Limited, Supervisor of Shanghai Yuanshuo Management Consulting Limited, Executive Director and President of Shanghai Zhe Mei Technology Training Co., Ltd., Supervisor of Shanghai Hedeng Clinic Co., Ltd., Supervisor of Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd., Supervisor of Shanghai Lunxin Medical Beauty Clinic Co., Ltd., Supervisor of Hainan Shoumao Investment Limited, Executive Director of Shanghai Yongshang Trading Co., Ltd., Executive Director of Shanghai Jiekan Trading Co., Ltd., Executive Director of Shanghai Cheng Yang Trading Co., Ltd., Chairman of Cheng Yang Trading Co., Ltd., Director of Yahe Consulting Co., Ltd., Director of (BVI) CAPITAL FAITH DEVELOPMENT LIMITED.

Note 4: Director’s domestic representative: mutually appointed between general directors and mutually appointed between independent directors.
Contact details for domestic agent:
TEL: (886)2-27238666
E-mail: investor@chlitina.com

Chlitina Holding Limited
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One. Letter to Shareholders

Chlitina Holding Limited 2024 Business Report

Chlitina Holding Limited's (hereinafter referred to as the "Company") 2024 operating results and 2025 business plan are presented as follows:

I. 2024 Annual Operating Results

(I) Business plan implementation results

The Company's consolidated operating revenue in 2024 was NTD 4,066,587 thousand, a decrease of 10.32% from the consolidated operating revenue of NTD 4,534,771 thousand in 2023; the net profit after tax was NTD 472,675 thousand, down by 54.27% from the net profit after tax of NTD 1,033,554 thousand in 2023.
In terms of sales regions, the Company's operating revenue in Mainland China was NTD 3,899,006 thousand, accounting for 95.88% of the total operating revenue. Mainland China remains the Company's largest market and key business expansion area.

(II) Financial revenue and expenditure and profitability analysis

In terms of financial revenue and expenditure and financial structure, in 2024, the Company's asset-liability ratio was 37.66%, the current ratio was 298.38%, the net profit margin was 11.62%, and the cash inflow from operating activities was NTD 574,539 thousand. These results indicated that the Company had sufficient cash flows, strong profitability, and a rather stable financial structure.

(III) Research and development status

The Company dedicates itself to seeking the application of the skin concept, "medicine-based, beauty-focused" 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 2024, the franchised channel launched innovations in the Youthkeeper Series. The Youthkeeper Serum 2.0 brings together 9 core peptides and precious ingredients such as the T+nano intelligent encapsulated active, and Swertia Chirata extract, for a comprehensive and in-depth solution to skin aging problems. The company continues to design different products launched through different channels to meet the needs of consumers for personalized skincare and healthy lifestyles to the greatest extent possible.

(IV) Budget implementation status

No public financial forecast was disclosed in 2024.

II. 2025 Business Operating Plan

(I) Operating principles

1. The overall business strategy has been upgraded, focusing on four strategic pillars: brand leadership, product excellence, dual-core drive, and customer co-prosperity. This aims to achieve the Company's vision of creating a trustworthy and shareable beautiful life. Our mission is to provide customers with high-quality products and precise solutions with love, and to offer partners a platform for long-term development and mutual benefit.
2. Regarding the professional channels, based on the Group's strategy, we will continue to enhance products and services in order to facilitate the advancement

of consumption concepts. We will upgrade the management of franchises to improve their profitability and increase the overall franchise quality in the constant pursuit of long-term robust growth.

In Mainland China, we will actively explore the consumption potential and consumer needs of blank markets. In terms of different areas, we will continue to strengthen the management at different levels. While increasing the speed of expansion, we will also take care of the quality of stores.

In Hong Kong, Taiwan and Southeast Asia, we will deepen brand awareness and expedite the addition of stores. We will reach out to local beauty markets by improving and enforcing franchise management strategies that adapt to local developments. Furthermore, we will research and develop beauty and health products that are suitable for local consumers.

3. For the e-commerce channel, the Company will optimize the product structure, upgrade consumption awareness, launch products in line with the "Home Spa" concept, and improve network deployment and product coverage by means of 24/7 marketing approaches with no geographical limit.
4. In our channels 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 continuously bring additional momentum to the Company's revenue.

(II) Future development strategies of the Company:

The Company will continue to aim at non-stop sales growth for different channels and expand the group's business territory by implementing the strategies of "product diversity," "multi-channel selling" and "diversified marketing" in accordance with the macro environment, industry characteristics, and market preference.

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

(I) Impact of the external competitive environment and overall business operating environment

According to the Statistical Communique of the People's Republic of China on the 2024 National Economic and Social Development released by the National Bureau of Statistics of China, in 2024, China's economic performance "was generally stable with steady progress made, high-quality development was pursued with solid steps, new quality productive forces witnessed steady development, reform and opening up continued to deepen […] and new and solid strides were taken for Chinese modernization".

The Statistical Communique states that according to preliminary estimates, the annual GDP was RMB 134.91 trillion, up by 5.0% over the previous year, and the value added by the tertiary industry accounted for 56.7% of the gross domestic product. Driven by multiple factors, such as industrialization, digitalization, and consumption upgrade, the tertiary industry, especially the service sector, continues to grow steadily. The driving force of consumption for growth was obvious. The contribution of the final consumption expenditure to GDP growth rate was up by 2.2 percentage points. The level of urbanization has continued to rise, and the income gap between urban and rural residents has continued to narrow. National income has grown faster than economic growth. The annual per capita disposable income of residents nationwide was RMB 41,314, increasing by 5.3% from the previous year. After deducting price factors, the real growth rate was 5.1%. The development of the service industry, urbanization process, and increased per capita disposable income of urban residents indicate the great potential of the consumer product market in China. The total annual retail

sales of consumer goods reached RMB 48.33 trillion, with an increase of 3.5% in comparison with the previous year. Among the sales of goods by enterprises above the designated size in retailing, the growth rate of cosmetics decreased by 1.1%.

In 2024, based on the general principle of stable advancement, new development ideas have been implemented comprehensively and accurately in Mainland China to speed up the establishment of a new pattern of development and to promote high-quality development. The macro adaptation capability was also enhanced to address unexpected factors, ensure economic growth, improve quality constantly, and achieve innovation-driven in-depth advancement. With the support of a series of innovative entrepreneurial activities and achievements, new industries, new businesses, and new models have grown significantly, and continue to be the driving force for economic growth and structural adjustment. In 2024, the annual e-commerce transactions amounted to RMB 46.41 trillion, up by 3.9% YoY, and the annual online retail sales of physical goods amounted to RMB 12.79 trillion, up by 6.5% YoY, which accounted for 26.5% of the total retail sales of consumer goods.

In the complex and changing external environment, the competition among beauty franchises and in the consumer goods market has become increasingly fierce. In a fragmented and competitive market, quality brands have strong market appeal and more opportunities for market integration. At the same time, the operation of franchisees is directly affected by the macroeconomic environment and the disposable income of consumers. Urbanization, mass entrepreneurship, and the development of e-commerce are conducive to breaking geographical restrictions and expanding consumer groups, which will bring more development opportunities to the Company. The transformation and upgrading of traditional industries and the combination of online and offline marketing highlight the development advantages created by the Company's unique product and service combination.

(II) Impact of the regulatory environment

For the production and manufacturing of beauty and skin care products, China has established the "Hygienic Standard for Cosmetics", "Supervisory Regulations on the Hygiene of Cosmetic Products", "Detailed Rules for the Implementation of the Regulation on the Hygiene Supervision over Cosmetics", "Regulations on the Administration of Production Licenses for Industrial Products", "Administrative Measures on Filing of Domestic Non-Special Use Cosmetics", and "Provisions on the Administration of Cosmetics Labeling and Instructions." For the franchise industry, the "Regulation on the Administration of Commercial Franchises" and many other laws and regulations have been formulated. Enterprises need to apply for a number of legal and effective licenses and permits before they operate beauty and skin care production, manufacturing, and franchise business in China. Obtaining relevant licenses in accordance with laws and regulations has a significant impact on the Company's business operations. As of the publication date of the annual report, the Company has not failed to obtain or renew the licenses and permits required for its business or operations.

Chairman:	President:	Accounting Director:
Chen, Pi-Hua	Chao, Cheng-Yu	Yeh, Chien-Chih

Two. Corporate Governance Report

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

1. Directors and Supervisors

General information

March 28, 2025; Unit: thousand 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	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
Chairman	R.O.C.	Pi-Hua Chen	F 61~70	June 25, 2024	3 years	July 03, 2012	82	0.10	96	0.12	-	-	-	-	EMBA, Tongji University PhD of Keuka College, USA	Chief Strategy Officer of the Company Note 2	Director	Chen, Pei-Wen; Chao, Cheng-Yu	Sister; Parent-child	Note 5
Director	British Virgin IS.	Wealthy Garden Investment Limited	-	June 25, 2024	3 years	August 23, 2012	28,056 (Note 2)	35.29	28,056 (Note 2)	34.01	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Chen, Pei-Wen	F 51~60	June 25, 2024	3 years	June 17, 2015	-	-	-	-	-	-	-	-	MBA, US Seton Hall University	Note 3	Director	Pi-Hua a Chen	Sister	-
Director	R.O.C.	Chao, Cheng-Yu	M 31~40	June 25, 2024	3 years	July 06, 2021	110	0.14	123	0.15	-	-	-	-	Bachelor of Communication, Fudan University Master's, School of Economy and Management, Tongji University	CEO of Chlitina Holding Limited Note 4	Director	Pi-Hua Chen	Parent-child	-
Director	Mainland China	Wu, Ssu-Tsung	M 71~80	June 25, 2024	3 years	August 23, 2012	0	0.00	-	-	-	-	-	-	Master of Economics, Shanghai University of Finance and Economics Bachelor of Economics, Jiangxi University of Finance and Economics Professor of Tongji University	Independent Director of Top Spring International Holdings Limited Independent Director of Shanghai Shimao Group Chairman of Shanghai Guanzong Investment Limited	-	-	-	-
Independent Director	R.O.C.	Tsai, Yu-Chin	F 61~70	June 25, 2024	3 years	August 23, 2012	0	0.00	-	-	-	-	-	-	PhD, School of Accounting, Shanghai University of Finance and Economics Master, College of Accounting, National Chengchi University Director of the Audit Dept., KPMG Assistant Professor, Dept. of Finance, China University of Technology Passing High Level CPA Civil Test	Independent director/Remuneration Committee member/Audit Committee chair of Ju Han System Technology, Co., Ltd.	-	-	-	
Independent Director	R.O.C.	Hsu, Wen-Kuan	F 61~70	June 25, 2024	3 years	June 25, 2024	0	0.00	-	-	-	-	-	-	BA, Dept. of Accounting, Soochow University CPA, PwC Lead Accountant, Suzhou Branch of PwC China Qualified to practice as a CPA in China	-	-	-	-	

Independent Director	R.O.C.	Huang, Lei-kang	M 51~60	June 25, 2024	3 years	June 25, 2024	0	0.00	-	-	-	-	-	-	President of China Campus, Keuka College, New York, USA 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	-	-	-	-	-
Independent Director	R.O.C.	Lee Jin-Wei	M 31-40	June 25, 2024	0.5 years	June 25, 2024	0	0.00							Founder and CEO of J-Reach Co. Ltd Founder and CEO of Momentx Co., Ltd Initiator and director of TAVAR (Taiwan Association for Virtual and Augmented Reality) Initiator of Monte Jade Science &Technology Association, Monte Jade Youth Chapter	Momentx Co., Ltd/Director/CEO				

Note 1: The Company was established in the Cayman Islands on July 3, 2012. The four directors of the Company were elected at an ad hoc shareholders' meeting in accordance with the Company Act of the Cayman Islands on August 23, 2012. After the Company discussed and resolved the Articles of Incorporation (before amendments) and the "Procedures for Election of Directors" on August 23, 2012, the other four directors were elected with cumulative voting on November 12, 2012. The first term of the directors was November 12, 2012 – August 22, 2015. The second term was June 17, 2015 – June 16, 2018. The third term was June 5, 2018 – June 4, 2021. The fourth term was July 6, 2021 – July 5, 2024. One additional independent director was elected on December 27, 2023. The fifth term will be June 25, 2024 – June 25, 2027. The Company has eight directors in total, among which four are independent directors.

Note 2: Director of (BVI) Chlitina Group Limited, Director of (BVI) Chlitina International Limited, Director of (BVI) Chlitina Intelligence Limited, Director of Centre de Recherche et de Developpement de CHLITINA FRANCE EURL, Director of Hong Kong Chlitina International Limited, Director of (BVI) Chlitina Marketing Limited, Director of (BVI) W-Amber International Limited, Director of (BVI) W-Amber Marketing Limited, Director of Hong Kong W-Amber International Limited, Director of (BVI) W-Champion International Limited, Director of (BVI) W-Champion Marketing Limited, Director of Hong Kong W-Champion International Limited, Director of (BVI) C-Asia International Limited, Director of Hong Kong Crystal Asia International Limited, Director of Hong Kong Crystal International Services Limited, Director of Hong Kong Jing Tai International Investment Limited, Director of Yong Li Trading Company Limited, Director of Vinh Le Company Limited, Executive Director of Weihu (Shanghai) Health Management Consulting Co., Ltd., Executive Director of Crystal Asia (Shanghai) Limited, Executive Director of Shanghai Yuanshuo Management Consulting Limited, Executive Director of Li Shuo Biotechnology (Shanghai) Co., Ltd, Executive Director of Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd., Executive Director of Hainan Shoumao Investment Limited, Director of Huapao Sdn. Bhd., Director of PT PINING BEAUTY INDONESIA, Director of CHLITINA (SOUTHEAST ASIA) HOLDING PTE. LTD, Manager of British Virgin IS., Chlitina Marketing Limited Taiwan Branch, Manager of British Virgin IS., Chlitina Intelligence Limited Taiwan Branch, Representative of Juristic Person 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 Limited, Director of Quan Feng Sheng Investment Co., Ltd., Director of Jin Yongji Co., Ltd., Director of Chaoneng Biochemical Technology Co., Ltd.

Note 3: Director of Huapao Sdn. Bhd., Director of PT PINING BEAUTY INDONESIA, Supervisor of Crystal Asia (Shanghai) Limited, Director of J&V Global Limited, Director of TuTu & Bow International Limited, Director of FORTUNE RADIANCE INVESTMENT LIMITED, Supervisor of Kelti (China) Daily Product Co., Ltd., Supervisor of Jin Yen (Shanghai) Biotech Co., Ltd., Supervisor of Zhaocang (Shanghai) Trading Co., Ltd., Chairman of San Yen So International Co., Ltd., Representative/Director of Phiwing International Co., Ltd., Representative/Director of Chlitina International Limited, Director of Chlitina International Trade Co., Ltd., Director of Charming Biotech Corporation, Director of Dida Biomedical Limited, Supervisor of Chaoneng Biochemical Technology, Supervisor of HUNZAS CO., LTD., Supervisor of Jin Yongji Co., Ltd., Supervisor of Quan Feng Sheng Investment Co., Ltd.

Note 4: Director of CHLITINA (SOUTHEAST ASIA) HOLDING PTE. LTD, Executive Director of Chlitina (China) Trade Limited, Executive Director of Weishuo (Shanghai) Daily Product Limited, Supervisor of Shanghai Yuanshuo Management Consulting Limited, Executive Director and President of Shanghai Zhe Mei Technology Training Co., Ltd., Supervisor of Shanghai Hedeng Clinic Co., Ltd., Supervisor of Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd., Supervisor of Shanghai Lunxin Medical Beauty Clinic Co., Ltd., Supervisor of Hainan Shoumao Investment Limited, Executive Director of Shanghai Yongshang Trading Co., Ltd., Executive Director of Shanghai Jiekan Trading Co., Ltd., Executive Director of Shanghai Cheng Yang Trading Co., Ltd., Chairman of Cheng Yang Trading Co., Ltd., Director of Yahe Consulting Co., Ltd., Director of (BVI) CAPITAL FAITH DEVELOPMENT LIMITED.

Note 5: If the Chairman, President, or person holding an equivalent position (top manager) of the Company are the same person, have 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 Pi-Hua Chen and the director/CEO Chao, Cheng-Yu are relatives within the first degree of kinship. The description is as follows:

1. Reason, legitimacy, and necessity: The CEO Chao, Cheng-Yu once served as the COO of CHLITINA and Zhemei Vocational Training and the Special Assistant to the Chairman, therefore he is familiar with the product development and marketing of the Group with sharp and precise market insights. With his learning and living experience abroad, our CEO Chao, Cheng-Yu can lead the reforms and development of the Company from a more internationalized perspective and thinking.
2. Response measures: The Company will follow the corporate governance plan of the competent authority 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

Major shareholders of institutional shareholders

March 28, 2025

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 II) 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.

Major institutional shareholders of institutional shareholders, if any

March 28, 2025

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%)	Pi-Hua Chen (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%)

Information on directors and supervisors (II)

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

March 28, 2025

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 Pi-Hua Chen	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 in the US. Currently a director of Chlitina Holding Limited, the Presidential Office Executive Secretary of Gem Fortune Group, 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, Cheng-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.		1 Note 3
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.	The independent director, his/her spouse, or any relative within the second degree of kinship does not serve as a director, supervisor, or employee of the company or its affiliated companies: ◆ Is not holding	1
Independent Director 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		2 Note 4

	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.	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. The above assessment shows that the company meets the independence requirements.	
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. Former 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 coporate affairs, as well as the ability to handle risk management and legal professional matters.		-
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. More than five years of experience in business, sales and corporate affairs, with information management, business and sales management capabilities.		-

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 "V" is marked in the space beneath a condition number when a director and a supervisor has met that 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 NTD 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.

Note 3: Director Wu, Ssu-Tsung serves as an independent director in a non-public company.

Note 4: Director Hsu, Wen-kuan serves as an independent director of both a public company and a non-public company.

II. Diversity and independence of the Board of Directors:

Proposal for Chapter 3 “Enhancing the Functions of the Board of Directors” of the 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.

(I) Diversity of the Board of Directors:

1. Among the eight directors (including four independent directors) of the Company’s 5th Board of Directors, Chairman Pi-Hua Chen, Director Chen, Pei-Wen, and Director Chao, Cheng-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, three are aged between 61–70 years old,

two are aged between 51–60 years old, and one is 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 / Name	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
				31-40	51-60	61-70	71-80	Under 3 years	Above 9 years								
Dir. Chen, Pi-Hua	R.O.C.	F	✓			✓				✓	✓		✓			✓	✓
Dir. Chen, Pei-Wen	R.O.C.	F			✓					✓	✓		✓	✓			
Dir. Chao, Cheng-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		✓				✓			✓	✓		✓		✓	✓

(II) Independence of the Board of Directors:

Among the eight members of the Company's 4th Board of Directors, four of them are independent directors (accounting for 50%), including Tsai, Yu-Chin, Hsu, Wen-Kuan, Huang Lei-Kang and Lee Jin-Wei. All the independent directors are compliant with the regulations of the Securities and Futures Bureau, FSC. Their independence status is described below:

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 apply to the eight members of the Company's 5th Board of Directors. Among them, three directors (Chairman Pi-Hua Chen, Director Chen, Pei-Wen, and Director Chao, Cheng-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.

(III) Information concerning the president, vice presidents, assistant vice presidents, and department and branch managers

March 28, 2025; Unit: thousand 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.	Pi-Hua Chen	Female	August 11, 2020	96	0.12	-	-	-	-	EMBA, Tongji University PhD of Keuka College, USA	Note 2	-	-	Parent-child	Note 1
CEO	R.O.C.	Chao, Cheng-Yu	Male	November 12, 2019	123	0.15	20	0.02	-	-	Bachelor of Communication, Fudan University Master's, School of Economy and Management, Tongji University	Note 2	-	-	Parent-child	Note 1
President of Mainland China Area	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.	Note 2	-	-	-	-
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, Peifang International Co., Ltd.	None	-	-	-	-
Senior CFO	R.O.C.	Yeh, Chien-Chih	Male	August 08, 2017	49	0.06	-	-	-	-	Bachelor of Accounting, Tunghai University Assistant Manager, Pricewaterhouse Coopers Certified Public Accountants Supervisor of Strategic Development Department and Finance Department, Cowealth Investment Co., Ltd.	Note 2	-	-	-	-
Director of Accounting and Investor Relations, Head of Corporate Governance	R.O.C.	Hu, An-Rong	Female	May 11, 2023	56	0.07					Manager of TCM Biotech International Corp. Senior Manager of Bionet Corp. Senior Manager of Genetics Generation Advancement Corp.					

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

(1) Reason, legitimacy, and necessity: The CEO Chao, Cheng-Yu once served as the COO of CHLITINA and Zhemei Vocational Training and the Special Assistant to the Chairman, therefore he is familiar with the product development and marketing of the Group with sharp and precise market insights. Having studied and lived abroad, CEO Chao, Cheng-Yu can lead the reforms and 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	The concurrent position in the Company (including companies inside the Group)	The concurrent position in the Company (excluding companies inside the Group)
CSO	Pi-Hua Chen	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 Developpement de CHLITINA FRANCE EURL Director of Hong Kong Chlitina International Limited Director of Hong Kong W-Amber International Limited Director of Hong Kong W-Champion International Limited Director of Hong Kong Crystal Asia International Limited Director of Hong Kong Crystal International Services Limited Director of Hong Kong Jing Tai International Investment Limited Executive Director of Weihu (Shanghai) Health Management Consulting Co., Ltd. Executive Director of Crystal Asia (Shanghai) Trade Company Limited Executive Director of Shanghai Yuanshuo Management Consulting Limited Executive Director of Li Shuo (Shanghai) Biotechnology Co., Ltd. Executive Director of Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd. Executive Director of Hainan Shoumao Investment Limited Director of Yong Li Trading Company Limited Director of Vinh Le Company Limited Director of Huapao Sdn. Bhd. Director of PT PINING BEAUTY INDONESIA Director of CHLITINA (SOUTHEAST ASIA) HOLDING PTE. LTD General Manager of British Virgin IS., Chlitina Marketing Limited Taiwan Branch General Manager of British Virgin IS., Chlitina Intelligence Limited Taiwan Branch Representative of Juristic Person of WAN JU International Investment Limited Executive Director of Crystal Asia (Shanghai) 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 Yongji Co., Ltd. Director of Chaoneng Biochemical Technology Co., Ltd.

CEO	Chao, Cheng-Yu	Director of CHLITINA (SOUTHEAST ASIA) HOLDING PTE. LTD Executive Director of Chlitina (China) Trade Limited Executive Director of Weishuo (Shanghai) Daily Product Limited Supervisor of Shanghai Yuanshuo Management Consulting Limited President and Executive Director of Shanghai Zhe Mei Technology Training Co., Ltd. Supervisor of Shanghai Hedeng Clinic Co., Ltd. Supervisor of Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd. Supervisor of Shanghai Lunxin Medical Beauty Clinic Co., Ltd. Supervisor of Hainan Shoumao Investment Limited Executive Director of Shanghai Yongshang Trading Co., Ltd. Executive Director of Shanghai Jiekan Trading Co., Ltd.	Executive Director of Shanghai Cheng Yang Trading Co., Ltd. Chairman of Cheng Yang Trading Co., Ltd. Director of Yahe Consulting Co., Ltd. Director of (BVI) CAPITAL FAITH DEVELOPMENT LIMITED
President of Mainland China Area	Yang, Chi-Chih	President of Mainland China Area, Chlitina (China) Trade Limited	None
President of Taiwan branch	Chen, Pai-Ying	President of (BVI) Chlitina Marketing Limited Taiwan branch	None
Senior CFO	Yeh, Chien-Chih	Senior CFO of Chlitina (China) Trade Limited	None
Director of Accounting and Investor Relations, Head of Corporate Governance	Hu, An-Rong	(BVI) Chlitina Intelligence Limited Taiwan Branch Director of Accounting and Investor Relations, Head of Corporate Governance	None

II. Remuneration to directors, supervisor, president and vice president for the recent year:

1. Remuneration of Directors and Independent Directors

December 31, 2024; Unit: NTD thousand

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)
		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	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)	
																Cash dividend amount	Share dividend amount	Cash dividend amount	Share dividend amount			
Chairman	Pi-Hua Chen	-	11,479	-	-	702	702	42	42	744 0.16	12,223 2.59		7,746	-	-	-	-	150	-	744 0.16	20,119 4.26	-
Director	Wealthy Garden Investment Limited Representative: Chen, Pei-Wen	-	-	-	-	702	702	42	42	744 0.16	744 0.16	-	-	-	-	-	-	-	-	744 0.16	744 0.16	-
Director	Wu, Ssu-Tsung	-	-	-	-	702	702	42	42	744 0.16	744 0.16	-	-	-	-	-	-	-	-	744 0.16	744 0.16	-
Director	Chao, Cheng-Yu	-	-	-	-	702	702	42	42	744 0.16	744 0.16		16,169	-	-	-	-	150	-	744 0.16	17,063 3.61	-
Independent Director	Tsai, Yu-Chin	-	-	-	-	702	702	102	102	804 0.17	804 0.17	-	-	-	-	-	-	-	-	804 0.17	804 0.17	
Independent Director	Hsu, Wen-Kuan	-	-	-	-	702	702	102	102	804 0.17	804 0.17	-	-	-	-	-	-	-	-	804 0.17	804 0.17	-

Independent Director	Huang, Lei-Kang	-	-	-	-	365	365	54	54	419 0.09	419 0.09	-	-	-	-	-	-	-	-	419 0.09	419 0.09	-
Independent Director	Lee, Jin-Wei	-	-	-	-	365	365	54	54	419 0.09	419 0.09	-	-	-	-	-	-	-	-	419 0.09	419 0.09	
Independent Director	Kao, Peng-Wen					365	365	48	48	384 0.08	384 0.08									384 0.08	384 0.08	
Independent Director	Yu, Hung-Ding					365	365	48	48	384 0.08	384 0.08									384 0.08	384 0.08	

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 renumeration 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 bonusess 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 supervisors: Not applicable

3. Remuneration of President and Vice Presidents

December 31, 2024; Unit: NTD thousand

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			
CSO	Pi-Hua Chen	-	-	-	-	-	7,746	-	-	150	-	-	7,896 1.67	-
CEO	Chao, Cheng-Yu	-	10,989	-	-	-	5,180	-	-	150	-	-	16,319 3.45	-
President of Mainland China Area	Yang, Chi-Chih	-	17,435	-	-	-	1,797	-	-	150	-	-	9,382 1.98	
President of Taiwan Branch	Chen, Pai-Ying	-	3,600	-	-	-	450	-	-	150	-	-	4,200 0.89	

Note 1: The names of the President and Vice President shall be listed separately 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 and the above Table (1-1) or Table (1-2-1) and (1-2-2).

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 President and Vice President, 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 President and Vice President 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 president and vice president by all the companies (including the Company) in the Consolidated Financial Report.

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

Note 7: The total amount of remuneration distributed to the Company's president and vice president by all the companies (including the Company) in the Consolidated Financial Report along with the name of president and vice president 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 President and Vice President 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 President and Vice President 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 President and Vice President 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.

4. Top Five Highest-paid Executives of the TWSE/TPEx-listed Company

December 31, 2024; Unit: NTD thousand

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			
CEO	Chao, Cheng-Yu	-	10,989	-	-	-	5,180	-	-	150	-	-	16,319 3.45	-
President of Mainland China Area	Yang, Chi-Chih	-	7,435	-	-	-	1,797	-	-	150	-	-	9,382 1.98	-
CSO	Pi-Hua Chen	-	-	-	-	-	7,746	-	-	150	-	-	7,896 1.67	
Senior Director of Finance	Yeh, Chien-Chih	-	3,524	-	-	-	126	-	-	150	-	-	3,800 0.80	
President of Taiwan Branch	Chen, Pai-Ying	-	3,600	-	-	-	450	-	-	150	-	-	4,200 0.89	

5. Name of the managerial officer to whom employee compensation was distributed and the status of the distribution:

December 31, 2024; Unit: NTD thousand

	Title	Name	Share remuneration amount	Cash remuneration amount	Total	The sum as a percentage of net income (%)
Managers	CSO	Pi-Hua Chen	-	900	900	0.19%
	CEO	Chao, Cheng-Yu				
	President of Mainland China Area	Yang, Chi-Chih				
	President of Taiwan branch	Chen, Pai-Ying				
	Senior CFO	Yeh, Chien-Chih				
	Director of Accounting and Investor Relations	Hu, An-Rong				

(I) 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.

1. Analysis regarding the ratio of total remuneration distributed to the Company's directors, supervisors, President and Vice President in the recent two fiscal years to the net income after tax stated in the individual financial reports.

Unit: NTD thousand

Item	2023		2024	
	Amount	%	Amount	%
Directors	22,414	2.17	17,669	3.74
President and Vice Presidents	50,383	4.87	37,797	8.00
Consolidated net profit	1,033,554	100.00	472,675	100.00

2. 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 NTD 11,479,000 in wages, NTD 5,614,000 in directors' compensation, and NTD 576,000 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 Incorporation (Article 90-2) (before amendment) revised and passed on June 06, 2023. 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 2024 was conducted and the results were acquired. They were reported to the Board of Directors meeting on February 27, 2025 and filed according to the regulations.

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

(2) According to Article 90-1 (before amendment) of the Company's Articles of Incorporation, if the Company has profit for the current year, 1% to 5% shall be appropriated as remuneration for the staff. The remuneration to the President and the Vice President (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.

(II) The succession planning of the Board members and important management of the Company:

(1) The directors of the Company are nominated by the main shareholders and elected during shareholders' meetings. 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 six 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.

(3) The Company is mplementing 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. Status of Corporate Governance

(I) Operations of the Board of Directors

In 2024 (the fourth term of the board ran from July 6, 2021 to June 25, 2024, and the fifth term of the board is currently running from June 25, 2024 to June 25, 2027), the Board of Directors held 7 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	Pi-Hua Chen	7	0	100%	
Director	Wealthy Garden Investment Limited (Representative: Chen, Pei-Wen)	7	0	100%	
Director	Chao, Cheng-Yu	7	0	100%	
Director	Wu, Sizong	7	0	100%	
Independent Director	Tsai, Yu-Chin	7	0	100%	
Independent Director	Hsu, Wen-Kuan	7	0	100%	
Independent Director	Huang, Lei-Kang	4	0	100%	Appointed on June 25, 2024
Independent Director	Lee Jin-Wei	4	0	100%	Appointed on June 25, 2024
Independent Director	Kao, Peng-Wen	3	0	100%	Term ended on June 25, 2024, due attended was 3 times
Independent Director	Yu, Hung-Ding	3	0	100%	Term ended on June 25, 2024, due attendance was 3 times

1. The Company has established the "Rules Governing Operations and Procedures of the Board of Directors Meetings," the Article 22 of the Regulations stipulates that when a proposal at a meeting concerns the personal interest of, or the interest of the juristic person represented by a director, the concerned director shall state the important aspects of the relationship of interest at the given board meeting, and the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as a proxy for another director.
2. In 2023 and until the date of publication of the annual report, where a conflict of interest between the Company and a director exists, the minutes shall clearly state the director's

name, contents of the proposal, reasons for avoiding conflicts of interest, and actual voting counts:

Date of the Board of Directors	Proposal contents	Reasons for avoiding conflicts of interest	Actual voting counts
2024.03.01 4th term 1st meeting in 2024	1. Proposal to appoint a supplementary member to the 4th term remuneration committee of the Company.	Independent director Hsu Wen-Kuan was the stakeholder of the proposal.	Except for Independent Director Hsu, Wen-Kuan who did not participate in the discussion and voting due to conflicts of interest, the proposal was unanimously approved by all attending directors upon the chairperson's consultation.
	2. Proposal regarding the distribution of employee remuneration to managers for 2023	Chairman Pi-Hua Chen and Director Chao, Cheng-Yu were the stakeholders of the proposal.	Except for Chairman Pi-Hua Chen and Director Chao, Cheng-Yu who did not participate in the discussion and voting due to conflicts of interest, the proposal was approved unanimously after Vice Chairperson and Independent Director Kao, Peng-Wen consulted with all attending directors.
	3. Proposal for the full re-election and nomination of the Company's directors.	Chairman Pi-Hua Chen; Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; Director Chao, Cheng-Yu; Director Wu, Ssu-Tsung; Independent Director Tsai, Yu-Chin; and Independent Director Hsu, Wen-Kuan were the stakeholders of the proposal.	Except for Pi-Hua Chen, a director candidate for the 5th term who did not participate in the discussion and voting due to a partial conflict of interest, the proposal was approved unanimously after Vice Chairperson and Independent Director Tsai, Yu-Chin consulted with all attending directors. The other director candidates for the 5th term, Chen, Pei-Wen, Chao, Cheng-Yu, Wu, Ssu-Tsung, Tsai, Yu-Chin, and Hsu, Wen-Kuan, recused themselves for their partial conflicts of interest, and the proposal was unanimously approved by all attending directors after the chairperson's consultation.
	4. Proposal to lift the non-compete restrictions on the nominee directors (including independent directors) of the Company and their representatives.	Chairman Pi-Hua Chen; Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; Director Chao, Cheng-Yu; Director Wu, Ssu-Tsung; Independent Director Tsai, Yu-Chin; and Independent Director Hsu, Wen-Kuan were the stakeholders of the proposal.	Except for Pi-Hua Chen, a director candidate for the 5th term who did not participate in the discussion and voting due to a partial conflict of interest, the proposal was approved unanimously after Vice Chairperson and Independent Director Tsai, Yu-Chin consulted with all attending directors. The other director candidates for the 5th term, Chen, Pei-Wen, Chao, Cheng-Yu, Wu, Ssu-Tsung, Tsai, Yu-Chin, and Hsu, Wen-Kuan, recused themselves for their partial conflicts of interest, and the proposal was unanimously approved by all attending directors after the chairperson's consultation.
2024.04.12 4th term 2nd meeting in 2024	1. Proposal for the allocation of shares to managers for employee share subscription in the first cash capital increase	Chairman Pi-Hua Chen and Director Chao, Cheng-Yu were the stakeholders of the proposal.	Except for Chairman Pi-Hua Chen and Director Chao, Cheng-Yu who did not participate in the discussion and voting due to conflicts of interest, the proposal was approved unanimously after Vice Chairperson and Independent Director Kao, Peng-Wen consulted with all attending directors.

	by the Company in 2024.		
	2. Proposal for the disposal of the real property right-of-use assets (for early termination of the lease) from the related party by the subsidiary Chlitina Marketing Limited, Taiwan Branch.	Chairman Pi-Hua Chen; Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; and Director Chao, Cheng-Yu were the stakeholders of the proposal.	Except for Chairman Pi-Hua Chen; Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; and Director Chao, Cheng-Yu that did not participate in the discussion and voting due to conflicts of interest, the proposal was approved unanimously after Vice Chairperson and Independent Director Tsai, Yu-Chin consulted with all attending directors.
2024.05.05 4th term 3rd meeting in 2024	1. Proposal to replace the head of the internal audit department of the Company	Audit department supervisor Chen Chiu-Hua is the stakeholder of the proposal.	Except for Audit department supervisor Chen Chiu-Hua who did not participate in the discussion and voting due to conflicts of interest, the proposal was approved unanimously after Chairman Pi-Hua Chen consulted with all attending directors.
	2. Proposal for the acquisition of real property right-of-use assets from the related party by the subsidiary Hong Kong Chlitina International Co., Ltd	Chairman Pi-Hua Chen; Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; and Director Chao, Cheng-Yu were the stakeholders of the proposal.	Except for Chairman Pi-Hua Chen; Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; and Director Chao, Cheng-Yu that did not participate in the discussion and voting due to conflicts of interest, the proposal was approved unanimously after Vice Chairperson and Independent Director Tsai, Yu-Chin consulted with all attending directors.
2024.11.07 5th term 4th meeting in 2024	1. Proposal of donations to related parties.	Chairman Pi-Hua Chen; Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; and Director Chao, Cheng-Yu were the stakeholders of the proposal.	Except for Chairman Pi-Hua Chen; Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited; and Director Chao, Cheng-Yu that did not participate in the discussion and voting due to conflicts of interest, the proposal was approved unanimously after Vice Chairperson and Independent Director Tsai, Yu-Chin consulted with all attending directors.
2024.12.19 5th term 5th meeting in 2024	1. Proposal of the Company's year-end bonus for managers in 2024	Chairman Pi-Hua Chen and Director Chao, Cheng-Yu, Chief Financial Officer Yeh, Chien-Chih, Accounting and Investor Relations Director Hu, An-Rong were the stakeholders of the proposal.	After all stakeholders left the meeting, the proposal was approved unanimously by all directors present except chairman Pi-Hua Chen and Director Chao, Cheng-Yu after consulting with the acting president, Independent Director Hsu Wen-Kuan.
	2. Proposal for the disposal of the real property right-of-use assets from the related party by the subsidiary Chlitina Intelligence Limited Taiwan Branch	Chairman Pi-Hua Chen was the stakeholder of the proposal.	Except for Chairman Pi-Hua Chen who did not participate in the discussion and voting due to conflicts of interest, the proposal was approved unanimously after after all attending directors consulted with Vice Chairperson and Independent Director Tsai, Yu-Chin.

	(cacellation of lease intention).		
	3. Proposal for the acquisition of real property right-of-use assets from related party by subsidiary Chlitina Intelligence Limited Taiwan Branch.	Chairman Pi-Hua Chen, and Director Chen, Pei-Wen, the representative of juristic person of Wealthy Garden Investment Limited were the stakeholders of the proposal.	Except for Chairman Pi-Hua Chen and Director Chen, Pei-Wen who did not participate in the discussion and voting due to conflicts of interest, the proposal was approved unanimously after all attending directors consulted with Vice Chairperson and Independent Director Tsai, Yu-Chin.

II. 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 01, 2024 to December 31, 2024	Performance evaluation of the Board, directors and functional committees	Internal evaluation of the Board, self-evaluation of directors, and self-evaluation of functional committees	1. Board performance evaluation indicators and options 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 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 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

III. 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 2024 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 4.65 (out of a total of 5 points): the board's self-assessment was 4.62 points, and the directors' self-assessment was 4.90 points.

The average score for functional committee performance was 4.88 out of 5.

The 2024 Board of Directors and Corporate Governance team did not make any other recommendations. The evaluation content and results were reported at the 5th term 1st Board of Directors meeting on February 27, 2025.

IV. 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.

Note 1: The term of the directors (including independent directors) for the 4th term started on July 6, 2021 or the date of election by the shareholders' meeting and will end on July 5, 2024.

Note 2: In compliance with Article 4 of the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," the Company elected one additional independent director on December 27, 2023: Ms. Hsu, Wen-Kuan, with a term from December 27, 2023 to July 5, 2024. The Company did not convene a board meeting from the appointment date of Independent Director Hsu, Wen-Kuan to December 31, 2023.

(II) 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 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 More than five years of experience in business, finance, accounting, and coporate 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 the University of Southern California, USA. Founder and CEO of Jinqu Co., Ltd. More than five years of experience in business, sales and corporate affairs, with information management, business and sales management capabilities.

The Audit Committee held 7 meetings in 2024. 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**

We, the Audit Committee of the Company, hereby acknowledge that the Board of Directors has worked out and submitted the Business Report, financial statements, and earnings distribution proposal for 2024, and that among them, the financial statements have been duly audited by PwC Taiwan, which already issued their Audit Report. We hereby further declare and confirm that the aforementioned Business Report, financial statements, and proposed allocation of earnings have been further duly audited by us, the Audit Committee, and no nonconformities were found.
We, the Audit Committee of the Company, hereby acknowledge that the Board of Directors has worked out and submitted the financial statements for 2024, which have been duly audited by PwC Taiwan, and their Audit Report has been issued accordingly. We hereby further declare and confirm that the aforementioned financial statements have been further duly audited by us, the Audit Committee, and no nonconformities were found.
The financial statements prepared by the Board of Directors for Q1, Q2, and Q3 2024 have been 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 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 CPAs**

The Audit Committee is responsible for monitoring the independence of the CPA firm to ensure the impartiality of the financial statements. In general, the CPA firm shall not provide the Company with services other than tax-related or specially permitted services. All the services that the CPA firm provides shall be subject to the approval of the Audit Committee.
To ensure the independence of the CPA firm, the Audit Committee has established an independence assessment form with reference to Article 47 of the Certified Public Accountant Act and the 10th Bulletin of "Integrity, Objectivity, and Independence" of the Norms of Professional Ethics for Certified Public Accountant of the Republic of China to assess 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 compliance of CPAs Wang, Sung-Tse and Lin, Yi-Fan from PwC Taiwan with the independence assessment criteria was reviewed and approved at the 1st meeting of the 4th Audit Committee on March 1, 2024 and the 1st meeting of the 4th Board of Directors on March 1, 2024. They were deemed competent to act as the CPAs for the finance and tax matters of the Company. Since the first quarter of 2024, the former CPAs have been replaced by CPAs Wang, Sung-Tse and Lin, Yi-Fan in line with the internal rotation system of PwC Taiwan. Both of them met the independence assessment criteria.

In 2024 (fourth term: from July 6, 2021 to June 24, 2024; fifth term: from June 25, 2024 to June 25, 2027) the Company's Audit Committee had 7 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	7	0	100%	
Independent Director	Hsu, Wen-Kuan	7	0	100%	
Independent Director	Huang Lei-Kang	4	0	100%	Elected on June 25, 2024
Independent Director	Lee Jin-Wei	4	0	100%	Elected on June 25, 2024
Independent Director	Kao, Peng-Wen	3	0	100%	Term ended on June 25, 2024, due attendance was 3 times
Independent	Yu, Hung-Ding	3	0	100%	Term ended

Director					on June 25, 2024, due attendance was 3 times

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.

(I) 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
2024.03.01 4th term 1st meeting in 2024	1. Proposal of the internal control statement for 2023. 2. Proposal of the drafts regarding the business report, financial statements, and certified public accountants' audit report for 2023. 3. Proposal for the distribution of earnings in 2023. 4. Proposal to replace the independent auditor in 2024 in line with the internal rotation mechanism of the accounting firm. 5. Proposal to evaluate the Company's accountant independence, appointment of CPAs, and the professional fee for 2024. 6. Proposal to amend parts of the Company's Related Party Transfer Pricing Policy. 7. Proposal for the new related party transactions of the Company and subsidiaries. 8. Proposal for the Company's plan for an issue of new shares for cash capital increase and the 2nd issue of unsecured convertible bonds in the Republic of China for 2024. 9. Adopted the proposal to commission a lead underwriter to assist the Company in complying with the laws and	All attending directors unanimously approved the proposal after the chairperson's consultation.	The Board of Directors was requested to pass the resolutions with the attendance of all directors or all directors except those with conflicts of interest.

	regulations of the Republic of China and for the commission agreement.		
2024.04.12 4th term 2nd meeting in 2024	1. Proposal for the purchase of real property by the subsidiary (BVI) CHLITINA INTELLIGENCE LIMITED. 2. Proposal for the disposal of the real property right-of-use assets (for early termination of the lease) from the related party by the subsidiary Chlitina Marketing Limited, Taiwan Branch. 3. Proposal for the subsidiary Chlitina Intelligence Limited Taiwan Branch's application for a financial loan for capital turnover from Shin Kong Commercial Bank. 4. Proposal for the subsidiary Hong Kong Chlitina International Limited's pledging of a certificate of deposit as a guarantee for the subsidiary Chlitina Intelligence Limited Taiwan Branch's application for a financial loan with a bank. 5. Proposal to apply for a renewal of the medium-term financial loan from Taiwan Shin Kong Commercial Bank (Business Department).	All attending directors unanimously approved the proposal after the chairperson's consultation.	The Board of Directors was requested to pass the resolutions with the attendance of all directors or all directors except those with conflicts of interest.
2024.05.05 4th term 3rd meeting in 2024	1. Proposal of the consolidated financial report for the first quarter of 2024. 2. Proposal of change of the internal audit manager of the Company. 3. Proposal for the subsidiary Hong Kong Chlitina International Limited to acquire right ot use real estate assets from a related party.	All attending directors unanimously approved the proposal after the chairperson's consultation.	The Board of Directors was requested to pass the resolutions with the attendance of all directors or all directors except those with conflicts of interest.
2024.08.22 5th term 2nd meeting in 2024	1. Proposal of the consolidated financial report for the second quarter of 2024. 2. Proposal to apply to Cathay United Bank for a medium-term loan. 3. Proposal to apply to SinoPac (Hsinchuang	All attending directors unanimously approved the proposal after the chairperson's consultation.	The Board of Directors was requested to pass the resolutions with the attendance of all directors or all directors except those with conflicts of interest.

	Branch) for the extension of a short-term loan. 4. Proposal to apply to Taipei Fubon Bank for the extension of a medium-term loan.		
2024.11.07 5th term 3rd meeting in 2024	1. Proposal for the consolidated financial report for the third quarter of 2024. 2. Proposal for subsidiary (BVI) Chlitina International Limited to make a new investment. 3. Proposal for subsidiary Yongli Trading Limited to lend funds to another party. 4. Proposal for donations to related parties.	All attending directors unanimously approved the proposal after the chairperson's consultation.	The Board of Directors was requested to pass the resolutions with the attendance of all directors or all directors except those with conflicts of interest.
2024.12.19 5th term 4th meeting in 2024	1. Proposal for the Company's internal audit plan for the year 2025. 2. Proposal to amend certain provisions of the Company's Articles of Incorporation. 3. Proposal establish the Company's "Sustainability Information Management Procedures." 4. Proposal to establish the Company's "Supplier Code of Conduct." 5. Proposal for subsidiary Chlitina Intelligence Limited Taiwan Branch to dispose of right to use real estate asset from a related party. 6. Proposal for subsidiary Chlitina Intelligence Limited Taiwan Branch to acquire the right to use real estate assets from a related party.	All attending directors unanimously approved the proposal after the chairperson's consultation.	The Board of Directors was requested to pass the resolutions with the attendance of all directors or all directors except those with conflicts of interest.

(II) 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):

(I) After 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.

(II) The communication between the independent directors and the internal audit supervisor in

the most recent year (2024) 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
2024.03.01	At the 4th term Audit Committee's 1st meeting in 2024, the items discussed were as follows: 1. The internal audit report for Q4 for 2023. 2. The internal control statement for 2023.	No objection.
2024.05.05	At the 4th term Audit Committee's 3rd meeting in 2024, the items discussed were as follows: 1. The internal audit report for Q1 of 2024.	No objection.
2024.08.22	At the 5th term Audit Committee's 2nd meeting in 2023, the items discussed were as follows: 1. The internal audit report for Q2 of 2024.	No objection.
2024.11.07	At the 5th term Audit Committee's 3rd meeting in 2024, the items discussed were as follows: 1. The internal audit report for Q3 of 2024.	No objection.
2024.12.13	Topics discussed at the project meeting between the internal audit supervisor and independent directors were as follows: (Only the three independent directors and the internal audit supervisor attended the meeting) 1. Explanation of the 2025 annual audit plan. 2. Report on the work of the Audit Committee in 2024.	1. No objection. The principle and logic for establishing the 2025 annual audit plan were explained. 2. No objection.
2024.12.19	At the 5th term Audit Committee's 4th meeting in 2023, the items discussed were as follows: 1.2025 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.

(III) The communication between the independent directors and CPAs in the most recent year (2024) 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
2024.03.10	1. CPAs explained the significant audit adjustments to the Company's financial statements and income statement for 2023. 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.	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.

	5. Reminder for the corporate governance evaluation. 6. Explanation of the Audit Quality Indicators (AQIs).	

(III) 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 1)			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" and disclosed the same on the MOPS and the Company's website.	None
II. Equity structure and shareholders' rights of the corporation				
(1)Whether or not the company has 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)Whether the company controls the list of the company's major shareholders and who are 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)Whether the company establishes or implements some risk	✓		The Company has mandated the "Rules for Managing Related Party Transactions," and implemented risk control and the establishment of information barriers between the	None

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
control and firewall mechanisms between the corporation and its affiliates?			Company and its related parties. The Company adopts the principle of independent financial operations as the basis for business dealings.	
(4)Does the company set out internal standards to prohibit insiders from using non-public information on the market to buy and sell securities?	✓		(I)On December 22, 2022, the Board of Directors of the company approved the amendment to the "Regulations for the Prevention of Insider Trading," 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. (II)The company conducts education and training on the "Regulations for the Prevention of Insider Trading," "Procedures for Handling Internal Material Information," and related laws and regulations for current directors, managers, and employees at least once a year. For new directors, managers, and employees, the company provides timely education, training, and regulatory information within two months of their appointment. 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. (III)Since March 2022, the company has been sending 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 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.	None
III. Composition and responsibilities of the Board of Directors				

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
(1)Has the Board of Directors established and implemented a policy of diversification and specific management objectives?	✓		(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. (II)The list of the eight members of the fifth Board of Directors (including four independent directors) is as follows: -Chairman Pi-Hua Chen, Director Chen, Pei-Wen, and Director Chao, Cheng-Yu, are specialized in medical beauty and marketing, healthcare and biotechnology, and international trade. -Director Wu, Ssu-Tsung 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. (III)Among the eight directors of the Company's 5th Board of Directors, seven of them are nationals of the R.O.C., while one of them 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, three are aged between 61–70 years old, two are aged between 51–60 years old, and two are aged between 31–40 years old. (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 62.50%. (V)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 diversity policy developed by the Board of Directors for the composition of its members is disclosed on the	None

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
(2)Whether the company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, is 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 taken charge of by each dedicated department. Other functional committees have not been established. It will be established if evaluated as needed in the future.	As per the descriptions in the left column
(3)Whether the Company establishes 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 nomination of directors?		✓	The Company established the "Regulations on Evaluation of Board of Directors' Performance" on December 29, 2020. The annual internal evaluation of the Board of Directors' performance shall be completed by the end of Q1 of the following year. According to the "Regulations on Evaluations of Board of Directors' Performance", 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 2024 was completed before the end of Q1 2025. The score of the evaluations was between 4.62 and 4.90 points (out of 5 points) with 4.62 points for the Board of Directors, 4.90 points for the self-evaluation of the performance of Board members, and 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 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 February 27, 2025.	As per the descriptions in the left column
(4)Whether the company assesses the independence of the CPAs periodically?	✓		In accordance with the respective 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 aud services, the nature and scope of non-audit 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	None

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
			Company has received the Audit Quality Indicators (AQIs) from Deloitte&Touche 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 February 27, 2025.	
(IV)Whether the company, which is also an exchange-listed and OTC-listed Company, delegates qualified personnel dedicated to corporate governance in an appropriate number and designates 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)?	✓		The Company appointed a corporate governance officer on May 11, 2023 to form a "Corporate Governance Promotion Team" as a dedicated unit with relevant personnel from all departments. The implementation of corporate governance matters has been regularly reported to the Board of Directors. The responsibilities of the Company's Corporate Governance Promotion Team are as follows: 1. Plan and organize the annual Board meeting schedule and other related matters. 2. Provide materials necessary for directors to perform their duties and deliver meeting materials at least seven days prior to each Board meeting. 3. Prepare minutes for Board meetings, functional committee meetings, and shareholders meeting, and ensure they are provided to directors within 20 days after the meetings. 4. Assist directors in their appointments and continuous professional development. 5. Support the Board of Directors and functional committees in conducting self-performance evaluations. 6. Supervise and improvise the implementation of corporate governance within the Company. 7. Assist directors in complying with laws and regulations. The Corporate Governance Promotion Team's performance for the year 2024 is as follows: 1.Assisted directors in performing their duties, provided necessary materials, and arranged training sessions for directors. 2.Independent directors communicated with the audit manager and the certified public accountant in accordance with the Corporate Governance Practices Guidelines. 3.Assisted in ensuring that the procedures and resolutions of the Board of Directors and shareholder meetings complied with the law: -Report to the Board of Directors on the company's corporate governance operations and confirm that the convening of shareholder meetings and Board meetings complies with relevant laws and corporate governance guidelines. -Assist and remind directors to comply with regulations while performing their duties.	None

<table>
<tr><th rowspan="2">Scope of Assessment</th><th colspan="3">Status of operation (Note 1)</th><th rowspan="2">Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>-After meetings, be responsible for reviewing the disclosure of major information from important Board resolutions to ensure the legality and accuracy of the information, thereby safeguarding the equality of trading information for investors.
4.Draft the Board of Directors meeting agenda and notify the directors seven days in advance. Convene the meeting and provide the necessary materials. If any agenda items require conflict of interest avoidance, remind the directors in advance. Complete the minutes of the Board meeting within 20 days after the meeting.
5.Handle the advance registration of the shareholder meeting date, prepare the meeting notice, agenda handbook, and minutes within the legally prescribed timeframe.

2024 Corporate Governance Manager Training Status:
<table>
<tr><th>Training Date</th><th>Training Organization</th><th>Course</th><th>Duration</th></tr>
<tr><td>2024.11.07</td><td>Business Development Foundation of the Chinese Straits</td><td>Digital Utopia? Digital Transformation Trends and Case Studies</td><td>3hrs</td></tr>
<tr><td>2024.11.07</td><td>Business Development Foundation of the Chinese Straits</td><td>Corporate Natural Solutions and ESG Governance</td><td>3hrs</td></tr>
<tr><td>2024.12.25</td><td>Business Development Foundation of the Chinese Straits</td><td>Employee Fraud in Details</td><td>6hrs</td></tr>
<tr><td colspan="3">Total training time</td><td>12hrs</td></tr>
</table></td><td></td></tr>
<tr><td>V. Whether the company established communication channels with its stakeholders (including but not limited to shareholders, employees, customers</td><td>✓</td><td></td><td>(I) The Company has a spokesman and vice spokesperson. Relevant contact information has been announced on the Market Observation Post System in accordance with the regulations. The stakeholder section has also been set to timely respond to the various issues raised by stakeholders.
(II) The Company has a hotline and e-mail address to serve as a conduit for communication with employees.</td><td>None</td></tr>
</table>

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
and suppliers, etc.), set up a stakeholder section on the company's website, and respond appropriately to stakeholders regarding the important CSR issues of concern?			The Company regularly conducts reconciliation with firms to control transactions with suppliers at any time. There is also another dedicated unit set up to maintain good communication with suppliers. (III) The Company has a customer service hot line, which is taken charge of by a dedicated unit for maintaining good communication with consumers.	
V. Whether 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. Whether 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 disclose them on the Company's Investor Relations website (http://www.chlitinaholding.com/).	None
2. Whether the company adopts other information disclosure channels (e.g. an 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)?	✓		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 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 2023, the Company has provided the video link for at least one of these conferences every year, to allow investors to understand the Company's financial and business information.	None
3.Whether the Company publicly announces and files the annual financial report within two months after the close of fiscal year and announces		✓	(I) The Company has not yet publicly announced and filed its annual financial report within two months after the close of fiscal year. However, the Company has announced and filed its Q1, Q2 and Q3 financial reports and the monthly operating results prior to the regulated deadline and simultaneously uploaded them to the Company's website. In addition, the English	The Company has not planned to file the financial reports and status of operation in advance.

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
and files the financial reports of Q1, Q2 and Q3 and the monthly operation status prior to the regulated deadline?			versions of the quarterly financial reports are announced and uploaded to the Company's website within two months after the deadline for the Chinese versions, for reference.	
VIII.Whether the company has 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 and supervisors)?	✓		◆ Employee rights and interests and employee care: In order to protect the rights and interests of the Company's employees, in addition to statutory protection, there are good welfare measures. There are also diversified channels to interact with the staff. Benefit measures as below: Insurance: Group business insurance. Remuneration: Performance bonus, bonus to employees, gifts (cash) for three festivals, year-end bonus, and share subscription plan. Benefits: Birthday gifts, weddings, funeral and maternity gifts, year-end parties, and a pregnancy-friendly environment. Health and leisure activities: Department dinner for the staff. Education training: Conduct internal education training, such as new personnel training, pre-service education training, on-the-job training, and subsidized external education and training expenses, encouraging colleagues to continue education. Please refer to the Shareholder/Governance/Employee Care of the Company website. ◆ Investor relations: By disclosing the information through the Market Observation Post System and the Company's website, the Company allows for investors to fully understand the Company's operating conditions. Through shareholders' meetings, road shows, and the spokesperson, the Company can also communicate with investors to maintain a relationship with the. 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. Since 2023, the Company has provided the video link for at least one of the investor conferences every year, keeping all investors informed of the Company's financial and business information. ◆ Supplier relationships: To ensure a long-term and stable cooperation with its suppliers, the Company has established the "Supplier Code of Conduct" and aligned it with the internal control measures of the "Procurement and Payment Process." Through regular evaluations and audits, the company ensures that suppliers meet its requirements and maintains a stable cooperative relationship with them. ◆ Stakeholders' rights: 1.Responsibility to the customer:	None

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
			The Company provides safe and high-quality products and pays attention to the opinions of customers and franchises. The complaints of customers and franchises are all immediately dealt with in order to meet their needs. 2.Liability to the shareholders: Maintaining the best interests of shareholders is the Company's goal it is striving for. 3.Relationship with financing counterparties: The Company's current external financing counterparties are banks. In addition to regularly providing financial statements and the current status of the Company's operations, the Company also holds meetings with relevant departments of the banks from time to time to discuss related topics such as interest rates, exchange rates, and credit terms. ◆ Continuing education of directors: The Company actively encourages directors to continue education, and has also actively appointed professional organizations to offer special courses for the company. In accordance with the "Key Guidelines for the Continuous Education of TWSE/TPEX listed Directors, Supervisors," the Company's directors must study the laws and regulations pertaining to Securities and attend courses to fulfill the stipulated hours of continuous education. (the status of the directors' continuous education must be disclosed on MOPS (Note 6). ◆ Continuing education of managers: The Company actively offers course information for the continuing education of managers and assists with curriculum arrangements. It also opens continuing education courses for the Company's directors to participate in management. ◆ 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. ◆ Implementation of customer policy: The Company upholds the business philosophy of "customer first," and adheres to providing the best products	

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
			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. ◆ Purchase of liability insurance by the company for directors and supervisors: The Company purchases the liability insurance for the directors every year and reports important matters including the amount of insurance, insurance coverage and rate regularly to the Board of Directors.	
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)	✓		The Company has referred to the Company's self-evaluation project of corporate governance as a reference for management. The following items explain the improved situations according to the results of the corporate governance evaluation: 1. Information disclosure section on the website of the Company. 2. The Company autonomously conducted greenhouse gas inventory and took reductions measures in advance. 3. The Company prepared a "Sustainability Report" in advance and disclosed the Chinese and English versions of this report on the Market Observation Post System and on the Company's website before August 31 and December 31, 2024 respectively. 4. Every year, according to the recent results of the corporate governance evaluation and the indicators of the corporate governance evaluation announced in the most recent year, the Company reviews the indicators which meet the scoring standard one by one and arranges improvement schedule to improve items of noncompliance. Items that have not improved enough, and measures proposed with priority: 1. Whether the Company has reported at regular shareholders meetings the remuneration received by directors, including the remuneration policy, individual remuneration content and amount: The Company will conduct an internal assessment. 2. Whether the Company will hold a regular shareholders' meeting before the end of May: The Company will conduct an internal assessment. 3. Whether the Company's performance evaluation method for the Board of Directos has been approved by the board, clearly stipulates that an external evaluation will be conducted at least once every three years, and has conducted the evaluation in the year being evaluated or	As per the descriptions in the left column

Scope of Assessment	Status of operation (Note 1)			Departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures
	Yes	No	Summary	
			the past two years, and disclosed the implement status and evaluation results on the Company's website or annual report: The Company will conduct an internal assessment.	

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 started to disclose the corporate governance evaluation results of TWSE (GTSM) listed companies monthly since April 2015, the Company strengthens parts of the Company's issues via the previous evaluation results to improve the level of corporate governance.
Note 3. Evaluation criteria of CPA's independence:

Independence Criteria		Compliance of independence	
Item No.	Description	Yes	No
1	The CPAs shall avoid and shall not accept an engagement which may involve any direct or material indirect interests of themselves and further impair their impartiality and independence.	V	
2	The CPAs shall maintain the independence in fact and the independence in appearance when auditing, checking, reviewing the financial statements or conducting special audit and preparing the opinion thereof. Therefore, the members of the audit team, the partners of the firm or the shareholders of corporate accounting firms, accounting firms, affiliates of the firms, and network firms must always be independent of their clients.	V	
3	The CPAs shall maintain integrity, objectivity and the spirit of independence to serve the community. Integrity: The CPAs shall be upright and careful when providing the professional services, and shall act with honesty and impartiality in all professional and business relationships. Objectivity: The CPAs shall be objective when providing the professional services, and shall avoid impact on their professional judgment due to any bias or conflict of interest. Objectivity includes being impartial in the relationship between the information provision and the users, and paying attention to the matters that should be noticed with their professionalism. Independence: When auditing, checking, reviewing the financial statements or conducting special audit and preparing the opinion thereof, the CPAs shall maintain the independence in appearance and in fact to provide impartial opinion.	V	
4	Independence is related to the integrity and objectivity. The lack or loss of independence will impact the integrity and objectivity.	V	
5	Independence may be impaired by self-interest, self-review, advocacy, familiarity and intimidation.	V	
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: Having a direct or material indirect financial interest with the audit client. Having undue dependence on the total fees from a single client. Having a significant close business relationship with an audit client. Being concerned about the possibility of losing a significant client. Entering into a potential employment negotiation with the audit client. Entering into a contingent fee arrangement related to an audit engagement. Discovering any significant error of a previous professional service performed by other practitioners of the same firm.	V	

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: 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. An original document prepared by the firm was used to certify the significant or important matters of the assurance engagement. 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. The non-audit services provided for the audit client would directly affect the material item of the audit engagement.	V	

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

Profession	Quality control	Independence	Monitoring	Innovation
● Auditing experience ● Training hours ● Attribution rate ● Professional support	● CPA's Workload ● Involvement of audits ● Engagement Quality Control Review (EQCR) ● Quality supporting capacity	● Non-audit services (NAS) ● Familiarity	● External inspection results & enforcement ● Number of letters issued by the authorities	● Innovative planning or initiatives

Note 5: Independent Statement by PwC:

pwc 資誠

聲明書

資會綜字第 23009012 號

受文者：麗豐股份有限公司及其子公司
日　期：民國 113 年 3 月 1 日

一、　為提供最佳服務予　貴集團，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　貴集團，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　貴集團之財務報表是否允當表達集團之財務狀況、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　貴集團管理階層之責任，　貴集團管理階層將提供所有　貴集團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」及證券期貨局民國 93 年 3 月 11 日發佈之台財證六字第 0930105373 號函規定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

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pwc 資誠

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、 本所提供審計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) 本所會計師與本查核小組專業服務人員與 貴集團並無持股之投資關係存在。

(二) 本所會計師與專業服務人員並未有擔任 貴集團董事、監察人或主管職位之情形。

(三) 本所與 貴集團間無商業合作關係存在。

(四) 本所與 貴集團間無訴訟關係。

(五) 無其他任何依查核會計師專業判斷認為可能違反獨立性之情事。

(六) 本會計師尚未發現有可能危及獨立性之情事，故尚無需與 鈞座溝通因應防護措施(safeguard)。

八、 本會計師於查核過程中，如發現可能有違反獨立性之情形，將與 貴集團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

王 菘 澤

會計師

林 一 帆

Note 6: Directors Training Sessions in 2024:

Title	Name	Date	Organization	Title of Training Session	Duration
Director	Pi-Hua Chen	2024/11/07	Business Development Foundation of the Chinese Straits	Nature-based Solutions for Enterprises and ESG Corporate Governance	3hrs
		2024/11/07	Business Development Foundation of the Chinese Straits	Digital Utopia? Digital Transformation Trends and Case Studies	3hrs
Director	Chen, Pei-Wen	2024/11/07	Business Development Foundation of the Chinese Straits	Nature-based Solutions for Enterprises and ESG Corporate Governance	3hrs
		2024/11/07	Business Development Foundation of the Chinese Straits	Digital Utopia? Digital Transformation Trends and Case Studies	3hrs
Director	Chao, Cheng-Yu	2024/11/07	Business Development Foundation of the Chinese Straits	Nature-based Solutions for Enterprises and ESG Corporate Governance	3hrs
		2024/11/07	Business Development Foundation of the Chinese Straits	Digital Utopia? Digital Transformation Trends and Case Studies	3hrs
Director	Wu Si-Zong	2024/11/07	Business Development Foundation of the Chinese Straits	Nature-based Solutions for Enterprises and ESG Corporate Governance	3hrs
		2024/11/07	Business Development Foundation of the Chinese Straits	Digital Utopia? Digital Transformation Trends and Case Studies	3hrs
Independent Director	Tsai, Yu-Chin	2024/07/26	Taiwan Corporate Governance Association	Looking at the Information Security Strategies of Listed Companies from the Perspective of ESG Corporate Sustainable Development	3hrs
		2024/07/26	Taiwan Corporate Governance Association	Legal Risk Analysis - Insider Trading and Labor Dispute Prevention	3hrs
		2024/11/07	Business Development Foundation of the Chinese Straits	Nature-based Solutions for Enterprises and ESG Corporate Governance	3hrs
		2024/11/07	Business Development	Digital Utopia? Digital Transformation Trends	3hrs

			Foundation of the Chinese Straits	and Case Studies	
Independent Director	Hsu, Wen-Kuan	2024/05/13	Taiwan Corporate Governance Association	Global Risks and Corporate Social Responsibility	3hrs
		2024/11/13	Taiwan Corporate Governance Association	Corporate Governance Practical Issues and Case Analysis	3hrs
Independent Director	Huang, Lei-Kang	2024/11/07	Business Development Foundation of the Chinese Straits	Nature-based Solutions for Enterprises and ESG Corporate Governance	3hrs
		2024/11/07	Business Development Foundation of the Chinese Straits	Digital Utopia? Digital Transformation Trends and Case Studies	3hrs
		2024/12/31	Accounting Research and Development Foundation	"Annual Report/Sustainability Information/Financial Report Preparation": Related Laws and Regulations Analysis and Internal Control Management Practice	6hrs
Independent Director	Lee, Jin-Wei	2024/11/07	Business Development Foundation of the Chinese Straits	Nature-based Solutions for Enterprises and ESG Corporate Governance	3hrs
		2024/11/07	Business Development Foundation of the Chinese Straits	Digital Utopia? Digital Transformation Trends and Case Studies	3hrs
		2024/11/23	Accounting Research and Development Foundation	Effective Internal Control on Sustainability Reporting	3hrs
		2024/11/26	Accounting Research and Development Foundation	Common Deficiencies in Financial Report Review and Common Issues in Asset Acquisition/Disposal	3hrs

(IV) Describe the composition, duties and operations of the remuneration committee:

1. Information about the remuneration committee members

Identity (Note 1)	Name	Professional qualifications and experience	Compliance of independence (Note 2)	Number of positions as a Remuneration Committee Member in other public listed companies	Remarks

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.	Compliance of independence (1)-(10)	2 Note 3	-
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.	Compliance of independence (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. Former 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 coporate affairs, as well as the ability to handle risk management and legal professional matters.	Compliance of independence (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	Compliance of independence (1)-(10)	1	-

		University of Southern California, USA. Founder and CEO of Jinqu Co., Ltd. More than five years of experience in business, sales and corporate affairs, with information management, business and sales management capabilities.			

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 NTD 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.

Note 3: Ms. Hsu, Wen-Kuan serves as an Independent Director of both a publicly-listed company and a .a non-listed company.

2. Remuneration Committee's duties

According to the Company's "Remuneration Committee Articles of Association," the Remuneration Committee shall perform the following functions honestly with due diligence,

and submit their motions 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:

A. Ensure that the remuneration packages for the Company and its subsidiaries comply with the regulations and are attractive to potential talents.

B. With respect to the performance assessments and remuneration of directors (including independent directors) and manager of the Company, refer to the typical pay levels adopted by peer companies and take into consideration the reasonableness of the correlation between remuneration and amount of time invested, the role, individual performance and performance in other roles. In recent years, the remuneration for similar roles in the Company and its subsidiaries has been derived from the assessment of achievement of the short and long-term business goals, financial health, taking into account the reasonableness of the correlation between the individual's goal, the business performance of the Company and its subsidiaries and potential risks.

C. 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.

D. When determining the ratio of compensation for the short-term performance and the time at which the variable parts of remuneration are paid to the directors (including independent directors) and senior managers, the characteristics of the industry and the business nature of the Company and its subsidiaries must be taken into account.

E. When determining the contents of the remuneration and the amounts of the directors (including independent directors) and manager, assess the reasonableness of the remuneration in that it 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, the reasonableness must be duly disclosed in the annual report and reported at the shareholders' meeting.

F. 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 manager of the Company and its subsidiaries is handled by a subsidiary, the Committee must first submit the proposal to the Board before resolution can be passed by the Board.

3. Operation of the Remuneration Committee:

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

(2) Term of current members: In 2024 (the fourth term was from July 6, 2021 to July 5, 2024, and the fifth term is from June 25, 2024 to June 25, 2027), there were <u>three</u> Remuneration Committee meetings (A). The qualifications and attendances of the members are as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual attendance	Remarks

		(B)		rate % (B/A)	
Member	Hsu, Wen-Kuan	3	0	100%	Independent Director
Member	Tsai, Yu-Chin	3	0	100%	Independent Director
Member	Huang, Lei-Kang	1	0	100%	Independent Director (Elected on June 25, 2024)
Member	Lee Jin-Wei	1	0	100%	Independent Director (Elected on June 25, 2024)
Member	Kao, Peng-Wen	2	0	100%	Term ended on June 25, 2024, attended 2 times
Member	Yu, Hung-Ding	2	0	100%	Term ended on June 25, 2024, attended 2 times

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
2024.03.01 4th term 1st meeting in 2024	1. Approved proposal regarding the distribution of remuneration to directors and employees for 2023. 2. Approved proposal regarding the distribution of remuneration to directors for 2023. 3. Approved proposal regarding the distribution of employee remuneration to managers for	Approved by all the members unanimously.	For the first and second agenda items, after all non-voting attendees had left, Chairman Pi-Hua Chen sought the opinion of attending directors, who unanimously approved the items without objections. For the third agenda item, after all non-voting attendees had left,

	2023.		acting Chairman, independent director Kao, Peng-Wen, consulted with all other attending directors, and the resolution was passed unanimously without objections by attending directors with the exception of Chairman Pi-Hua Chen and Director Chao, Cheng-Yu who recused themselves due to a conflict of interest, and did not participate in discussion or voting.
2024.04.12 4th term 2nd meeting in 2024	1. Approved proposal for the allocation of shares to managers for employee share subscription in the first cash capital increase by the Company in 2024.	Approved by all the members unanimously.	After all non-voting attendes had left, the Acting Chairperson and Independent Director Kao, Peng-Wen consulted with all attending directors except Chairman Pi-Hua Chen and Director Chao, Cheng-Yu who recused themselves due to conflicts of interest, and did not participate in discussion or voting, the proposal was approved unanimously without objections.
2024.12.19 4th term 3rd meeting in 2024	1. Approved proposal to elect the convener and chairperson of the Remunueration Committee. 2. Approved the company's 2025 directors' and employees' remuneration estimates. 3. Approved the Company's 2024 annual managers' year-end bonus proposal.	Approved by all the members unanimously.	For the second agenda item, after all non-voting attendes had left, the Chairman consulted with all directors present and the proposal was passed unanimously with objections. For the third agenda item, after all non-voting attendees had left, acting Chairman, independent director Hsu, Wen-Kuan, consulted with all other attending directors, and the resolution was passed unanimously without objections by attending directors with the exception of Chairman Pi-Hua Chen and Director Chao, Cheng-Yu who recused themselves due to a conflict of interest, and did not participate in discussion or voting.

4. Information on the members of operation of the Nomination Committee: The Company does not have a Nomination Committee.

(V) Deviations between the promotion of sustainable development and the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such deviations

Scope of Assessment	Status of operation (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)	✓		Board of Directors: The highest decision-making body of the Company's "ESG Planning Team" is the Board of Directors, 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 team's objectives include establishing an ESG framework and corresponding performance indicators, action guidelines, implementation plans, and coordinating various departments to complete related tasks. The team regularly tracks the effectiveness and achievement of these goals and reports the ESG governance work results to the Board of Directors at least four times a year. ESG Planning Team: The ESG Planning Team consists of five sub-teams focused on social engagement, environmental sustainability, customer relations, employee care, and corporate governance. Each sub-team is led by senior management from the respective subsidiaries. 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	None

<table>
<tr><th rowspan="2">Scope of Assessment</th><th colspan="3">Status of operation (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>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 to achieve the group’s sustainable development goals</td><td></td></tr>
<tr><td>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?</td><td>✓</td><td></td><td>The Company’s disclosures cover the sustainable development performance of its main business locations in 2024. 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:
<table>
<tr><th>Risk</th><th>Counter-measures</th></tr>
<tr><td>Financial Risk</td><td>1.Interest Rates Risk:
Regularly review the interest rate levels in all operating regions (including both sides of the Taiwan Strait and Southeast Asia) and maintain close communication with banks. Utilize the fund allocation of various operating</td></tr>
</table></td><td>None</td></tr>
</table>

Scope of Assessment	Status of operation (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)	
			subsidiaries within the group to achieve the most efficient deployment. 2.Exchange Rate Risk: Ninety percent of our 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. 3. Customer Credit Risk: Our 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	

Scope of Assessment	Status of operation (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)	
			impact of credit risk is extremely low. 4.Investment Risk: We do not engage in the trading of derivative financial products or futures, nor do we invest in high-risk, high-leverage projects. All external investments are carefully evaluated and have relevant business dealings with the company. We also participate in the board and operational meetings of the invested companies. 5.Operational Risk: Eliminate all cash-related transactions and replace them with bank transfers. Financial staff job 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.	

Scope of Assessment	Status of operation (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)		
			Operational Risks	1.Customer Management 1.1Franchise stores and Distributors: Strengthen product and technical training, and organize training conferences in various provinces and counties. Conduct regular store visits and hold incentive activities such as rewards and recruitment in oder to enhance the operational capabilities of franchise stores and distributors. Monitor their sales performance to promptly and effectively address issues and foster loyalty. 1.2.End Customers Reinforce the company's brand image and corporate image. Use advertising and marketing to promote products subtly, embedding them in consumers' hearts to cultivate consumption habits and enhance brand loyalty and stickiness. 2.Procurement risk	

Scope of Assessment	Status of operation (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)	
			2.1. Select reputable and legally registered suppliers. Regularly audit suppliers and establish a system for inquiring, comparing, and negotiating prices with secondary suppliers. 2.2Products must be tested and approved by the product, R&D, and finance departments to ensure compliance. 2.3. Imported raw materials must have relevant import permits and be imported in their original packaging. 2.4. Provide complete product data (such as ingredient lists and specifications) and prohibit altering packaging or changing labels. 2.5. Ensure proper storage environments and comply with relevant regulations for storing raw materials. 3.Supply Chain and Production 3.1. Production facilities must be legally registered	

Scope of Assessment	Status of operation (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)	
			with government authorities, and products must comply with relevant regulations before being sold. 3.2. Weishuo, our manufcturing base, is ISO9001-certified for quality management. 3.3. The Company adheres to standard production protocols and continuously monitors for any abnormalities. 3.4. Properly dispose of waste generated during production to comply with environmental regulations. 3.5. The Company signs contracts for outsourced or imported products to ensure quality and supply quantity. 4. Trademarks and Patents 4.1. All product trademarks are registered in relevant operating regions to protect the company's interests. 4.2. All R&D projects are managed and documented. Any	

Scope of Assessment	Status of operation (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)	
			intellectual property developed with company resources are promptly patented if eligible. 4.3. All intellectual property rights of the outcomes created by R&D personnel using company resources belongs to the company. 4.4. Legal personnel are responsible for maintaining patents and trademarks. 4.5 External sales channels or products are regularly inspected for any infringement of the company's trademarks or patents and immediate legal action is taken if necessary. 5. Human Resources Management 5.1.Data collected systematically for human resources development projects. 5.2. Management indicators are established for various human resource policies. 5.3. Management indicators are developed for career	

Scope of Assessment	Status of operation (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)		
				development. 5.4. Regular performance evaluations, education, training, and job rotations are conducted to encourage employee growth.	
			Strategic Risk	1.Operational Compliance: The company must comply with all relevant laws and regulations in its daily operations, including tax, securities, sales, labor, import/export, and environmental regulations. These compliance requirements should be communicated to all franchise stores and distributors. Major decisions or contract documents must be reviewed and approved by the legal department or external lawyers to ensure compliance. The Board of Directors and department heads should continuously strengthen their legal compliance training related to their respective business areas. 2. Business	

Scope of Assessment	Status of operation (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)	
			Development: Before expanding product sales to new regions, research should be 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 must be followed accordingly. 3. Products and Advertising: Before launching a new product, a comprehensive evaluation should be 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	

Scope of Assessment	Status of operation (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)		
				abnormalities. Advertising content must not include illegal or false claims. If there are any concerns, the legal department should be consulted to confirm the content. 4.Directors and Officiers Liability Insurance: The company should regularly hold management and board meetings (including functional committees) and obtain liability insurance for directors and high-level executives.	
			Environmental Safety Risk	1.Conduct annual inspections of company-related operational units, including visits and guidance for franchise stores and distributors. 2. Regularly inspect the environments of company-related operational units. Based on the findings, propose improvement plans and allocate capital expenditures to implement these	

Scope of Assessment	Status of operation (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)		
				improvements, thereby reducing related risks. 3. Organize emergency evacuation and disaster prevention drills for employees to enhance their risk awareness and emergency response capabilities.	
			Climate Risk	Please refer to Company's Climate Information	
			Information Security Risk	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 Policy: In response to the variability of business operations and diverse transaction models, the company complies with the Data Security Protection Law and	

Scope of Assessment	Status of operation (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)	
			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. 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. 3.3Data level: Password management, and management of structured and unstructured data. 3.4.Network level: Integration of the group's network and authorized wireless access. Please refer to the section dedicated to Risk Management and Response in Chapter 4 (Governance) of the Company's 2024 Sustainability Report.	
III. Environmental issues			Subsidiary Weishuo (Shanghai) Daily	None

Scope of Assessment	Status of operation (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) Has the Company established environmental policies suitable for the Company's industrial characteristics?	✓		Product Co., Ltd. has obtained the following certifications: ◆ Obtained ISO 14001 certification and established an environmental management system (valid until December 25, 2025). ◆ Obtained Cosmetics Good Manufacturing Practice (GMPC) certification (valid until September 14, 2025). ◆ Obtained ISO 9001 Quality Management System certification (valid until August 24, 2026). ◆ Obtained ISO 45001 Occupational Safety and Health Management certification (valid until September 1, 2026)	
(II) Does the Company endeavor to upgrade the efficient use of energies, and use recycled materials which have a low impact on the environmental load?	✓		The Company has implemented the following measures to enhance the efficiency of resource utilization: 1. We have gradually changed the lighting fixtures to LED lamps and progressively planned to improve the efficiency of the air conditioning system in order to reduce power consumption. 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	None

Scope of Assessment	Status of operation (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)	
			structure. 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. 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. 6. The Forest Stewardship Council (FSC)-certified paper: FSC mix paper has been used as the packaging of new products to implement forest protection. 7. Office photocopying uses recycled paper or duplex printing.	
(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?	✓		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 such as typhoons and floods. The potential climate opportunities assessed by the Company mainly include: development and/or addition of low-carbon products and services. For the disclosure of climate-related financial information, please refer to Chapter 2 “Environmental Management” of the Company’s 2024 Sustainability Report.	None
(IV) Does the Company gather statistics of the greenhouse gas emission, water consumption and the	✓		The water consumption and the gross weight of the waste in the past two years of the subsidiary Weishuo (Shanghai) Daily Product Limited are described as below:	None

<table>
<tr><th rowspan="2">Scope of Assessment</th><th colspan="3">Status of operation (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td>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?</td><td></td><td></td><td>
<table>
<tr><th>Item</th><th>2023</th><th>2024</th></tr>
<tr><td>Water intake (tons)</td><td>15,952.80</td><td>11,836.00</td></tr>
<tr><td>Water Consumption</td><td>10,406.40</td><td>5,984.00</td></tr>
<tr><td>Wastewater Discharge (tons)</td><td>5,546.40</td><td>5,852.00</td></tr>
<tr><td>General Industrial Waste (tons)</td><td>68.025</td><td>75.608</td></tr>
<tr><td>Hazardous Industrial Waste (tons)</td><td>2.86</td><td>7.87</td></tr>
</table>

Greenhouse gas management:
In response to climate change and the global trend of “net zero emissions by 2050,” the Company set up a greenhouse gas inventory and reduction team in September 2023 to start a group-wide greenhouse gas inventory plan covering Scope 1 and Scope 2 emissions in order to control greenhouse gas emissions. The implementation status has been reported to the Board of Directors on a quarterly basis in accordance with the regulations. To promote low-carbon transformation and climate adaptation, the Company’s greenhouse gas management policies are as follows:
1. Controlling greenhouse gas emissions: For the purpose of achieving corporate sustainability and disclosing greenhouse gas inventory information, we have established a greenhouse gas inventory management mechanism, and conduct greenhouse gas inventory and assurance in accordance with the GHG Protocol every year. We will progressively</td><td></td></tr>
</table>

Scope of Assessment	Status of operation (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)	
			expand the inventory scope pursuant to future international standards to improve greenhouse gas information disclosure transparency. 2. Improving energy efficiency: We will improve the operation efficiency of existing process equipment, conduct feasibility studies for optimizing energy efficiency, and enhance the optimal energy-saving mode of energy equipment for production processes and office operations. 3. Reducing the carbon footprint of products: In order to reduce the carbon footprint of products, the Company has considered using green packaging designs, reducing product and transportation packaging and the use of plastic packaging, and introducing recycled paper, environmentally-friendly inks, and FSC-certified paper products. For existing products, we use raw materials that are locally sourced and certified as natural and organic. We also carry out large-scale voluntary bottle recycling. 4. Continuously promoting energy-saving and carbon reduction solutions: The Company has promoted energy-saving solutions in office areas, such as using energy-saving lamps, adjusting air-conditioning system performance, and recovering waste heat emitted by process boilers to reuse it to heat boiler water in order to reduce fuel consumption. 5. Increasing the proportion of renewable energy: The Company will assess the feasibility of using the factory’s existing solar power generation system for	

Scope of Assessment	Status of operation (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)	
			self-consumption and propose a clear renewable energy plan schedule to reduce the dependence on fossil fuel-generated electricity. 6. Among raw materials purchased in Shanghai, 80% are imported and about 20% are domestically produced. Some of the raw materials used are certified organic. **Water resource management:** 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. 1. Improving water use efficiency: Priority is given to water-consuming equipment with a water-saving 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. 2. Recycling water resources: The Company has considered installing a rainwater recycling system in the factory, increased the process water recycling rate, and recycled cooling water. 3. Reviewing compliance with laws and regulations: We have ensured that the Company's discharge of wastewater complies with local environmental standards **Industrial Waste Management:** The Company has started from waste	

Scope of Assessment	Status of operation (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)	
			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. 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. 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. 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) Whether or not the company has established the related management policies and procedures in accordance with the relevant laws and international human rights conventions?	✓		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. 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	None

Scope of Assessment	Status of operation (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)	
			Labour Organization.” 3. To ensure the implementation of its human rights policies, the Company has established six major human rights management policies and specific measures: ●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 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. In 2024, there were 3 individuals with disabilities among the employees. ●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. The Company has established whistleblowing and grievance channels to protect employee rights, allowing emmloyees 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 2024.	

Scope of Assessment	Status of operation (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)	
			●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 been established. There were no harassment complaints in 2024. ●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. Employee safety and health education training is conducted annually. In 2024, a total of 396 hours of occupational safety and health education training were arranged. There were no occupational accidents in 2024. ●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 2024.	
(II) Has the Company established and implemented proper employee welfare measures (including the salary, holidays, and other welfare) and reflected the corporate business performance or achievements in the employee	✓		1. The benefit measures of the employees are as follows: 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 the locations in which the Company operates and labor and health insurances in compliance with the local government's requirements. Besides benefits under applicable laws and regulations and policies, the Company	None

Scope of Assessment	Status of operation (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)	
remuneration?			also provide employees with various kinds of allowances, bonuses, vacations, cultural and recreational activities, continuing education programs, social insurance, among others. <u>Employee Benefit Programs</u> • Insurance: Group business insurance. • Compensation: Employee remuneration, performance bonus, employee dividends, festival allowance (Dragon-Boat Festival, Mid-Autumn Festival, and Lunar New Year), and year-end bonus. • Benefits: Birthday allowance, marriage, funeral and maternity allowance, year-end parties, pregnancy-friendly work environment, regular employee health check-up, hospital visitation allowance, employee shopping discounts, and travel rewards for outstanding employees. • Health and Welness: 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 to promote prevention of chronic diseases. In 2024, 36 employees participated in these lectures The company is committed to creating an inclusive and friendly workplace, promoting diversity and gender equality. Compensation, promotions, and all company benefits for job	

Scope of Assessment	Status of operation (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)	
			applicants or employees are not differentiated based on gender, age, pregnancy, race, political affiliation, or religious beliefs. The company is dedicated to implementing gender equality in the workplace. As of December 31, 2024, the total number of employees was 881, with 29.6% being male and 70.4% being female. Among all employees, 10.9% men and 22.7% women were in management positions. 2. The company has established a Remuneration Committee, which, in accordance with Article 7 of the Remuneration Committee Operating Management Regulations, 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 performance, annual profits, and employee evaluations. <u>Salary structure and salary adjustment mechanism:</u> ●Salary structure: The salary of the Company is paid on the basis of 12 months. Also, the Company has established various non-recurring bonus systems as follows: 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	

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			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 Appraisal Management Regulations. 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. c. Year-end bonus: the year-end bonus is distributed based on the business result of the Company after the end of the year. d. Sales bonus: this is distributed according to the sales bonus regulations of the "Sales performance or various KPIs." e. Special bonus: this is distributed according to the "Special Project Contribution." ●Salary adjustment mechanism: the mechanism includes the salary adjustment for probation, annual adjustment and special adjustment: a. Salary adjustment for probation: the new employee evaluated seems to be excelling in the position on probation. 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. c. Special salary adjustment: this is due to the talent competition and other special considerations.	
(III) Whether the company provides the existence	✓		1. Explanation of measures and training policies for employee safety and health	None

Scope of Assessment	Status of operation (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)	
of a safe and healthy work environment, and conducts regular health and safety training for employees?			in the work environment: The company strictly adheres to the occupational safety and health regulations of the countries where its operations are located, continuously maintaining and supervising the environmental safety of its factories and offices. 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, such as the Occupational Safety and Health Act in Taiwan and the Occupational Disease Prevention and Control Law in mainland China, the company fully implements a no-smoking policy in indoor work areas and public spaces. The workplace provides drinking water 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. During the COVID-19 pandemic, the company provided free epidemic prevention supplies to employees and implemented a paid vaccination leave policy to safeguard employees' health rights. Furthermore, the company strictly enforces occupational health and safety education and training programs, conducting annual employee safety and health training sessions. In 2024, the	

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	Yes	No	Summary (Note 2)	
			total hours of occupational safety and health education training were 396 hours, with 0 occupational accidents reported. In October 2024, the company developed a specific emergency response plan (valid for 3 years) and a comprehensive plan for general accidents. These plans were evaluated, drilled, and verified, and were reported to the relevant government emergency management departments. In the future, the company will continue to strengthen employee occupational safety training and workplace hazard prevention to ensure a safe, healthy, and comfortable working environment for all employees. The Company regularly (more than once a year) overhauls the fire equipment, sanitary equipment, and escape doors (ladders) of the workplace, holds fire control drills and provides the benefit of an annual health examination for employees, and organizes labor safety and health education training once every year to implement providing a safe and healthy working environment for employees. 2. Other relevant measures: Regarding the use of hazardous chemicals, the Company has formulated relevant management systems, required dedicated personnel to participate in training for hazardous chemical practitioners to obtain certification. Every year, the use and purchase of precursor chemicals in the previous year is reported to the Public Security Bureau's Drug Control Management Division. The Company obtained a record-filing certificate on February 4, 2024. In September 2023, the Company	

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	Yes	No	Summary (Note 2)	
			passed the audits for certification to ISO 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System, and ISO 9001 Quality Management System conducted by qualified certification bodies, and obtained the corresponding certificates. The implementation of systematic management has improved the Company's safety and environmental protection management.	
(IV) Whether the company has established some effective career development training plan 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 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. 2. Continuing Education and Training: 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. 3. Training implementation in prior	None

<table>
<tr><th rowspan="2">Scope of Assessment</th><th colspan="3">Status of operation (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>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 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.
(3) Through the Baduanjin Tour activity, employees’ concentration at work is improved, as well as their ability to withstand stress and to work as a team, while their innovative thinking is stimulated.
(4) Through the “Soaring Accelerated Course,” middle and senior management can improve their management capabilities and find a greater sense of achievement.
<table>
<tr><th>Item</th><th>2023</th><th>2024</th></tr>
<tr><td>Average training hours per month</td><td>937hrs</td><td>980hrs</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Scope of Assessment</th><th colspan="3">Status of operation (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>Average number of trainees per month</td><td>468 people</td><td>429 people</td></tr>
<tr><td>Total training hours for the year</td><td>11,241hrs</td><td>11,757hrs</td></tr>
<tr><td>Total number of trainees for the year</td><td>5,610 people</td><td>5,151 people</td></tr>
</table></td><td></td></tr>
<tr><td>(V) Does the Company comply with the relevant laws and international standards with regards to issues such as customer’s health, safety and privacy, marketing, and labeling in relation to the products and services, and has it established relevant policies and complaint procedures to protect the rights of consumers or customers?</td><td>✓</td><td></td><td>1. The marketing and labeling of the Company’s products have been audited by a dedicated unit to confirm that the sale is listed after complying with the relevant regulations of the local government and international standards.
2. The Company’s products and beauty-related services received three authoritative certifications from the China Association for Quality Inspection in 2024, including “National Quality Leading Company in the Beauty Sector,” “National Quality Leading Brand in the Beauty Sector,” and “National Product/Service Quality and Integrity Leading Brand.”
3. The Company has a customer service hotline, and the Customer Service unit is responsible for timely processing of relevant complaints.</td><td>None</td></tr>
<tr><td>(VI) Does the Company establish the supplier management policy to require the supplier to comply with relevant regulations on issues of environmental protection, occupational safety and health or labor rights and provide its</td><td>✓</td><td></td><td>The Company focuses on environmental and social protection. In choosing suppliers, it prefers to choose manufacturers with relevant environmental protection certifications, and pays attention to whether the manufacturer has an impact on the environment and society, which serves as an important reference for future cooperation. Our contracts with manufacturers have stipulated that the</td><td>None</td></tr>
</table>

Scope of Assessment	Status of operation (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)	
status of implementation?			Company has the right to terminate the contract immediately if the manufacturer creates bad effects or is being investigated by the competent authority due to illegal operation. The audit unit of the Company audits whether the supplier complies with the regulations of the Company during the periodic audits of the purchase and payment cycle every year.	
V. Does the Company refer to the international criteria or instructions on the preparation of reports to prepare reports disclosing the non-financial information of the Company, such as the corporate social responsibility report? Has the report mentioned above been assured, verified, or certified by a third party?	✓		The Company adheres to the Core option of the GRI 2021 Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB) for the structure and content presentation of ESG report. 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 issues that have a material impact on the industry's finances 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.	None

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 "Practice Principles for Sustainable Development" by the Board in March 2022 to keep in line with the competent authority. The operation of the corporate sustainable development is conducted in full compliance with the contents of the Best-Practice Principles 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

Scope of Assessment	Status of operation (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)	
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 Labour 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: Participate in disaster donations, fulfill the duty of social responsibility, care for the life of children and learning in rural areas. 7. Record of the awards: The Company was honored as one of the "2024 Best 25 Taiwan Global Brands" by the Industrial Development Bureau, Ministry of Economic Affairs. Chlitina stood out by making the list for the 9th time, with a brand value of NTD 3.366 billion. Chlitina was again the only brand awarded in the cosmetics industry in Taiwan. In 2024, Chlitina was listed in the Top 100 Beauty Brands by Forbes China, and appeared on the China Chain Store & Franchise Association's Top 100 list for the 7th consecutive year, continuing to dominate as the number one brand in beauty and body care, and debuted on the Top 280 list for commercial franchising. The accolades keep coming, as Chlitina was also recognized as one of the "Asia's Top 500 Brands." In 2024, Chlitina received three major honors from the China Quality Inspection Association at the "315 Event: National Quality Inspection Stable Qualified Product, National Leading Quality Brand in the Beauty Service Industry, and National Quality and Service Integrity Brand. In 2024, Chlitina was awarded the "Quality Integrity Benchmark Enterprise" by the China Quality Inspection Association for the 2024 National Quality Month. Our "Le spa Jolie Rose Face Cleansing Nectar", under the "Trotula by CHLITINA" brand, won the 2024-2025 Top Innovation Award of Les Victoires de la Beaute in Paris, known as the Oscars in the beauty and skincare industry. The "Youthkeeper Serum" received a Gold Award from Monde Selection; The "Natural Silica Water" received a 3-star Superior Taste Award from International Taste Institute; In the 2024 Global Beauty & Wellness Awards (GBWA), the "P113+ Prebiotics Serum" was declared a finalist in the Best Ingredient Facial Product category, and the "P113+ Smart Antibacterial Feminine Hygiene Spray" was declared a finalist in the Best Ingredient Hygiene Product category.				

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

<table>
<tr><th>Item</th><th>Implementation</th></tr>
<tr><td>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</td><td>The Company’s Board of Directors is the highest body for risk management. The Board of Directors has assigned the CEO to lead the ESG Planning Team in implementation. The team is also responsible for analyzing the impact of climate change on operating activities. After potential risks and opportunities are identified, the team will compile its response plans and practices, and track the achievement of the response plans and targets on a regular basis. The team summarizes and reports annual climate governance implementation results to the Board of Directors at least once per quarter.</td></tr>
<tr><td>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.</td><td>For relevant climate risks and opportunities and their impact on the Company’s business, strategy and finance (short-, medium-, and long-term), the climate risks and opportunities identified by the Company are listed as follows:
<table>
<tr><th></th><th>Risk/opportunity description</th><th>Potential financial impact</th></tr>
<tr><td>Transition risks</td><td>Technology risk (cost of low-carbon technology transformation)</td><td>1. The Company needs to upgrade plant equipment or build low-carbon production lines, including the use of energy-saving equipment and renewable energy facilities, which will greatly increase the Company’s capital expenditures.
2. Low-carbon production may require the use of new environmentally-friendly raw materials and green packaging. Their procurement cost is usually higher than that of traditional raw materials, resulting in an increase in operating costs.
3. Traditional high-carbon products and equipment require provision for inventory valuation losses or asset impairment losses, which can affect the Company’s profit and loss performance.</td></tr>
<tr><td></td><td>Market risk</td><td>1. The sales volume of traditional</td></tr>
</table></td></tr>
</table>

			(changes in customer and market demand)	high-carbon products may gradually decline, affecting the revenue performance. 2. Changes in pricing strategies for low-carbon and sustainable products, which can affect product profit margins. 3. The Company needs to increase marketing and advertising investment to promote low-carbon and sustainable products, which may increase marketing expenses. 4. Traditional inventory products cannot be sold in a timely manner, resulting in an increased risk of inventory obsolescence, and a provision for a loss on inventory obsolescence is made.
			Market risk (rising costs of raw materials)	1. The scarcity of natural raw materials may lead to higher raw material costs, which in turn may result in higher product prices. If product prices are increased, the purchasing power of consumers may be affected, and they may choose to downgrade consumption or reduce purchases; if the product prices are not increased, the Company's overall gross profit may be affected, bringing about a lower net profit. 2. The Company may need to find new raw material supply channels or diversified sources of supply. However, this may increase the management cost for the supply chain.
			Reputation risk (increasing stakeholder concerns and negative feedback)	1. If the Company does not actively invest in sustainable development, it may lose the favor of some consumer groups, reducing consumers' recognition and loyalty to the brand and resulting in a decline in revenue. 2. In the future, if suppliers and distributors pay more and more attention to the environmental protection performance of their partners and the Company fails to proactively respond with good environmental protection performance, supply chain

			management risks may be increased, thereby affecting revenue. 3. In the future, the government may impose stricter measures against environmental pollution. The Company may have to pay heavy fines or even be required to suspend production for rectification, which may affect revenue. 4. Investors are increasingly looking for companies with outstanding sustainable development performance. If the Company fails to respond actively, there may be limited channels for financing, increasing financing costs.
	Physical risks	Increased severity of extreme weather events such as typhoons and floods	1. Extreme weather and climate may cause asset losses, which requires additional expenses to repair or replace. Serious damage may lead to one-time high expenditures for office relocation and decoration. 2. Extreme weather and climate may cause the temporary closure of business locations and employees not being able to work normally, and disrupt and interrupt the Company's business and operations, in which case the Company may need to rent temporary venues or cloud resources, resulting in new operating costs and a direct impact on current revenue and profitability. 3. Extreme weather and climate may interrupt operations, resulting in a decrease in revenue. 4. In order to restore the production capacity of important operations, it may be necessary to pay overtime or hire temporary manpower, increasing related personnel costs.

	Opportunity	Development and/or addition of low-carbon products and services	1. We can demonstrate our commitment to environmental responsibility, improve brand reputation and consumer loyalty, and launch low-carbon and environmentally-friendly products and services to develop new consumer groups and increase revenue.
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.	The climate change risks and opportunities identified by the Company are subject to cross-departmental discussion and identification to assess the likelihood and timing of their occurrence and the extent of their impact on the Company. Relevant identification, assessment, and management processes will be integrated into the corporate risk management process. The identification process, target setting, follow-ups, and reports to the Board of Directors are integrated into the Company's risk management process for implementation.		
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 shall be described.	The Company has not yet used scenario analysis.		
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.	The Company has integrated the concept of sustainability into the Company's long-term development plan; defined the goals and target performance for the sustainable development fields of environment, society, and corporate governance; planned and implemented a green marketing strategy; cultivated consumer awareness and acceptance of green products; and bolstered the green image of the Company's brand. Concrete actions taken include the following: 1. 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. 2. The original raw materials of products have been replaced with those that are RSPO (Roundtable on Sustainable Palm Oil)-compliant and COSMOS (COSMetic Organic and natural Standard)-certified. 3. The Company has drawn up a weight reduction plan for product packaging to reduce the use of plastic materials for		

	outer packaging. 4. We launch new product lines that use renewable resources and recyclable or degradable packaging. 5. The Company actively participates in community environmental protection and public welfare projects, giving back to society and improving our own sustainable development image. The indicators and targets used by the Company to identify and manage physical risks and transition risks are detailed below: Physical risks: The amount and percentage of assets vulnerable to extreme weather such as typhoons and floods. The book value of sensitive property, plant and equipment as a percentage of total assets is used as the indicator. The baseline is 2023, with a proportion of 37%. The goal is to gradually decrease this proportion by 1-3% by 2026, and then further reduce it by 4-8% by 2031. Transition risks: Low-carbon transformation of existing products and the use of local raw materials where possible. The percentage of local raw materials of the total raw materials of the current year is used as the indicator. Local raw materials accounted for 20.13% of the total raw materials in 2023 (baseline year). The percentage will gradually increase to 1+5% in 2026, and then rise to 6+10% in 2031.
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.	Please refer to the description below.

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

1-1-1 Greenhouse Gas Inventory Information

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

Since 2023, the Company has voluntarily implemented a greenhouse gas inventory for the Scope 1 and Scope 2 emissions of the previous year with reference to the "Guidelines for Greenhouse Gas Emissions Inventory" published by the Environmental Protection Administration, Executive Yuan.

Statistics table of greenhouse gas emissions and removals by category		
Emission reports by category	**Emission equivalent (metric tons CO2e/year)**	**Gas proportion (%)**
Scope 1. Direct greenhouse gas emissions and removals	1,037.2149	30.99
Scope 2. Indirect greenhouse gas emissions from externally input energy	2,309.5194	69.01
total emission equivalent	3,346.7343	100.00
Emission intensity (metric tons CO2e/million yuan) (Note 2)	0.0823	-

Note 1: The scope of our inventory audit adopts the operational control method, expanding to cover the entire CHLITINA Group, consistent with the consolidated financial statements.Note

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

Note 3: The greenhouse gas inventory follows the "Greenhouse Gas Emissions Inventory Operation Guidelines" promulgated by the Environmental Protection Agency of the Executive Yuan and has not yet undergone a third-party verification process. Category 1 emission sources include stationary combustion emissions and fugitive emissions; Category 2 emission sources are purchased electricity.

Note 4: 2023 was the first year that the Company conducted greenhouse gas inventory, and 2023 was initially set as the baseline year. In response to the 2024 group-wide inventory requirements, after evaluation, it was decided to adjust the baseline year to 2024 to ensure data consistency and comparability.

Note 5：Global warming potential coefficients all refer to data from the 2021 IPCC Sixth Assessment Report.

Note 6：The emission coefficients of emission sources are quoted from the "IPCC 2006 Guidelines for National Greenhouse Gas Inventories".

Note7: Direct emissions
Scope 1: Emissions directly from emission sources owned or controlled by the Company, and indirect energy emissions
Scope 2: Indirect greenhouse gas emissions and other indirect emissions from imported electricity, heat or steam
Scope 3: Emissions from the Company's activities that are not indirect energy emissions but come from emission sources owned or controlled by other companies.

Note 8: The data coverage of direct emissions and indirect energy emissions shall be in accordance with the schedule specified in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies. Other indirect emissions data may be disclosed voluntarily.

Note 9: Greenhouse gas inventory standards: Greenhouse Gas Inventory Protocol (GHG Protocol) or ISO 140641 released by the International Organization for Standardization (ISO).

Note 10: The intensity of greenhouse gas emissions may be calculated per unit of product service or turnover. However, at least the data calculated based on turnover (NTD million) shall be stated.

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 implemented 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.
The greenhouse gas base year is 2023. Please refer to the above "1-1-1 Greenhouse Gas Inventory Information" for the emissions. The reduction targets are listed as follows: 1. Short-term (2027): Reduce carbon emissions by 1% from the baseline year and reduce carbon intensity by 1% from the baseline year. 2. Medium-term (2030): Reduce carbon emissions by 3% from the baseline year and reduce carbon intensity by 3% from the baseline year. 3. Long-term (2035): Reduce carbon emissions by 5% compared to the baseline year and reduce carbon intensity by 5% compared to the baseline year. Strategies and concrete action plans: 1. Low-Carbon Transformation of Existing Products: Maximize the use of localized materials to reduce carbon footprint and promote sustainable development. Continuously develop new green product lines and reasonably adjust the product mix. 2. Product Specification Upgrade: Use materials that comply with RSPO (Roundtable on Sustainable Palm Oil) standards and select ingredients with COSMOS (COSMetics Organic and natural Standard) certification. 3. Packaging Material Reduction: Implement weight reduction plans for product packaging to minimize the use of plastic materials. 4. Introduction of Sustainable Packaging: Launch new product lines with packaging made from renewable resources, recyclable, or biodegradable materials 5. Community Environmental Initiatives: Actively participate in community environmental projects to give back to society and enhance the company's sustainable development image. Greenhouse Gas Inventory and Verification: Group-wide greenhouse gas inventory was completed in 2023-2024, and verification will be achieved by 2025.

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.

Note 2: The base year shall be the year that the inventory is completed based on the boundary of the consolidated financial statements. For example, according to Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies, a company with capital of more than NTD 10 billion shall complete the inventory of its 2024 consolidated financial statements in 2025. Therefore, the base year is 2024. If the company has completed the inventory of the consolidated financial statements ahead of schedule, the earlier year may be used as the base year, and the data of the base year may be calculated based on the average of a single year or of several years.

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.

(VI) 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)Whether the Company establishes an ethical management policy approved by the Board of Directors and expressly states 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 "Principles for Operation with Integrity," which has been submitted to and passed by the Board of Directors. That is, it is the commitment of implementation between the board and the management.	None
(II)Does the Company establish a risk assessment mechanism against unethical conduct and regular analyze and assess business activities within their 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 Article7 Paragraph 2 of the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies"?	✓		The Company has a "Procedures and Behavioral Guide for Operation with Integrity", which clearly regulates operating procedures, the measures taken when violations occur, and implements them. The Company has established the "Measures to Prosecute Cases of Unlawful and Immoral or Dishonest Conduct" approved by the Board of the Directors. 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 accordingly? Does the Company	✓		The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" 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	
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 each year to reduce the likelihood of unethical behavior.	
II. Implementation of ethical management				
(I)Whether the Company assesses a trading counterpart's ethical management records and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	✓		The Company will evaluate the related record with the counter party before the transaction, which is an important reference for cooperation. It has been stated in the contract with the supplier that the employees of the Company are not allowed to ask for and receive commissions from the manufacturer, and that the manufacturer shall not give red envelopes, gifts, or provide entertainment for any reason. If this occurs, the Company may terminate the purchase contract, and the manufacturer shall bear all losses and expenses.	None
(II)Does the Company establish a specific unit subject to Board of Directors to promote corporate ethical management and regularly (at least once a year) report the ethical management policy, prevention program of unethical conduct and implementation status of supervision to Board of Directors?	✓		1.The Corporate Governance Promotion Team of the Company is currently responsible for promoting matters related to ethical management. The convener and vice convener were appointed by the Board of Directors to promote business and reported the implementation to the Board of Directors on February 27, 2025. 2.The Company fulfilled the ethical management policy faithfully and the relevant implementation in	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	
			2024 is as follows: 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 for Ethical Management and Guidelines for Conduct" on March 29, 2013 as reference and amended the Procedures and Guidelines according to the relevant laws and regulations and the Company's needs. The latest amendment was made on March 12, 2020. 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. 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	

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	
			insider trading course in the internal shared disk for the employees to serve as the reference. d.Developing a whistleblowing system and ensuring its operating effectiveness: Pursuant to the internal control system and the "Measures to Prosecute Cases of Unlawful and Immoral 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 Ethical Conduct or ethical management. 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.	
(III)Whether the company defines any policy against conflict of interest, provides adequate channels thereof, and fulfills the	✓		The Company has set out the principle of preventing conflicts of interest in the "Code of Ethical Conduct." In the "Procedures and	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	
same precisely?			Behavioral Guide for Operation with Integrity", the reporting channel when a conflict of interest occurs is also stated, by which the Company's staff can implement the following procedures.	
(IV)Whether the company fulfills its ethical management responsibility by establishing an effective accounting system and internal control system and drafts relevant audit plans by the internal audit unit based on the risk assessment results of the unethical conduct? Does the compliance of prevention program for the unethical conduct audited accordingly by the audit office or committed accountants?	✓		In the accounting system and internal control system design, the Company has taken into account the needs of operation with integrity. The Company's auditing unit has also checked its effectiveness in the internal control audit. Besides this, in accordance with the laws and regulations for listing, the Company also appoints CPAs to perform internal control audits every year to verify the effectiveness of the Company's internal control system.	None
(V)Whether the company organizes internal/external education training programs for ethical management periodically?	✓		The Company has mandated the "Procedures and Behavioral Guide for Operation with Integrity", which built the concept of operations with integrity into our corporate culture and promotes the concept in various conferences and educational training sessions to implement the policy. In 2024, 5 internal and external training sessions (including legal compliance with the ethical management, products, accounting systems, etc.) were organized by the Company and attended by a total of 98 persons in Taiwan; and 125 such training sessions were organized in Mainland China, attended by a total of 1,355 persons.	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)Whether or not the company has defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated personnel to deal with the situation?	✓		The Company has specified the whistleblowing and reward system in the "Measures to Prosecute Cases of Unlawful and Immoral or Dishonest Conduct." Whistleblowing can be made through the management, internal audit supervisor and relevant unit of the Company or the whistleblowing channels provided by the Company (whistleblowing mailbox: audit@cn.chlitina.com). The responsible unit designated by the Corporate Governance Promotion Team is fully responsible for handling whistleblowing matters.	None
(II)Whether the Company has defined the standard operating procedures for the investigation of accepted whistleblowing, follow-up measures taken after the completion of investigation, and relevant confidentiality mechanism?	✓		In accordance with the "Measures to Prosecute Cases of Unlawful and Immoral or Dishonest Conduct," the Company has specified relevant confidentiality mechanism in which the relevant personnel responsible for the whistleblowing case shall strictly keep the identity of the whistleblower and the contents of the whistleblowing confidential.	None
(III)Whether the company has adopted any measures to prevent the complainants from being abused after filing complaints?	✓		In accordance with the "Measures to prosecute cases of unlawful and immoral or dishonest conduct," the person/s who made the report and the contents of the report should be kept confidential to ensure that the person/s who made the report are not subjected to retaliatory action.	None
IV. Enhancing information disclosure				

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)Whether the corporation has disclosed the Ethical Management Principles and effect of implementation thereof on its website and Market Observation Post System?	✓		The Company and has established its principles for operations with integrity and has set up a website and exposed information such as the relevant corporate culture and operating principles on the MOPS and 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 the ethical management principles and implemented the operation 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 created many employment opportunities and has set up an Employee Welfare Committee. We have implemented a retirement pension system, organized various training courses to enhance employee education, and provided group insurance for employees and their families. We also arrange 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 of our profits. (III) In our transactions with suppliers, the Company always upholds the principle of good faith and promotes our corporate values of hinest business practices to our partners. . (IV) To be in line with the laws and regulations, the Board of Directors discussed and approved the amendment of the "Procedures for Ethical Management and Guidelines for Conduct" on March 12, 2020 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.

(VII) Other important information to increase the understanding of corporate governance:

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

(VIII) Implementation of the internal control system:

1.Internal control statement

The company's internal control statement has been disclosed on the information reporting website designated by the Financial Supervisory Commission. The public information observation station URL is: https://mops.twse.com.tw/mops/web/index.

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

(IX) 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:

1.Significant resolutions from the Annual General Shareholders Meetings and Ad Hoc General Shareholders Meeting, and Implementation Status:

Date	Meeting type	Significant resolutions	Implementation status
2024.06.25	Annual General Shareholders Meeting	1.2023 Annual Business Report	The chairperson consulted all the participating shareholders.
		2.2023 Annual Audit Committee Review Report	The chairperson consulted all the participating shareholders.
		3.2023 Annual Report on Employee and Director Compensation Distribution	The chairperson consulted all the participating shareholders. The distribution of compensation is as follows: -Employees: NTD21,795,785 -Directors: NTD10,897,893 both paid in cash.
		4.2023 Annual Report on Related Party Transactions	The chairperson consulted all the participating shareholders.
		5.Report on the Amendment to the "Regulations for the Operation of the Board of Directors Meetings"	The chairperson consulted all the participating shareholders.
		6.Report on the Execution of the Second Unsecured Convertible Corporate Bonds in the Republic of China	The chairperson consulted all the participating shareholders.
		7.Annual Business Report and Financial Statements for the Year 2023	The proposal was approved as originally presented, following a vote. For the year 2023, the Company's operating revenue was NTD4,534,771,000, with a net profit of NTD1,033,554,000. Earnings per share for common stock were NTD13.03.
		8.Proposal for the Distribution of Profits for the Year 2023	Upon voting, the proposal was approved as originally presented. For the fiscal year 2023, the Company's profit distribution included a total of NTD 834,669,675 from available distributable profits as shareholder dividends, all of which were distributed in the form of cash dividends. (NTD10.5 per share). Any fractional amounts less than NTD1 will be rounded down and the total of these fractional

			amounts will be transferred to other income of the Company. Since the company has completed the cash capital increase for 2024, based on the total number of issued shares after the capital increase (82,492,350 shares), the cash dividend per share was NTD 10.1181464. The ex-dividend date was set for August 22, 2024, and the cash dividends was distributed on September 10, 2024.
		9.Proposal for the Election of the Board of Directors	Elected Directors: Pi-Hua Chen, Representative of Wealthy Garden Investment Limited Chen, Pei-Wen, Wu Sizong, Chao, Cheng-Yu, Elected Independent Directors: Tsai, Yu-Chin; Hsu, Wen-Kuan; Huang, Lei-Kang; Lee Jin-Wei. The changes were approved and registered by the Cayman Islands Government on July 29, 2024.
		10.Resolution to Waive the Non-Compete Restrictions for Newly Appointed Directors and Their Representatives.	Upon voting, the proposal was approved as originally presented and has been executed in accordance with the shareholders' meeting resolution.

2.Significant board resolutions

Date	Meeting type	Significant resolutions
2024.03.01	Board of Directors	1. Acknowledged the internal audit report for the fourth quarter of 2023. 2. Acknowledged the addition of one more member to the 4th Audit Committee 3. Acknowledged the proposal regarding important financial and business matters for the fourth quarter of 2023. 4. Acknowledged the report on related party transactions. 5. Acknowledged the report on securities trading. 6. Acknowledged the report on the Company's renewal of "Directors and Officers Liability Insurance". 7. Acknowledged the director performance evaluation report for 2023. 8. Acknowledged the report on the status of corporate governance for 2023. 9. Acknowledged the report on the planning of the schedule for the Company's greenhouse gas inventory and verification. 10. Acknowledged the report on the additional investment in the subsidiary (BVI) Chlitina International Limited. 11. Acknowledged the report on subsequent implementation with respect to changing the shareholding ratio of the subsidiary

		Hainan Shoumao Investment Limited in its investee Enhance Stem Cell Technology (Hainan) Co., Ltd. 12. Adopted the addition of one more member to the 4th Remuneration Committee. 13. Adopted the proposal of the internal control statement for 2023. 14. Adopted the proposal of the drafts regarding the business report, financial statements, and certified public accountants' audit report for 2023. 15. Adopted the proposal regarding the distribution of remuneration to directors and employees for 2023. 16. Adopted the proposal regarding the distribution of remuneration to directors for 2023. 17. Adopted the proposal regarding the distribution of employee remuneration to managers for 2023. 18. Adopted the proposal for the distribution of earnings in 2023. 19. Adopted the proposal to replace the independent auditor in 2024 in line with the internal rotation mechanism of the accounting firm. 20. Adopted the proposal to evaluate the Company's accountant independence, appointment of CPAs, and the professional fee for 2024. 21. Adopted the proposal to amend parts of the Company's Related Party Transfer Pricing Policy. 22. Adopted the proposal for the new related party transactions of the Company and subsidiaries. 23. Adopted the proposal for the Company's plan for an issue of new shares for cash capital increase and the 2nd issue of unsecured convertible bonds in the Republic of China for 2024. 24. Adopted the proposal to commission a lead underwriter to assist the Company in complying with the laws and regulations of the Republic of China and the commission agreement. 25. Adopted the proposal for the full re-election and nomination of the Company's directors. 26. Adopted the proposal to lift the non-competition restrictions upon the nominee directors (including independent directors) of the Company and their representatives. 27. Adopted matters related to accepting nominations of director candidates (including independent directors) from shareholders with a shareholding of more than 1%. 28. Adopted the proposal to convene a regular shareholders' meeting for 2024.
2024.04.12	Board of Directors	1. Acknowledged the report on the progress of the Company's plan for an issue of new shares for cash capital increase and the 2nd unsecured convertible bonds in the Republic of China for 2024. 2. Adopted the proposal for the allocation of shares to managers for employee share subscription in the first cash capital increase by the Company in 2024. 3. Adopted the proposal for the purchase of real property by the subsidiary (BVI) CHLITINA INTELLIGENCE LIMITED. 4. Adopted the proposal for the disposal of the real property right-of-use assets (for early termination of the lease) from the related party by the subsidiary Chlitina Marketing Limited,

		Taiwan Branch. 5. Adopted the proposal for the subsidiary Chlitina Intelligence Limited Taiwan Branch's application for a financial loan from Shin Kong Commercial Bank to meet operational cash flow needs. 6. Adopted the proposal for the subsidiary Hong Kong Chlitina International Limited's pledging of a certificate of deposit as a guarantee for the subsidiary Chlitina Intelligence Limited Taiwan Branch's application for a financial loan with a bank. 7. Adopted the proposal to apply for a renewal of the medium-term financial loan from Taiwan Shin Kong Commercial Bank (Business Department).
2024.05.05	Board of Directors	1. Acknowledged the internal audit report for the first quarter of 2024. 2. Acknowledged the proposal regarding important financial and business matters for the first quarter of 2024. 3.Acknowledged the report on related party transactions. 4.Acknowledged the report on securities trading 5.Acknowledged the second quarter routine report on planning for greenhouse gas inventory and verification. 6. Acknowledged the progress report on the 2024 cash capital increase and issuance of new shares, as well as the issuance of the second unsecured convertible bonds in the Republic of China. 7. Acknowledged the Board of Directors' review of proposals from shareholders holding 1% or more of shares, including the nomination list for Director (including Independent Director) candidates. 8.Approved the Consolidated Financial Report for the first quarter of 2024. 9.Approved the change in Internal Audit Manager. 10. Approved the acquisition of real estate usage rights by the subsidiary Hong Kong Chlitina International Limited from a related party.
2024.06.25	Board of Directors	1.Acknowledged the report on the composition of the fifth Audit Committee. 2.Election of the chairperson of the fifth Board of Directors. 3.Approval of the proposed appointment of the fifth Remuneration Committee.
2024.08.22	Board of Directors	1.Acknowledged the internal audit report for the second quarter of 2024. 2. Acknowledged the proposal regarding important financial and business matters for the second quarter of 2024 3. Acknowledged the report on related party transactions. 4. Acknowledged the report on securities trading. 5. Acknowledged the report on the execution of the capital increase and investment case of the subsidiary Hong Kong Chlitina International Limited. 6. Acknowledged the progress report on the 2024 cash capital increase and issuance of new shares, as well as the issuance of the second unsecured convertible bonds in the Republic of China. 7. Acknowledged the report on the new investment by subsidiary Chlitina International Limited.

		8. Acknowledged the report on the participation of the subsidiary Hong Kong Chlitina International Limited in the cash capital increase of U-Neuron Biomedical Co., Ltd. 9. Acknowledged the third quarter routine report on the planning of the greenhouse gas inventory and verification. 10.Approved the Consolidated Financial Report for the second quarter of 2024. 11. Approved the draft of the 2023 Sustainability Report. 12. Approved the application for a medium-term loan facility from Cathay United Bank 13. Approved the extension of the short-term loan facility from Sinopac Bank (Xinzhuang branch) 14. Approved the extension of the medium-term loan facility from Fubon Taipei Bank.
2024.11.07	Board of Directors	1.Acknowledged the internal audit report for the third quarter of 2024 2.Acknowledged the major business report for the third quarter of 2024. 3.Acknowledged the report on related party transactions. 4. Acknowledged the report on securities trading. 5.Acknowledged the execution status report on the issuance of the second unsecured convertible corporate bonds in the Republic of China. 6.Approved the consolidated financial report for the third quarter of 2024. 7. Approved the new investment by subsidiary (BVI) Chlitina International Limited. 8. Approved the loan case involving the subsidiary Yongli Trading Ltd., and lending funds to others. 9. Approved the donation to a related party
2024.12.19	Board of Directors	1. Acknowledged the report on the fourth quarter sustainable development initiatives by the ESG Team. 2. Acknowledged the execution status report on the issuance of the second unsecured convertible corporate bonds in the Republic of China. 3. Acknowledged the report on the acquisition of real estate usage rights through leasing among subsidiaries. 4. Approved the estimation of director compensation and employee compensation for 2025. 5. Approved the year-end bonus for managers for 2024. 6. Approved the internal audit plan for 2025. 7. Approved the amendment of certain articles of the Company's Articles of Association. 8. Approved the addition of the "Sustainability Information Management Procedures." 9. Approved the addition of the "Supplier Code of Conduct." 10. Apparoved the disposal of real estate usage rights by the subsidiary Chlitina Intelligence Limited Taiwan Branch. 11.Approved the acquisition of real estate usage rights by the subsidiary Chlitina Intelligence Taiwan Branch from related party. 12.Approved the 2025 business plan and budget.

(X) During the most current 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 the Independent Auditors fee

Unit: NTD thousand

CPA firm name:	CPA name	CPA audit period	Audit fees	Non-audit fees	Total	Remarks
PricewaterhouseCoopers Certified Public Accountants	Wang, Sung-Tse	2024.1.1 ~ 2024.12.31	11,915	1,916	13,831	Non-audit fee services include: tax certification, greenhouse gas inventory, TCFD reporting, review on cash capital increase.
	Lin, Yi-Fan					

(I) 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 cases.

(II) 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 the replacement of independent auditors: No such cases.

VI. Auditing firm or its affiliates at which the Company's Chairman, President, or managers responsible for financial or accounting matters was an employee in the most recent year: None

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.

(I) 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

(II) Equity transfer information: None.

(III) 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	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding 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: Pi-Hua Chen	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 Business Fund in escrow at HSBC	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	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title or name	Relationship	
4. CTBC Bank Co., Ltd. acting as custodian for the investment account of Shouxin Development Co., Ltd. Representative: Chao, Cheng-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 escrow at HSBC	1,048,842	1.27%	—	—	—	—	—	—	—
7. Cathay United Bank Co., Ltd. acting as custodian for Gold Dragon (Asia) Limited	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	

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	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title or name	Relationship	
Representative: Chen, Wu-Kang								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	
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.	932,000	1.13%	—	—	—	—	—	—	
10. TransGlobe Life Insurance Inc.	790,613	0.96%	—	—	—	—	—	—	—

IX. The 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, 2024; 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%	-	-	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	-	-	16,242,882	100%	16,242,882	100%
Centre de Recherche et de Developpement de CHLITINA FRANCE EURL	-	-	500	100%	500	100%
K&S Biomedical Ltd.	-	-	Note 1	100%	Note 1	100%
Hong Kong Crystal Asia International Limited	-	-	2,300,000	100%	2,300,000	100%
Hong Kong W-Champion International Limited	-	-	2,950,000	100%	2,950,000	100%
Hong Kong W-Amber International Limited	-	-	184,303,060	100%	184,303,060	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	19.41%	11,805,203	19.41%
U-Neuron Biomedical Inc.	-	-	3,780,000	9.566%	3,780,000	9.566%
Hong Kong Jing Tai International Investment Limited	-	-	1,000,000	100%	1,000,000	100%
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%	Note 1	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%
Weihu (Shanghai) Health Management Consulting Co., Ltd.			Note 1	100%	Note 1	100%
Crystal Asia (Shanghai) Trade Limited	-	-	Note 1	100%	Note 1	100%
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	-	-	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
Wuguan (Shanghai) Trade Limited	-	-	Note 1	100%	Note 1	100%
Shanghai Yuanshuo Management Consulting Limited	-	-	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%
Shanghai Zhongye Trade Co., Ltd.	-	-	Note 1	30%	Note 1	30%
Hainan Shoumao Investment Limited	-	-	Note 1	100%	Note 1	100%
Shanghai Jiekan Trading Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Shanghai Yongshang Trading Co., Ltd.	-	-	Note 1	100%	Note 1	100%
Li Shuo Biotechnology (Shanghai) Co., Ltd.	-	-	Note 1	100%	Note 1	100%

Note 1: Limited company, with no shares issued.
Note 2: Wuguan (Shanghai) Trade Limited was struck off in February 2024.
Note 3: Shanghai Zhongye Trade Co., Ltd. was struck off in April 2024.

Three. Fundraising Status

I. Capital and shares

(I) Capital sources

March 28, 2025; Unit: thousand shares; NTD thousand

Date	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Capital sources	Collateralize with assets other than cash	Others
2012.07	NTD 10	200,000	2,000,000	2,000	20,000	Established by all of the shareholders of CHLITINA Group LIMITED, and its share capital of CHLITINA Group LIMITED serves as the right price for the new shares issued when it was established.		Note 1
2012.08	NTD 10	200,000	2,000,000	66,800	668,000	Capital increase of NTD 648,000 thousand out of the additional paid-in capital	—	Note 2
2013.11	NTD 168	200,000	2,000,000	75,707	757,070	Capital increase in cash NTD 1,496,376 thousand	—	Note 3
2014.08	NTD 10	200,000	2,000,000	79,492	794,924	Capital increase of NTD 37,854 thousand out of earnings	—	Note 4
2024.05	NTD 156	200,000	2,000,000	3,000	30,000	Capital increase in cash NTD 468,000 thousand		Note 5

Note 1: The Company was established on July 3, 2012, and the share capital for establishment was NTD 20,000 thousand with a face value of NTD 10 per share.

Note 2: An increase of NTD 648,000 thousand in the capital surplus transferred to capital was resolved by the ad hoc shareholders' meeting on August 31, 2012.

Note 3: After the August 17, 2012 Board of Directors meeting and the August 23, 2012 ad hoc shareholders' meeting, and through the company's return to Taiwan listing case, the public underwriting before listing and the initial listing of cash increases by NTD 1,496,376 thousand.

Note 4: The Company's 2013 annual earnings distribution proposal was passed by the board meeting on March 12, 2014, and by the shareholders' meeting on June 19, 2014.

Note 5: On March 1, 2024, the Board of Dorectors approved the issuance of new shares through a cash capital increase for the year 2024.

March 28, 2025; Unit: thousand shares

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

(II) 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 28, 2025;

Shares / Major Shareholders	Number of shares held (thousand shares)	Shareholding ratio %
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.	932,000	1.13%
TransGlobe Life Insurance Inc.	790,613	0.96%

Note: The date of the Company’s book disclosure is March 28, 2025 to June 26, 2025.

(III) The Company's dividend policy and implementation

1. 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.

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

The Company's 2024 earnings distribution has been approved by the Board of Directors s on February 27, 2025., and is scheduled to be presented toshareholders for approval at the Annual General Meeting on May 26, 2025. The proposed dividend distribution is as follows:

(1) From the distributable surplus, a 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 in the Board of Directors' discussion, a cash distribution of NT$ 247,477,050 will be made from the capital surplus under the 2024 financial report (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.

3. Expected significant changes in the dividends policy: None

(IV) 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, and thus it does not apply.

(V) Remuneration to employees, directors and supervisors

1. The number and scope of the remuneration of employees, directors, and supervisors defined in the Company's Articles of Association: According to the above (V) The Company's dividend policy and implementation.
2. 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.
3. The distribution of remuneration passed by the Board of Directors:
   (1) 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.
   (2) 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.
4. The status and result of the remuneration distribution reported in the shareholders' meeting: The Company estimated the remuneration to be distributed for 2024 at NTD 5,614,815 to directors and NTD 11,229,629 to employees. The remunerations will be distributed in cash. The distribution is expected to be reported in the shareholders' meeting on May 26, 2025.
5. 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:

There is no difference between the amount of remuneration distributed to directors, NTD 10,897,893 and to employees, NTD 21,795,785, and the amount recognized in the 2023 annual financial statements, which was reported in the regular shareholders' meeting on June 25 2024.

(VI) Buyback of the Company's shares by the Company

(1) 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	NTD130–NTD180 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.	NTD150–NTD262 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.	NTD150–NTD200 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	NTD 116,562,738	NTD 46,820,885	NTD 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 completely done in 2020)	0.00% (The transfer to the employees was completely done in 2023)

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

II. Corporate bonds

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	NTD 100,000	NTD 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	NTD 900,000 thousand	NTD 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 CPA	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	NTD 0	NTD 0
Terms for redemption or early repayment	I. The Company's right to call the convertible bonds (Article 22 of the Issuance Rules) I. 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	I. The Company's right to redeem the convertible corporate bonds (Article 21 of the Issuance Rules) I. 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

	conversion price for 30 consecutive business days, within 30 business days, 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. II. 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	exceeds the conversion price by 30% or more for 30 consecutive 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 II. 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

	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. III. 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. II. 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"	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 Rdemption 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 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. III. If the bondholder does not reply to the Company's shareholders service agency in writing (effective upon delivery,

	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 the bondholders within five business days after the record date.	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. IV. If the Company exercices its redemption rquest, 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 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. II.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. 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.
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
	Issuance and conversion (exchange or subscription) regulations	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.	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.
Possible dilution of equity and impact on equity of existing shareholders due to issuance and		I. Bonds outstanding as of November 13, 2018 have been fully paid up in cash. Therefore, incident of potential dilution of equity: Not Applicable.	I. Assuming that all bondholders request to convert their bonds into the Company's common stock in accordance with the bond issuance and conversion procedures

conversion, trading or subscription rules, or issuance terms	II. Impacts on equity of existing shareholders: Not applicable.	(issuance amount: New Taiwan Dollar (NTD) 1,100,000,000; initial conversion price: NTD 166; adjusted conversion price due to 2023 cash dividend: NTD 154.60), the maximum number of shares that can be converted at the latest conversion price is estimated to be 7,115,000 shares. Based on the total number of outstanding shares as of March 31, 2025 (82,492,000 shares), the maximum dilution of equity would be 8.63%. II. According to the 2024 financial statements, the net asset value per share is NT$ 67.21 (NTD 5,543,957,000 / 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 NTD 67.21 to NTD 74.15 [calculation: (NT$ 5,543,957,000 + NTD 1,100,000,000) / (82,492,000 shares + 7,115,000 shares) = NTD 74.15]. Therefore, this conversion would have a positive impact on the equity of existing shareholders
Name of the commissioned custodial institution for the bond exchanged	N/A	N/A

2. Convertible bonds

Corporate bond type		The first unsecured convertible bond in the Republic of China.	The second unsecured convertible bond in the Republic of China.
Item \ Year		2018	2024
Market price of convertible bonds	Highest	NTD 119.00	NTD 106.50
	Lowest	NTD 98.00	NTD 98.00
	Average	NTD 106.43	NTD 102.90
Conversion price		1. Since August 10, 2016, due to the distribution of 2015 cash dividends, the conversion price has been adjusted to NTD 271.70. 2. Since August 14, 2017, due to the distribution of 2016 cash dividends, the conversion price has been adjusted to NTD 258.10. 3. Since August 01, 2018, due to the distribution of 2017 cash dividends, the conversion price has been adjusted to NTD 250.90.	1. As of August 22, 2024, the conversion price was adjusted to NTD 154.60 due to the distribution of the 2023 cash dividend.
Issuance (execution) date and initial conversion price		Issuance date: November 13, 2015 Conversion price at issue: NTD 288.00	Issuance date: August 12, 2024 Conversion price at issue: NTD 166.00
Ways to fulfill the obligation of conversion		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.**

Four. Overview of Operations

I. Operations

i. 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 December 2024, we have established 4,587 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.

(1) Major scope of operation:

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

(2) Operational weight

Unit: RMB thousand; NTD thousand

Major products	2023			2024		
	RMB	NTD	%	RMB	NTD	%
Face care products	919,816	4,041,027	89.11	804,272	3,583,595	88.12
Body products	22,613	99,345	2.19	22,121	98,565	2.42
Aesthetic medicine and anti-aging services	34,868	153,185	3.38	30,560	136,166	3.35
Others	54,905	241,214	5.32	55,718	248,261	6.10
Total	1,032,202	4,534,771	100.00	912,671	4,066,587	100.00

Note: Others include income from royalties, income from stakeholders, income from beauty services, and income from food.

(3) The Company's current products

Products category	Major products 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.
	Foundation makeup	Contains skin care and sunscreen ingredients to enhance the skin tone and covers imperfections; it lays the groundwork for subsequently applied makeup.
Professional skin care line	Eye care series	Improves puffiness, pigmentation, and fine lines, among other issues with active ingredients such as peptide compounds 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.
	Anti-wrinkle series	By leveraging advanced research in anti-aging, products combine human-like collagen and precious extracts from Jania rubens seaweed from the French maritime area to achieve a firming and lifting effect on the facial contours. Meanwhile, using the accompanying specialized instruments helps to slim the face, tighten the skin, enhance lifting, and increase the skin's absorption capacity.
	Whitening series	Inhibits the activity of tyrosinase through the active ingredients of niacinamide and ruby to improve the formed pigmentation. Meanwhile, the use of specialized accompanying instruments helps achieve a refined and radiant complexion, lightens prigmentation, and enhances the skin's absorption capacity.
	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	1. Enhance beauty and skincare, boost skin resilience, and delay aging. 2. Soothe and uplift the mood, relax the mind and the body. 3. Maintain overall health and alleviate respiratory infection, boost immunity, and restore homonal imbalances, etc.
Body	Essential oils, lotion	1. Unblock meridians and promote the functions of the five internal organs and six viscera (based on Chinese Medicine principles). 2. Promote 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. Regulate the ovary, uterus and kidneys in women as a whole to ensure their functional balance, improve immunity, maintain youth and vigor, and delay aging.
	Breast enlargement	Activate the fullness mechanism by utilizing French patented ornithine with the external layer Ionosome™ enveloping technique (Note), more stably and rapidly deliver 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 products	Luxury aromatherapy (facial care)	Inspired by the natural plant extract philosophy of 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

(4) Research and development of new products

A. Development of products under the concept of regenerative medicine

Anti-aging and firming products in combination with regenerative medicine.

B. Plant stem cell research

Research on th extraction and application of plant stem cells.

C. Nanotechnology research

Research on the application of nanotechnologies in product manufacturing.

ii. Industry overview

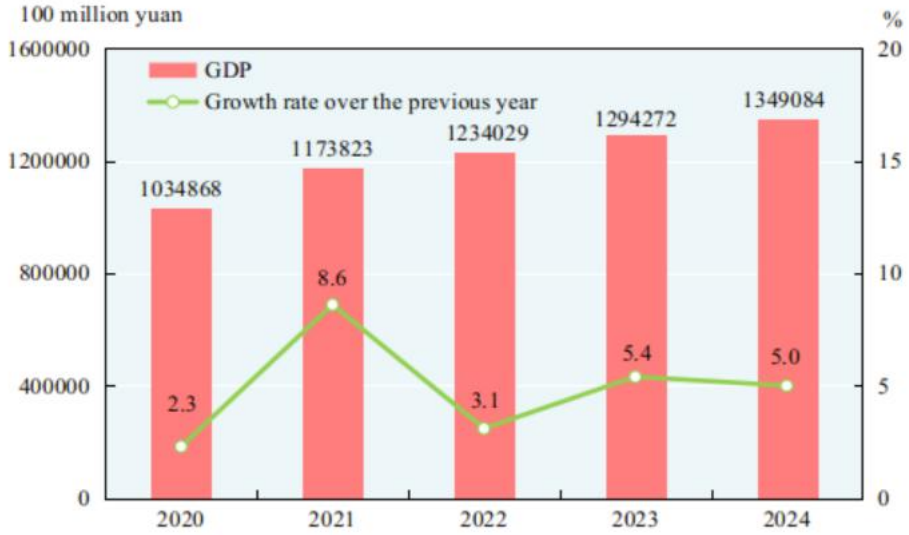
1. Industry status and development

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. According to the Statistical Communiqué of the People's Republic of China on the 2024 National Economic and Social Development, "the year 2024 marks the 75th anniversary of the founding of the People's Republic of China, and is a key year for achieving the goals and targets outlined in the 14th Five-Year Plan. Faced with complex and grave environment featuring greater external pressure and increasing internal difficulties, all regions and departments […] adhered to the general working guideline of making progress while maintaining stability, fully and faithfully applied the new development philosophy on all fronts, accelerated efforts to foster a new pattern of development, strove to promote high-quality development, comprehensively deepened reform and opening up, and strengthened macro control. As a result, the national economy was generally stable with steady progress made, high-quality development was pursued with solid steps, new quality productive forces witnessed steady development, reform and opening up continued to deepen, risks in key areas were defused with well-ordered and effective

measures, people's wellbeing was strongly and effectively guaranteed, and new and solid strides were taken for Chinese modernization."

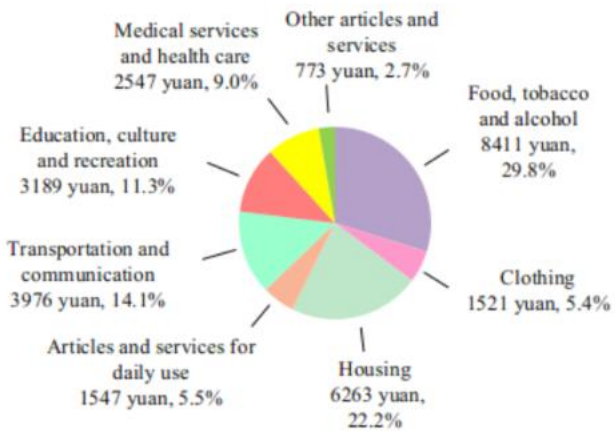
National Per Capita Disposable Income and the Growth Rates 2020-2024



Source: Statistical Communiqué of the People's Republic of China on the 2024 National Economic and Social Development (February 28, 2025)

According to the Statistical Communiqué of the People's Republic of China on the 2024 National Economic and Social Development, "in 2024, the per capita disposable income nationwide was 41,314 yuan, an increase of 5.3 percent over that of the previous year or a real increase of 5.1 percent after deducting price factors. The national per capita consumption expenditure was 28,227 yuan, up by 5.3 percent over that of the previous year, or a real increase of 5.1 percent after deducting price factors. Specifically, the per capita consumption expenditure on services totaled [64]13,016 yuan, up by 7.4 percent over that of the previous year, accounting for 46.1 percent of the per capita consumption expenditure."
The consumption expenditures for services are the expenditures for consumption of daily life services, including catering services, clothes and shoes processing services, housing services, family services, transport and communication services, educational, cultural, and leisure services, and medical and other services.

2024 National Per Capita Consumption Expenditure and Its Composition



Source: Statistical Communiqué of the People's Republic of China on the 2024 National Economic and Social Development (February 28, 2025)

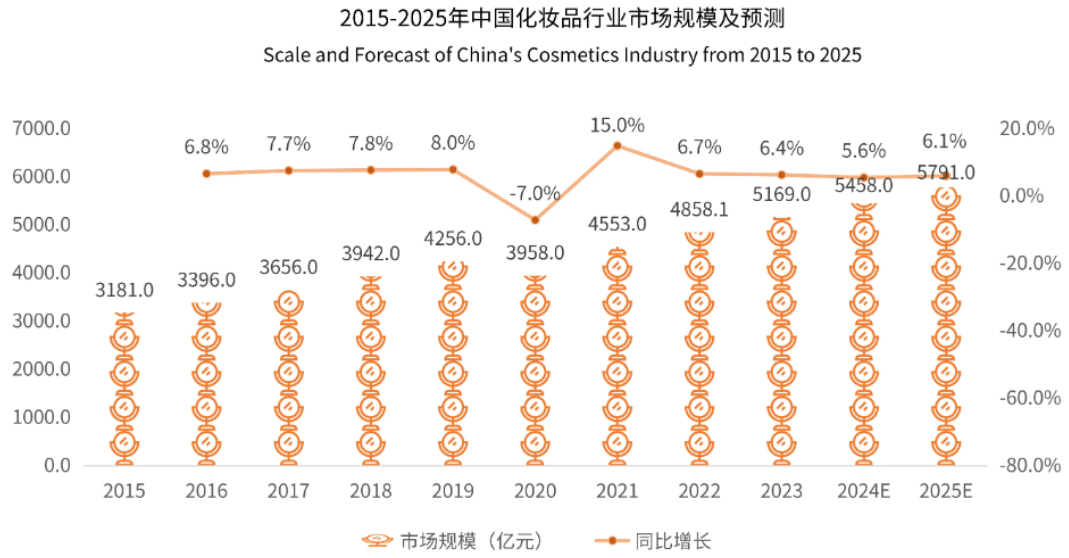
b. Skin care market environment:

(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. The regulations and plans applied to the cosmetics industry are also applicable to skincare products. According to the 12th to 14th five-year plans for China's cosmetics industry, the policies of the Chinese government for skincare products have experienced development from "optimization of structural development" and "safety regulation development" to "high-end brand development".

During the "12th five-year plan" period, the Chinese government at the national level advocated for optimizing the structure of industries, enterprises, and products to form a new pattern of mutual development. The focuses during the period of the "13th five-year plan" were improvement of the legal standard system, amendment of the "Supervisory Regulations on the Hygiene of Cosmetic Products", and cosmetics-related standards. During the period of the "14th five-year plan", the term "cosmetics" appeared in "The Outlines of the 14th Five-Year Plan and the Visions and Goals of 2035 under the National Economic and Social Development" for the first time. The outlines explicitly require the creation of Chinese brands, protection and development of old Chinese brands, and increasing the effect and competitive strength of independent brands. The development of high-end brands will be supported in the sectors of cosmetics, clothes, home textiles, electronic products, and other consumer products.

According to data from iiMedia Research, the market size of China's cosmetics industry reached 516.9 billion yuan in 2023, representing a year-on-year increase of 6.4%. It is expected to grow to 579.1 billion yuan by 2025. Analysts at iMedia Research believe that driven by factors such as the continuous rise in disposable income, enhanced aesthetic awareness, and a growing emphasis on self-care, domestic cosmetics consumption will continue to climb. The future of China's cosmetics industry market is expected to see more innovation and breakthroughs.



Source: Report on the development status and consumption trend of China's beauty industry from 2024 to 2025 (iiMedia Research 2024/06)

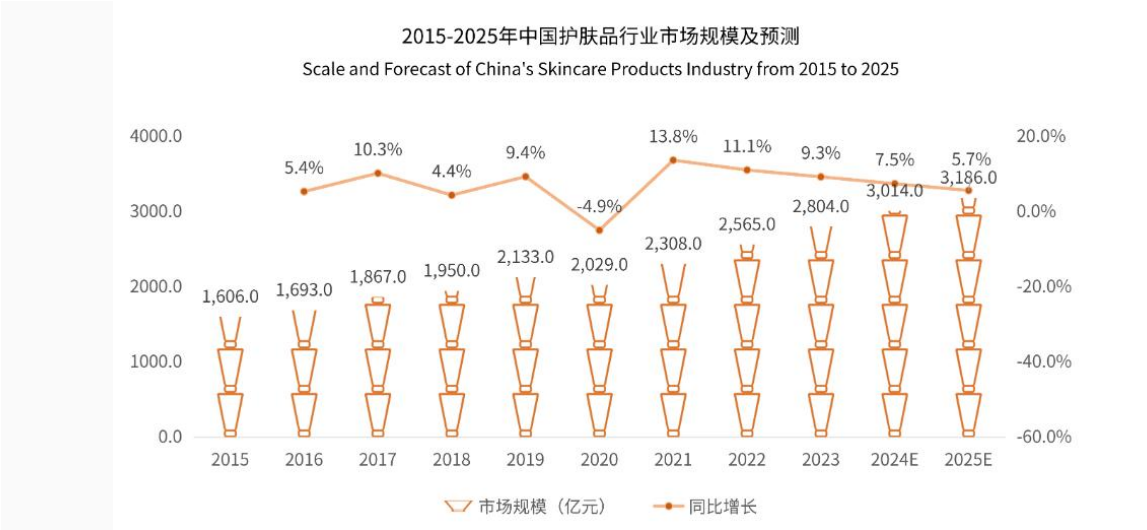
(2) Market environment of personal care:

From a policy perspective, the regulatory environment has entered a new era, and beauty industry

enterprises must adapt to these changes. They need to restructure their supply chains and proactively navigate the significant shifts in the industry. The Regulations on Supervision and Administration of Cosmetics (referred to as the “Regulations”) have been in effect for over three years. As a result, more than 450,000 products have disappeared from the market, and 1.83 million enterprises have shut down. The primitive and crude brands have become ineffective, and companies that underestimated the impact of the new regulations have been eliminated.

Source: 2024 Beauty Industry Development Trends Report (Tungee Research Institute, 2024.09)

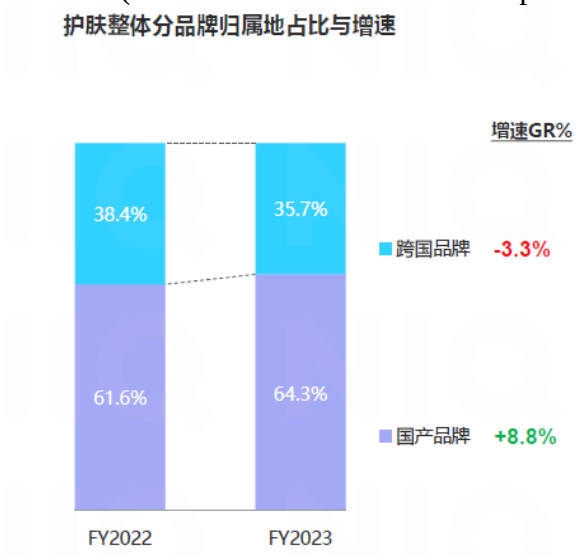
From a market perspective, data from iiMedia Research (iMedia Consulting) shows that the overall skincare industry in China is experiencing growth. In 2023, the market size reached 280.4 billion yuan, representing a year-on-year increase of 9.3%. Analysts at iMedia Consulting believe that over the past decade, skincare brands have continuously invested in and promoted the consumer market, leading to increased awareness and updated consumption concepts regarding skincare among consumers. This has, in turn, driven the healthy growth of the skincare industry.



Source: 2024 Beauty Industry Development Trends Report (Tungee Research Institute, 2024.09)

Data indicates that in the post-pandemic era, economical brands have been the first to recover and grow, while the ultra-high-end market has shown strong resilience and revival. This has led to a polarization in consumption, with ultra-high-end and economical brands “squeezing out” the mid-range segment. Data also shows that domestic brands have grown at a rate of 8.8%, demonstrating strong competitiveness and providing a boost to market recovery.

Overall skincare brand ownership proportion and growth rate
(multinational vs. national companies)



Source: China Cosmetics and Skincare Industry Trends and Outlooks (Nielsen&GfK 2024.03)

From the consumer perspective, Mintel's "2024 Asia-Pacific Beauty and Personal Care Industry Trends Overview" report highlights that Chinese consumers are beginning to view aging positively and are rejecting unrealistic beauty standards. Younger consumers, in particular, are critical of unrealistic beauty images in advertisements and prefer brands that promote healthy aging. On social media platforms like Xiaohongshu and Douyin, discussions under conventional anti-aging and early-stage aging topics show notable differences. For instance, conventional anti-aging topics often focus on addressing wrinkles and pigmentation, while discussions on early signs of aging emphasize fine lines and dullness.

Additionally, Chinese consumers place a stronger emphasis on scientific evidence and research capabilities. Consumers prioritize efficacy and favor products from brands known for their research and development teams (mentioned by 54% of respondents), biotechnology backgrounds (53%), and laboratory-tested data support (48%). For example, peptides have long been a key ingredient in anti-aging formulations, and this component is continually being upgraded through molecular modification technologies, indicating a key direction for innovation.

Mintel's "Global Beauty and Personal Care Trends" report mentions that artificial intelligence (AI) is transforming the beauty industry, making it more personalized, efficient, and effective. However, management and transparency are crucial for growth. AI is accelerating product development and promoting inclusivity in products and services. By analyzing data, learning patterns, and generating insights, AI helps address ethical issues and speeds up the development of new products. "Smart Beauty" enables beauty brands to leverage customer feedback from social media and other sources to identify gaps and create innovative products tailored to specific needs.

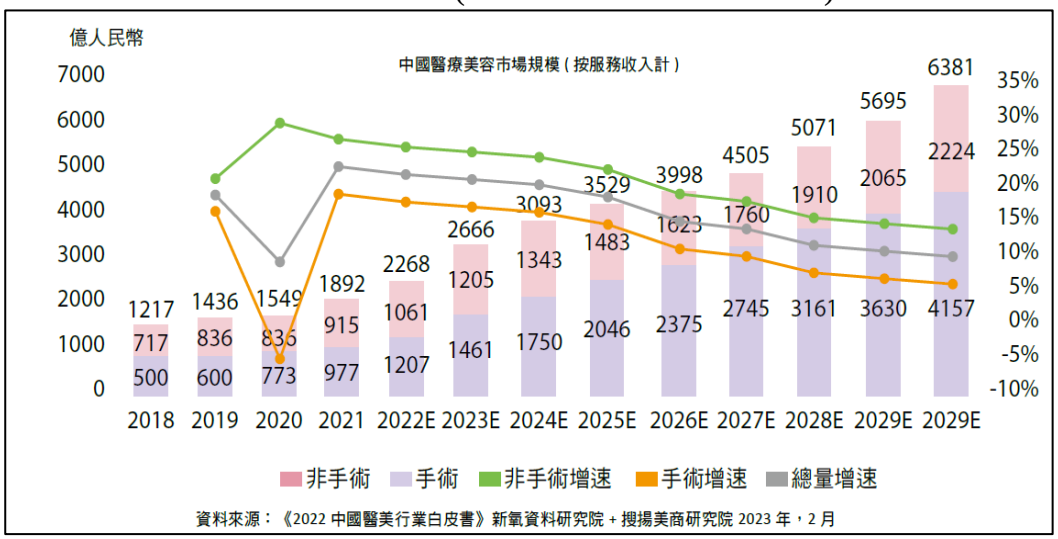
c.Market environment of the aesthetic medicine:

According to the "Digital White Paper on Medical Aesthetics 3.0" released by Tapedata, the medical aesthetics industry has entered the 3.0 era. This evolution marks a significant leap from the initial focus on functional repair to the current Medical Aesthetics 2.0, which primarily involves plastic surgery, skin care, and non-invasive injections. The Medical Aesthetics 3.0 era integrates aesthetic principles, advanced technologies, cloud intelligence, and big data analytics. This new phase emphasizes the enhancement of aesthetics and quality, offering customers more personalized, precise, comfortable, and safe customized medical aesthetic services.

From the perspective of hospitals and institutions, China's institutions involved in light medical aesthetics mainly include dermatology departments in public hospitals, large medical aesthetic

chains, small and medium-sized private institutions, private clinics, and beauty salons. The market share of public hospitals, large medical aesthetic chains, and small and medium-sized private medical aesthetic institutions is relatively low. More than 70% of the market is occupied by informal institutions. In the future, with the improvement of consumer awareness, intensified competition in the industry, and stricter supervision by the government, the number of non-compliant institutions may reduce rapidly, which will also bring room for business development for the Company's self-operated medical aesthetic clinics.
According to Deloitte's "2023 China's Medical Aesthetic Industry Insight Report", the post-pandemic consumption recovery has gradually revived consumer confidence, driving the growth in demand for aesthetic medicine. The market is likely to achieve a 20% growth rate in consumption amount in 2023 and is expected to maintain a compound annual growth of about 15% in the next four years. The market's development is promising.

China's Medical Beauty Market Size
(in terms of service revenues)

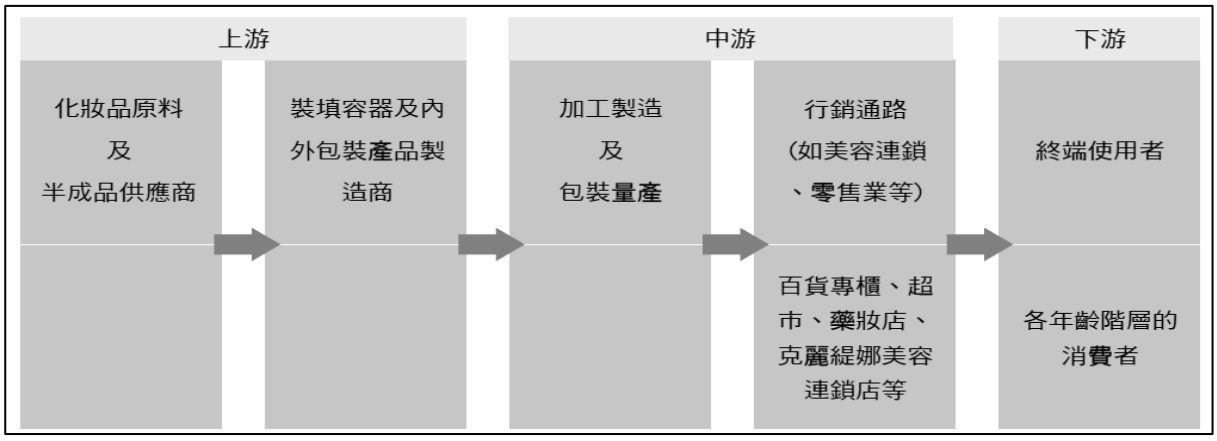


Source: "China Medical Beauty Industry White Paper" So Young Research Institute + Beauty Industry Research Institute 2023/02

Benefiting from multiple advantages, the consumption of light medical aesthetics is rapidly growing. According to data from Frost & Sullivan and Deloitte's "China Medical Aesthetics Industry Annual Insights Report 2023," the proportion of non-surgical medical aesthetic services in China increased from 40% in 2017 to 52% in 2022.
Different age groups have varying concerns and needs regarding their appearance: Younger individuals focus more on achieving perfect and attractive looks, making skin care and cosmetic surgeries their top choices. As people age, they begin to pay attention to the shape of their chest and the appearance of their eyes, which may be related to age-related physical changes and evolving personal aesthetic views. Among middle-aged individuals, skin aging, eye area issues, and changes in chest shape become the primary concerns.

2. 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:



3. Various Development Trends of Products

① 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 Mainstream

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 to fight the aging process in China's market has therefore become the highest guiding principle for Chlitina in product research and development.

Based on this belief, 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 One Health. 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 One 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 the INCI-certified deer amniotic fluid extract 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 "combinations" of professional beauty salon care packages are developed to go with induction "professional instruments," such as "Hydraskin," "Timeless Youthful Complexion," and "Charming White." With assistance of professional instruments, optimal results of skin care for customers in a non-invasive way are made possible in order to fulfill the purpose of "suspending time at the most beautiful moment."

C. All-around and full-time-efficiency products are provided to create differences in services and products.

The differences in products and services bring about the maximum benefits in skin care for the "customers." The Products of Chlitina include:

(A) 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. Home care is known for its benefits such as convenience and autonomy. It is tailored according to advice given by professional beauty consultants. Home care combinations take care of personal skin issues and ensure non-stop care around the clock in order to strengthen extended 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". With the Classic series of "Five Diamonds" as the core, the products can totally satisfy the daily care demands. In terms of moisturizing, facial solutions that provide benefits from brightening skin tones to exercise outstanding moisturizing effects are the primary products, including the exquisite classic EPO series, which helps with the normal metabolization of keratin and keeps the skin barrier intact and hydrated to effectively correct aging and dry skin, to moisturize and lock in water, and to repair cracks caused by dryness. The premium royal Fantasia series that reaches deep inside the skin to ensure deep moisturization and repair aging skin or to realize deep whitening, among other skin care benefits, reflective of different skin attributes, replenishing the vigor most needed in skin. The Chliwhite series that breaks down pigmentation that compromises the purity of skin layer by layer to create beautiful 4C-grade diamond-like shiny and toned skin. The Primrose facial cleansing series that applies patented technology to extract the essence of the primrose plant while the resultant Primrose Vital-Active Complex activates overwhelming defensive protection through the combination of primrose seed extract, primrose oil, and whitening ingredients of primrose. The unique water-oil mixture mechanism multiplies the repair effects as it better penetrates into the basal layer of skin to strengthen the safeguard barrier, to stimulate synthesis of collagen, to reduce the formation of free radicals, and to activate the defensive protection at a depth. The skin will appear to be shiny and moisturized from the inside out.

(B) Beauty Salon Professional Conditioning Regimen

The focus is "combinations" of products that require the use of "professional instruments." Specialized beauty consultants examine the skin through the professional instruments and find out the cause of problematic skin in order to design and tailor care regimens. The products are introduced into the skin with high-tech instruments that are known for being safe, comfortable, highly efficient, and non-invasive. Used together with professionally trained techniques, they ensure significant beauty skin care effects bring about "ageless and anti-aging" benefits.

The products feature mainly "moisturizing, activating, wrinkle-smoothening, and skin-lifting." Products in this series include the Hydraskin Intensive

Expert Package, the Extreme Clear White Expert Package, the Instant Rejuvenating Eye Expert Package, and the Timeless Youthful Complexion Package, among others.

(C) Physical Meridian Care

With systemic skin care and physical health as the appeal, the products emphasize the ideas of traditional Chinese medicine that are familiar to Asian people and combine them 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 compound 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. The ingredients are sourced from high-quality natural plants in Europe and North America.

(D) Anti-sensitivity and Repairing Skin Care Products

In response to seasonal changes that can lead to skin sensitivity, redness, flaking, and difficulty for make-up to stay on, the Company places particular emphasis on enhancing the defensive protection of skin. Ordinary skincare products vary in quality and tend to give rise to irritation and pain, and may even trigger more serious skin disorders. In light of sensitive skin caused by improper care habits and skin care products, the Company places particular emphasis on normalizing the dermatological structure. Enhanced skin protection and strengthened skin metabolism are its primary the focus. Our 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.

(E) High-End French Luxury Rose-Infused Facial Care

Inspired by the philosophy of Trotula of Salerno, the first female physician in medieval Europe and who was also a expert botanist, the line was developed in collaboration with a French laboratory. It features a premium whole-rose anti-aging extract combined with the rich fragrance of French roses. Combining patented extraction technology to preserve the highest activity of the rose, the entire series offers a highly effective and pleasurable skincare experience. The signature fragrance of the series was crafted by French perfumers. It comprehensively addresses early signs of aging, delivering resilient, smooth, radiant, and multi-dimensional beautiful skin. Additionally, it has been honored at the prestigious “Victoires de la Beauté” in France, which recognized its outstanding product innovation, and was highly praised by French beauty product consumers.

(F) 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 the skin to rejuvenate and repair itself in a state of comfort and pleasure, awakening positive energy within.

(G) Facial Care Products for Oily and Acne Skin Developed by Authoritative German Laboratory

To solve the recurring acne issues faced by some consumers, the Company has globally sourced and introduced products developed with a renowned German research institute. Spirulina platensis, the main active ingredient of 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.

(H) 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.

(I) 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 the patented antimicrobial ingredient $P113^{+}$ in the microbiota field and launched a product series for the balance of oral microbiota suitable for all people, including the elderly and the young. 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 flora. Through the comprehensive use of these products, we achieve continuous, gap-free skincare, providing deep and gentle alternating 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.

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

The Chlitina 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 TFDA. U-Neuron Biomedical'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. The company has also cooperated with the largest medical aesthetic chain in North America, VLSC Group, based in Canada, to apply medical aesthetic-grade skin care products using D-AFE® in medical aesthetic treatments. In Taiwan, U-Neuron Biomedical has launched the "Exocare" series through the Company's subsidiary "K&S Biomedical."

With the world-exclusive amniotic fluid stem cell technology patent, the "Exocare" series uses amniotic fluid obtained through amniocentesis from female deer at 16-20 weeks of pregnancy during prenatal check-ups, ensuring a cruelty-free, non-injurious, and ethically sound process. The fluid is then processed in a state-of-the-art laboratory equipped with liquid nitrogen storage at -196℃, where the precious 'Deer Amniotic Fluid Extract D-AFE® ' is extracted with a success rate of one in a million. This extract promotes refined skin texture, repairs skin damage, and smooths wrinkles. These efforts fully demonstrate the characteristics of the Company in product development, that is, "professionalism, personalization, comprehensive, and complete time-efficiency". These products facilitate the skin to go through the spontaneous physiological cycles of "purification, repair, and regeneration" and to accordingly fulfill the ultimate goal of anti-aging and rejuvenation.

② Future Beauty Market Trends

The Mainland China market is the main growth market for the Company. With beauty service regulations established 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."

③ Changes to Company Operation in the Future

To address the rapidly increasing demand on the Mainland China market and from local consumers for care products and services, the Company is engaged in the following changes regarding its operation in order to increase its competitive advantages:

i. Reinforce "market-end training" ability

In light of the large size of the Mainland China market and the difference in 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 the train of thought and the service model. The Company adopts the hierarchical model that consists of "advanced training at the main office" and "educational guidance in different areas". The headquarters strategically arranges senior lecturers to provide educational content based on market operation strategies, including new product knowledge and store opening support. This content covers various courses such as "Corporate Culture," "Brand Image," "Product Enhancement," "Store Management," "Sales Techniques," and "Career Planning." After assessment by the headquarters, qualified regional lecturers then adapt and deliver these courses to stores in their respective areas in mainland China, considering local factors such as climate, environment, and customs. This approach aims to achieve both "professional uniformity" and "regional educational guidance."

The hierarchical model that consists of "advanced training at the headquarters" and " regional educational guidance" effectively reduces the cost of transportation incurred for and time spent by the trainees and significantly cuts down the corporate operational expenses as well. Meanwhile, it helps enhance the proactive learning attitude of the staff, apply what is learned quickly in

real-world store operations, and accordingly implement marketing strategies.

ii. Deepen beauty franchise channels

The Mainland China market is divided into advanced, well-off, and developing areas. In the future, Chlitina will make the best of its powerful brand awareness 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.

iii. Improve products R&D capabilities

Quality products best guarantees winning out on the market. Therefore, we will strengthen the autonomous R&D capabilities and speed and will attract various talent within the industry.

iv. Diversified management

With the development of e-commerce/IOT/cosmetic medicine/regenerative medicine in China, consumers spending habits are evolving. Chlitina looks for our business model in this environment. By operating the New Beauty Mall and the medical cosmetology clinic, Up Lider, in recent years, we have managed to realize diversified management through IOT, and set our foot into the high-end aesthetic medicine industry with advanced AI technology and regenerative medicine to continually bring about new momentum for the Company's revenue.

2. Competition

① 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 exceed the Company.

② 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 competitive brands in China, most of 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 over competitors.

③ Brand advantage

In November 2011, the Company's brand, 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 industry to appear in the "Top 25 International Brands in Taiwan", won the award nine times from 2015 to 2024.

④ Digital One Health

In recent years, the Company has implemented digital transformation, using the digital tools to explore innovative cosmetology services. In addition to the projects of traditional aesthetic medical services, the Company implemented its R&D results and set foot in the high-end cosmetic medicine industry by taking advantage of advanced artificial intelligence and regenerative medicine. This demonstrates that the Company set foot in the aesthetic medicine while expanding the regenerative medicine and anti-aging medicine items other than daily cosmetics to create a digital One Health beauty industrial chain.

⑤ Brand Internationalization

In Southeast Asia, we will deepen brand awareness and expedite the addition of stores. We will reach out to local beauty markets by improving and enforcing franchise management strategies that adapt to local developments. Furthermore, we will research and develop beauty and health products that are suitable for local consumers.

iii. Overview of Technology and R&D

1. Technical Level and Research and Development in the Scope of Business Operation

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 consuler 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.

2. R&D Personnel and Their Education/Experience

As of the end of 2024, the Company had a total of 17 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 service on average
		University/college	Master’s degree	
End of 2022	12	5	7	8.4
End of 2023	15	5	10	7.36
End of 2024	17	5	12	7.40

3. Annual R&D Spending Over the Past 5 Years

Unit: NTD thousand; %

Year / Item	2020	2021	2022	2023	2024
R&D Expenses	34,132	32,922	31,015	19,616	16,375

Net Operating Revenue	4,055,996	5,271,313	4,069,210	4,534,771	4,066,587
R&D Expenses to Net Operating Revenue Ratio (%)	0.84	0.62	0.76	0.43	0.40

4. Technologies or Products Successfully Developed Over the Past Five Years

Year	Item/product name
2020	-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	-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	-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	-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	-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, Toner, Lyophilized Powder Kit Cosmetics containing patented ingredient extracted from Bletilla formosana callus

iv. Long and short-term business development plans

(1) Short-term plans:

① 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.

② 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.

③ 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.

④ 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.

⑤ 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.

⑥ 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.

(2) Long-term plans:

① Enhance the R&D capabilities and continue to develop specialized high-end quality products for specific channels and different consumer segments.

② Continue to deepen the content of the brand, maximize brand influence, reinforce

consumer loyalty and franchise store stickiness.
③ Adjust to the macro environment to implement suitable sales and management strategies.
④ 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.
⑤ 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.
⑥ 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 Production/Distribution Overview

i. Market analysis

(1) Revenue by region

Unit: RMB thousand; NTD thousand

Item	2023			2024		
	RMB	NTD	%	RMB	NTD	%
Mainland China	996,655	4,378,602	96.56	875,061	3,899,006	95.88
Others (Note)	35,547	156,169	3.44	37,610	167,581	4.12
Total	1,032,202	4,534,771	100.00	912,671	4,066,587	100.00

Note: "Others" include Taiwan and Vietnam

(2) Market Share:

According to iiMedia Research, the market size of China's overall cosmetic industry in 2024 was evaluated at RMB 545.8 billion, with a year-on-year expected increase of 5.6%. Based on the Company's 2024 annual revenue of RMB 913 million, the market share of the Company was less than 1%.

The revenue of the Company provided above, however, did not include income from services provided to consumers at franchise stores and was not calculated with the final retail price of the products. If the final retail price on the market was used to calculate the Company's sales, income from services provided to consumers at franchise stores was not included. Internal statistics showed that the Company's total sales, including those from franchises, in 2024 were around RMB 3.2 billion, 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.

(3) Future supply & demand and growth in the market:

① Beauty Industry

The growth in emerging markets within the beauty industry is being driven by consumer demand for personalized, natural, and healthy products. Brands need to leverage market research, big data analysis, and digital marketing strategies to precisely identify and meet these demands. Additionally, focusing on industry trends such as anti-aging and men's skincare, as well as adopting innovative technologies to enhance operational efficiency, will support sustainable growth in emerging markets. Companies should target niche markets and closely monitor and seize opportunities in these emerging markets to achieve sustainable development and competitive advantage.

Source: "2024 Beauty Industry Development Trends Report" (Tungee Institute 2024/09)

With over 30 years of experience in the beauty industry, the Company has a deep understanding of the current state of the cosmetics sector and has strategically positioned itself to stay ahead. This includes implementing digital management to standardize and modularize various operational metrics, enhancing the precision of strategies and improving operational efficiency to achieve growth targets

In addition, the current trend of the beauty industry shows that consumers are clearly pursuing product efficacy and effectiveness. Consumers no longer just seek superficial beautification, but pay more attention to the actual effects and benefits of products. The Company invests a fixed percentage of its annual revenue in product research and development to create professional, high-end, and high-quality new skin care products of different types based on specific

channels and different consumer groups.

② Personal Care Industry

According to Mintel's "2025 Global Beauty and Personal Care Trends: China Chapter" report, Chinese consumers are increasingly focused on the verification and evaluation of beauty products, particularly innovations in ingredient delivery technology. Future trends include smart selection of ingredient to optimize active ingredients penetration while reducing damage from high concentrations.

Consumers are eager to try new technologies and desire more advanced customized products. The demand for personalized solutions is growing, as consumers not only care about product effectiveness but also want products that meet their unique needs and preferences. Future product development will be based on cellular-level customization.

As a basic consumer segment in the national economy, there is a huge demand for personal care in the Chinese market. According to the "2023-2029 China Personal Care Market Evaluation and Future Development Trend Report" released by China Enterprise Consulting Network (www.cction.com), as China's increasing economic level has brought about the growth of per capita disposable income, people's requirements for the quality of life are getting higher, which promotes consumption upgrading and the segmentation of daily cosmetic products by category and will further stimulate the potential growth of China's personal care market. It is expected that the 2022 - 2027 compound annual growth rate of the personal care industry in China will be 7.4%, and by 2027, the market scale of China's personal care industry will reach RMB 870.9 billion.

③ Aesthetic Medicine Industry

In recent years, the needs and awareness of consumers have changed significantly from pursuing "thorough change" to "fine tuning" and "natural beauty". This change has brought about many growth points for the beauty industry. Especially, there are great opportunities and potential for growth in the light medical beauty segment. According to the data, non-surgical light medical beauty has acquired overwhelming predominance.

From the perspective of consumer demographics, data from iResearch shows that the average age of medical aesthetics consumers is decreasing, with the 20-30 age group becoming the primary consumer force. This generation has higher demands for appearance and self-expression, focusing on enhancing confidence and image through medical aesthetics. In recent years, the proportion of male consumers has significantly increased. According to data from Leadleo Research Institute, men now account for approximately 15% of the medical aesthetics market, particularly in areas such as skincare, hair loss treatment, and facial contouring.

From a service perspective, evolving consumer mindsets and market demands are driving continuous upgrades in brand services. Firstly, personalized customization has become a new trend in the medical aesthetics industry. Consumers seek beauty solutions tailored to their unique needs and facial features. Medical aesthetics institutions use big data and artificial intelligence to provide customized services for each client. Secondly, comprehensive experiences are valued. Modern consumers not only focus on surgical outcomes but also on the overall experience. Medical aesthetics providers emphasize environment, service attitude, and post-operative care. For example, some high-end clinics offer one-stop services, including pre-operative consultations, surgical procedures, and post-operative recovery support, providing continuous care and professional guidance throughout the process.

(4) Competitive Niche:

① Differentiation in market size

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, ooperated 4,342 stores across Mainland China as of the end of December 2024 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 line with our overall strategic deployment in Mainland China and by combining domestic brand awareness and influence at the moment, we are powerful enough to develop in county-level cities where Chlitina is not yet present. By maintaining consistent service standards and quality, we can effectively penetrate local service markets. We will continue to strengthen our tiered management approach, enhancing both the speed and quality of our expansion to capture potential markets with limited brand presence. In 2025, the company will allocate resources to develop these untapped county-level markets, fostering sustainable growth in local areas.

In addition, as of the end of December 2024, the Company operated 226 franchised stores in Taiwan and 21 franchised stores 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.

② 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.

③ Advantages of Self-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.

④ 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.

⑤ Vertical Integration of the Industrial Chain

The Companymanages 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.

(5) Favorable and Unfavorable Factors in Development Prospects and Response Strategies

① Favorable Factors

i. 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 effectivelybenefits from the approval and preference of the general public. Meanwhile, the cluster effect contributes to the "bigger is better" magnetic effect so that the corporate territory can be steadily expanded.

ii. Rooted Corporate Image

Chlitina won three Hainuo Awards in the 4th Brand Innovation Development Conference (BIDC) in 2023, including the Industry Brand Award for "CHLITINA", the Industry Person of the Year Award for the Group's CEO Chao, Cheng-Yu, and the "2023 Excellent Popular Product" for the star product CHLITINA Youthkeeper Serum, representing a recognition of Chlitina's 30-year efforts in brand and product development. Moreover, every year, Chlitina competes with well-known international technology, finance, manufacturing,

and food giants for the “Best Taiwan Global Brands,” organized by Interbrand, a global leader in brand value research commissioned by the Industrial Development Bureau, Ministry of Economic Affairs. In 2024, Chlitina was once again selected as one of the “Top 25 International Brands in Taiwan” with a brand value of USD102 million (approximately NTD 3.34 billion) as the only brand selected from the beauty industry. In the future, Chlitina will continue to lead the market with its outstanding brand influence and excellent capability of sustainability.

In terms of the sustainable development of beauty products, the Group invests a certain percentage of its budget in the development of innovative beauty and skin care products every year. Following the global trend of ESG sustainable development and environmental protection, the Chlitina Group has long been prepared. 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%. As a priority, materials requiring the use of plastic will be replaced by recyclable ones. On the consumer end, starting in 2022, the empty bottle recycling program has attracted the participation of 156 stores in 52 cities on both sides of the strait and more than 30,000 consumers. In 2024, a total of 282,600 empty bottles (22.6 tons) were recycled.

Not only that, but Chlitina has deeply integrated its brand culture and public welfare philosophy into its actions. Our “Light Up Charity Fund” 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. The Group won the “2023 CSR Pioneer Award” and “2023 Charity Character 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.

iii. Mainland China’s Strategy to Increase Domestic Demand to Drive the Economy and New Urbanization

According to the Statistical Communique of the People’s Republic of China on the 2023 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 third industry accounted for 56.7% of the gross domestic product in Mainland China. Driven by multiple factors, such as industrialization, informationization, and the upgrading of resident consumption, the tertiary sector, especially the service industry, continues to develop steadily. The final annual consumer expenses made a contribution of two percentage points to the gross domestic product in Mainland China. The urbanization process and increased per capita disposable income of urban residents indicates the great potential of the consumer product market in China, especially the cosmetics and service industries.

iv. 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 andget 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.

v. 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.

vi. In-House R&D Capabilities and Regenerative Medicine Research

a. 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.

b. 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 microemulsion, and nano-emulsion to design formulations with excellent permeability, controlled release, sensory appeal, and pleasant fragrance and skin feel.

c. 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.

②Unfavorable Factors and Countermeasures

i. 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.

<u>Response measures:</u>

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

ii. 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 as 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.

(II) Important purpose and production process of major products

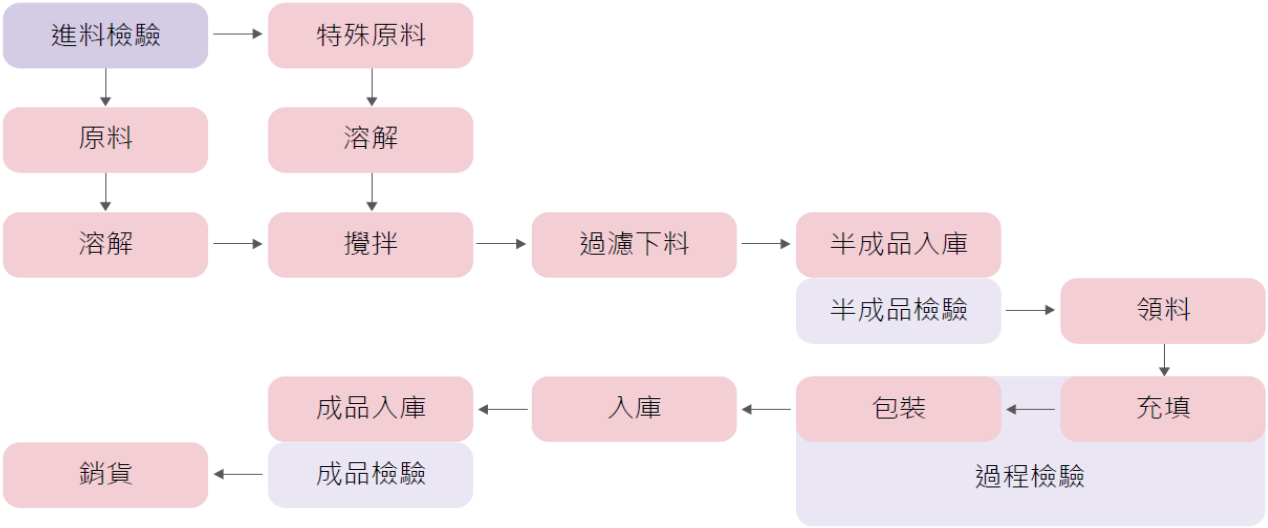
1. Important purpose of major products

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.

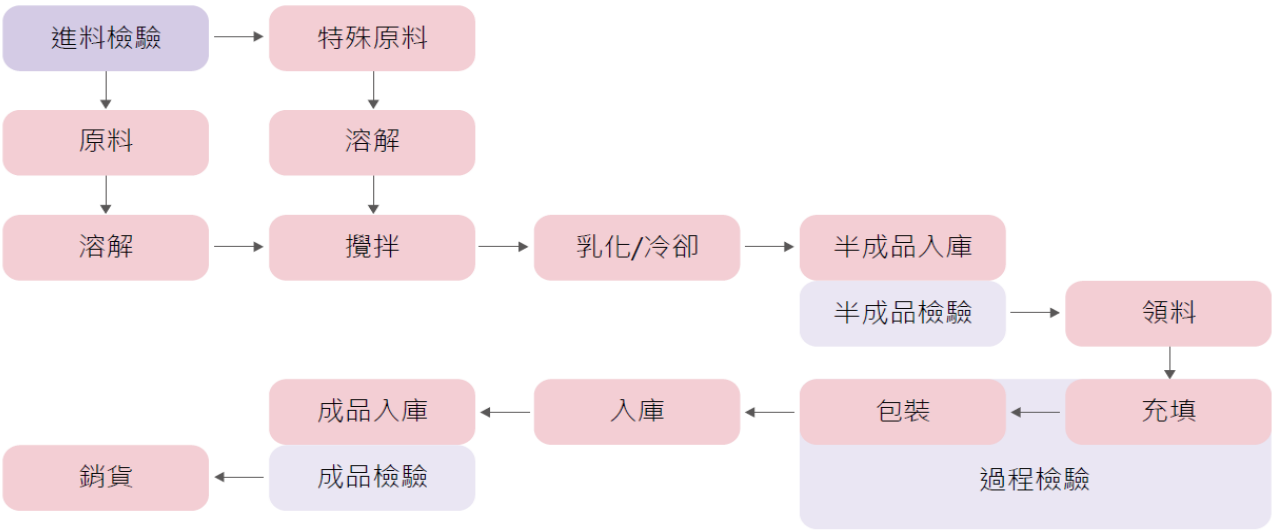
2. Production process of major products

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

一般液態單元生產工序流程



膏霜乳液單元生產工序流程



(III) 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.

(IV) Descriptions of Major Changes in Gross Profits by Primary Product or Department in the past two years

Unit: NTD thousand

Item \ Year	2023	2024
Operating revenue	4,534,771	4,066,587
Gross profit	3,786,658	3,371,459
Gross profit ratio	83.50%	82.91%
Change in gross profit ratio	1.19%	-0.71%

As the change in the Company's gross profit margin in 2024 compared to that in 2023 did not reach 20%, no analysis was made.

(V) List of major import and export customers

1. 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.

2. 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 2022	End of 2023	End of 2024
Number of employees	Manager	123	145	132
	Ordinary staff	625	671	701
	Production line employees	43	48	48
	Total	791	864	881
Average age		37.33	38.31	38.15
Average years of service		5.24	5.51	5.88
Education distribution ratio (%)	Doctorate	0.10	0.10	0.11
	Master's degree	4.70	5.40	5.90
	University/college	79.30	78.30	80.26
	Senior high school and below	15.90	16.20	13.73
	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-contamination and high-tech" environmentally friendly business category. The production focuses on formula research and precise reconstitution and packaging of biotech raw materials. The Company applies vacuum emulsifying and mixing, continuous cooling, high-speed cutting and mixing, and the micro-flow collision high-pressure homogenizing process, among other advanced processes to create each marvelous quality care and cosmetic products with pure and clean natural raw materials.

(I) 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.

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

(III) 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.

(IV) 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.

(V) 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

(I) 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:

1. 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, and others.

Employee benefit measures:

(1) Insurance: Group business insurance
(2) Remuneration: Employee remuneration, performance bonus, bonus to employees, gifts (cash) for three festivals, and year-end bonus.
(3) Benefits: Birthday, wedding, funeral and maternity gifts for employees, year-end parties, a pregnancy-friendly environment, regular health checkups for employees, hospitalization solatia, shopping discounts for employees, and incentive trips for employees.
(4) Health and leisure activities: Department dinner for staff, parent-child activities, social welfare activities, and health-related activities.

2. Continuing Education and Training

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:

(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 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.

(3) We disseminate our business philosophy through the annual training activity "Journey to Chlitina's Wonderland." The activity can also enhance employees' focus at work, strengthen their physical resilience, improve team collaboration, and stimulate innovative thinking.

(4) The "Career Experience" course enable middle and senior management to enhance their management skills and discover greater value opportunities.

The training information in prior years is as follows:

Item	2023	2024
Average training hours per month (hr)	937	980
Average number of trainees per month (person)	468	429
Total training hours for the year (hr)	11,241	11,757
Total number of trainees for the year (person)	5,610	5,151

3. 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 Honk Kong 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.

4. Employer–employee agreement and measures to protect various rights of the employees

(1) Regular communication meetings between supervisors and employees are held to disseminate the Company's business philosophy and ensure smooth communication channels

(2) 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.

(3) Internal and external audit mechanisms are implemented to strengthen the Company's management system.

(4) 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.

5. Work environment and employee safety protection measures:

(1) Personnel Safety Training

In order to ensure safe production, from January 2024 to December 2024, the Company organized safety and environmental protection training (including external certification training) with a total of 384 participants: 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 training enriched employees' knowledge on safe production, improved their safety skills, and enhanced their awareness of safe production.

(2) Investment in Safety Equipment and Facilities

In light of the frequent occurrence of electric bike fires, the Company invested in safety measures in April 2024 to ensure security. Specifically, 15 sets of suspended dry powder fire extinguishers were added to the bicycle shed, 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 April 2024, the Company replaced the safety helmets that were due to expire in May of that year, to ensure the continued availability of safety equipement in case of emergencies.

(3) 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:

A. In June 2024, the Company commissioned a qualified inspection organization to inspect the Company's environmental pollution sources. The inspection data showed compliance with national and local standards.

B. In October 2024, the Company commissioned a qualified occupational health inspection organization to conduct on-site inspection for occupational hazards and evaluate the current status. The inspection data showed compliance with relevant national regulations.

C. In October 2024, the Company commissioned a qualified occupational health

examination institution to conduct annual occupational disease examinations for employees. No occupational disease was found in any employee.

D. In April 2024, before the thunderstorm season, the Company commissioned a qualified lightning protection inspection company 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.

(4) Other relevant measures

A. In October 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.

B. In response to various possible unexpected environmental incidents, abnormalities or emergencies, the Company compiled corresponding special contingency plans (valid for three years) in May 2023. We conduct assessment, drills, and verification according to the plans, and make reports to government environmental protection management departments for the record.

C. 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 February 4, 2024.

D. In September 2023, the Company passed the audits for certification to ISO 45001, ISO 14001 and ISO 9001 by qualified companies, and obtained the certificates. The implementation of systematic management has improved the Company's safety and environmental protection management.

(II) 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 due to employer-employee disputes in the future either.

VI. Cyber Security Management

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

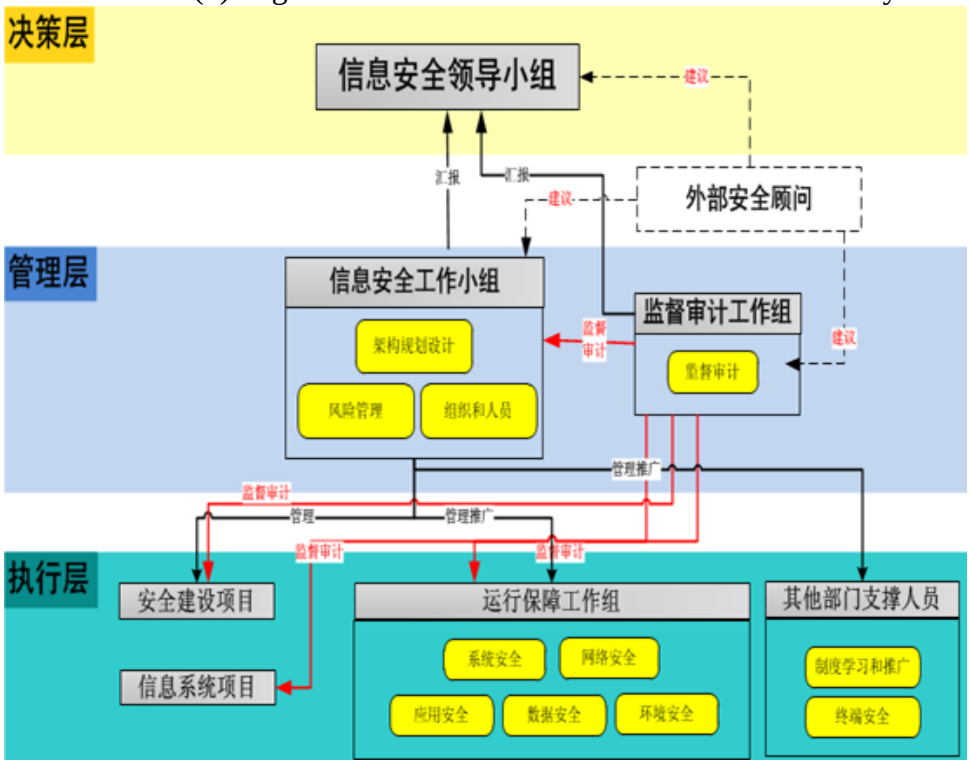
1. Cyber security management structure

(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



2. Cyber security policy

In response to changeable business models and diversified transaction modes, the Personal Data Protection Act and the Information Security Protection 2.0 have been implemented since 2021. They require more of the companies for the security, control and protection of data and place more importance on access control, log audits, and integrated security management platforms. The information security has been enhanced especially for our “Chlitina Mall” and “New Beauty Mall” 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.

3. Specific management plans

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

- 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.
- 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.

- Data: Establish a password management system and perform structured data management (various types of databases), and non-structured data management (file servers).

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.

The company has established quantitative analysis and security drill mechanisms based on security audit results. Through regular risk assessments and simulated attack tests, protective measures are continuously optimized to ensure compliance with security regulations and effectively reduce potential risks.

4. Implementation status in 2024:

(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 2.15 million dollars was made for upgrading security software and hardware, system maintenance, and optimization, effectively reducing potential risks.
(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.
(9) Private cloud platform optimization: The private cloud architecture was upgraded to improve resource utilization efficiency and performance.

(II) 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	Counterpart	Contract beginning and ending date	Chief 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	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Lease contract	Yang O da	2019.1.1-2028.4.30	Housing leasing	None

(3) Jinghe Clinic (Nanjing) Co., Ltd.

Contract type	Counterpart	Contract beginning and ending date	Chief contents	Restrictive terms
Lease contract	Company B	2019.5.16-2028.12.31	Housing leasing	Confidentiality clauses

(4) Hong Kong Chlitina International Limited

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

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

I. Financial Status

Unit: NTD thousand

Item \ Year	2023	2024	Difference		Change analysis
			Amount	%	
Current Assets	6,425,395	6,131,948	(293,447)	(5)	
Real estate, plant and equipment	1,139,762	1,657,693	517,931	45	1
Intangible assets	80,789	79,301	(1,488)	(2)	
Other assets	1,259,064	1,024,227	(234,837)	(19)	2
Total assets	8,905,010	8,893,169	(11,841)	(0)	
Current Liabilities	3,435,257	2,055,055	(1,380,202)	(40)	3
Non-current liabilities	320,964	1,294,157	973,193	303	4
Total liabilities	3,756,221	3,349,212	(407,009)	(11)	3
Capital stock	794,924	824,924	30,000	4	
Additional paid-in capital	1,388,422	1,898,218	509,796	37	5
Retained earnings	3,605,981	3,244,088	(361,893)	(10)	6
Other equities	(640,538)	(423,273)	217,265	(34)	7
Treasury stock	—	-	0	0	
Total equity	5,148,789	5,543,957	395,168	8	

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 Real estate, plant, and equipment: primarily due to the addition of new property, plant, and equipment during the current period.
2. Decrease in Other Assets: primarily due to the reduction in other non-current assets during the current period.
3. Decrease in Current liabilities: the amount in 2024 is less than in 2023, primarily due to a reduction in short-term borrowings in 2024.
4. Increase in Non-current liabilities: primarily due to the issuance of new long-term corporate bonds during the current period.
5. Increase in Paid-in capital: primarily due to additional capital contributions during the current period.
6. Decrease in Retained earnings: primarily due to lower profits in 2024.
7. Increase in Other equities: primarily due to the impact of exchange rate fluctuations.

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: NTD thousand

Year / Item	2023	2024	Increase (decrease) amount	Ratio of changes (%)	Analysis of changes
Operating revenues	4,534,771	4,066,587	(468,184)	(10)	1
Operating costs	748,113	695,128	(52,985)	(7)	
Gross profit	3,786,658	3,371,459	(415,199)	(11)	1
Operating profit and loss	1,197,889	752,064	(445,825)	(37)	1
Non-operating revenues and expenses	247,528	(6,990)	(254,518)	(103)	2
Net profit before tax	1,445,417	745,074	(700,343)	(48)	1
Net profit before tax from continuing operations	1,445,417	745,074	(700,343)	(48)	1
Current net profit (loss)	1,033,554	472,675	(560,879)	(54)	1
Other consolidated income (net after tax) – current period	(94,535)	217,367	311,902	(330)	3
Total consolidated income – current period	939,019	690,042	(248,977)	(27)	4
Net profit attributable to the owner of parent	1,033,554	472,675	(560,879)	(54)	1
Net profit attributable to uncontrolled equity	-	-	-	-	-
Net profit from total consolidated profit/loss attributable to the owner of parent	939,019	690,042	(248,977)	(27)	4
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. Decrease in Operating Revenue, Operating Costs, Gross Profit, and Operating Income: In 2024,

primarily due to China entering the post-pandemic era, the overall environment impacted operating revenue, leading to a decrease. Consequently, other related financial data also experienced corresponding changes.
2. Decrease in Non-Operating Income and Expenses: Primarily due to increased foreign exchange losses.
3. Increase in Other Comprehensive Income: Primarily due to exchange rate fluctuations.
4. Decrease in Total Comprehensive Income: Primarily due to a reduction in net income for the current period.

2. Estimated sales in the coming year and the basis

Based on industry conditions and past performance, our company has set ambitious sales targets. Following the COVID-19 pandemic, the domestic consumer market in China has gradually recovered, driven by a series of consumption stimulus policies. The growth rate of the chain beauty industry in mainland China remains very high. Our company has actively implemented brand activities and marketing plans, continuing to expand our beauty business in affluent and developing regions in mainland China, optimizing our product structure. We expect that our sales and business will continue to grow steadily in the coming year.

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

The Chinese beauty market is expected to continue growing, with the lifestyle beauty segment showing particularly notable growth. Our industry is in a growth phase, and in the future, Chlitina will leverage its strong brand recognition and localized sales strategies to further increase market share. The Company will optimize its product structure based on market demand dynamics to enhance profitability. With these strategies in place, future business growth is anticipated, and the financial situation is expected to remain favorable.

III. Cash Flow

1. Analyze and description of changes in cash flow for the latest year (2024)

Unit: NTD thousand

Year / Item	2024	2023	Changes in increase (decrease)	
			Amount	%
Net cash flows from operating activities	574,539	1,230,096	(655,557)	(53)
Net cash flows from investing activities	(1,275,043)	(1,369,496)	94,453	(7)
Net cash flows from financing activities	(796,409)	(750,679)	(45,730)	6

A. Net cash flows from operating activities: Mainly due to the decrease in the net profit before tax in 2024 compared with 2023.

B. Net cash flows from investing activities: Mainly due to the increase in time deposits of more than three-month.

C. Net cash flows from financing activities: Mainly due to the payment of dividends in 2024.

2. Liquidity improvement plan:

Since the cash flows from operating activities in 2024 are positive, which are enough for the operation, the Company did not experience any liquidity shortage. The Companydoes not have any liquidity problem.

3. Analysis on the cash liquidity in the coming year (2025)

Unit: NTD thousand

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
3,356,574	849,530	290,971	4,497,075	-	-

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 2025.

(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 increase in 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 has mainly reinvested in its current business other than irrelevant business. Besides the investment cycle provisions in the internal control regulations, the Company has also regulated the reinvestment according to the "Measures for the Administration of Affiliated Party Transactions" and the "Measures for Subsidiary Supervision and Management." The Company will assist the reinvestment companies to establish appropriate internal control regulations in light of the practical operations of the reinvestment companies under the local laws and regulations.

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

Unit: NTD thousand, December 31, 2024

Invested enterprise	Location	Main Operations	Initial investment amount	Reason for gains or losses	Improvement plans	Future other investment plans
Chlitina Group Limited	British Virgin IS.	Investment holdings.	826,927	Holding company's gains come from the subsidiaries	None	None
Chlitina International Limited	British Virgin IS.	Investment holdings.	744,441	Holding company's gains come from the subsidiary	None	None
Chlitina Intelligence Limited	British Virgin IS.	Investment holdings and R&D	-	Collection of trademark royalties	None	None
W-Amber International Limited	British Virgin IS.	Investment holdings.	50,880	Holding company's losses come from the subsidiaries	None	None
W-Champion International Limited	British Virgin IS.	Investment holdings.	34,518	Holding company's gains come from the subsidiaries	None	None
C-Asia International Limited	British Virgin IS.	Investment holdings.	920	No actual operating activities	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 subsidiaries	None	None
Chlitina Marketing	British Virgin IS.	Investment holding and	485,427	Sale of own brands and	Further expand the Taiwan	None

Limited		marketing of skincare products		other brands and the operation and management of franchised chain stores	market and overseas market	
Centre de Recherche et de Developpement 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	The operation has not reached the scale economy.	Strengthen the business expansion and R&D of the Company	None
Hong Kong Crystal Asia International Marketing Limited	Hong Kong	Investment holdings.	69,642	Holding company's losses come from the subsidiaries	Planned for dissolution	None
Hong Kong W-Champion International Limited	Hong Kong	Investment holdings.	61,865	Holding company's losses come from the subsidiaries	Planned for dissolution	None
Hong Kong W-Amber International Limited	Hong Kong	Investment holdings.	874,650	Holding company's losses come from the subsidiaries	Ask the subsidiary to improve operations and raise profits.	None
Yong Li Trading Company Limited	Vietnam	Marketing of skin-care products	65,731	The operation has not reached the scale economy.	Strengthen the business expansion of the Company.	None
HUAPAO SDN. BHD.	Malaysia	Marketing of skin-care products	3,502	The operation has not reached the scale economy.	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 operating activities	None	None
PT PINING BEAUTY INDONESIA	Indonesia	Import of goods and management consultation	-	No actual operating activities	None	None
Vinh Le Company Limited	Vietnam	Marketing of skin-care products	3,003	The operation has not reached the scale economy.	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 operating activities	None	None

W-Champion Marketing Limited	British Virgin IS.	Investment holdings.	31,783	No actual operating activities	None	
W-Amber Marketing Limited	British Virgin IS.	Investment holdings.	56,280	No actual operating activities	None	None
WAN JU International Investment Limited	Taiwan	Investment holdings.	2,000	No actual operating activities	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 franchised chain stores	None	None
Shanghai Zhe Mei Technology Training Co., Ltd.	Mainland China	Beauty practitioners training service	78,302	The operation has not reached the scale economy.	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 (Shanghai) Health Management Consulting Co., Ltd.	Mainland China	Investment holding, marketing of skincare products and health food products	685,186	No actual distribution marketing business, and the losses comes from the subsidiaries	Ask the subsidiaries to improve operations and raise profits.	None
Crystal Asia (Shanghai) Limited	Mainland China	Marketing of skincare products and health food products	87,189	The operation has not reached the scale economy.	Strengthen the business expansion of the Company.	None
Li Shuo Biotechnology (Shanghai) Co., Ltd.	Mainland China	Enterprise management consulting and investment holdings	9,889	Holding company's losses come from the subsidiaries	Ask the subsidiaries to improve operations and raise profits.	None
Wuguan (Shanghai) Trade Limited (Note 1)	Mainland China	Marketing of skincare products and health food products	-	Already dissolved	None	None
Shanghai Yuanshuo Management Consulting Limited	Mainland China	Enterprise management consulting and investment holdings	428,203	Holding company's losses come from the subsidiaries	Ask the subsidiaries to improve operations and raise profits.	None
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	Mainland China	Medical cosmetology service	29,810	The operation has not reached the scale economy.	Strengthen the business expansion of the Company.	None
Yapu Lide Medical Beauty	Mainland China	Medical cosmetology	51,930	The operation has not reached	Strengthen the business	None

Clinic (Nanjing) Co., Ltd.		service		the scale economy.	expansion of the Company.	
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Mainland China	Medical cosmetology service	62,530	The operation has not reached the scale economy.	Strengthen the business expansion of the Company.	None
Jinghe Clinic (Nanjing) Co., Ltd.	Mainland China	General clinic and food	4,368	The operation has not reached the scale economy.	Strengthen the business expansion of the Company.	None
Shanghai Hedeng Clinic Co., Ltd.	Mainland China	General clinic	5,752	The operation has not reached the scale economy.	Strengthen the business expansion of the Company.	None
Hainan Shoumao Investment Limited	Mainland China	Enterprise management consulting and investment holdings	151,515	Holding company's losses come from the subsidiaries	None	None
Shanghai Jiekan Trading Co., Ltd.	Mainland China	Marketing of skincare products and health food products	53,188	The operation has not reached the scale economy.	Strengthen the business expansion of the Company.	None
Shanghai Yongshang Trading Co., Ltd.	Mainland China	Retail sales of cosmetics and nail beauty service	88,399	The operation has not reached the scale economy.	Strengthen the business expansion of the Company.	None

Note 1: Wuguan (Shanghai) Trade Limited was liquidated and dissolved in September 2023.

i. Investment plan for the coming year

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

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

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 comply with the aforesaid crieria for the recognition of the so-called "important business establishments or subsidiaries" including 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:

(1) Country of incorporation: 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 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 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 Cayman.

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 impact on operation of the Company.

B. Foreign exchange control and tax risks and relevant laws

Cayman Islands have no control over foreign exchanges. Except for the annual license fee, exempted companies currently are free from the income tax or value-added tax. See below for the laws and regulations of Cayman Islands on exempted companies:

i. An exempted company is prohibited from operating business within the territory of Cayman Islands unless such business has direct help to the offshore business of the company.
ii. Unless approved by the Financial Secretary of Cayman Islands, an exempted company cannot hold any land within the territory of Cayman Islands. Exempted companies that do not list in the stock exchange of Cayman Islands cannot invite citizens of Cayman Islands to subscribe to their shares or bonds.
iii. The Company Act of Cayman Islands does not have such provisions

that a company must hold annual shareholders' meetings. Such company shall hold meetings of shareholders and the board of directors as stipulated in the Articles of Incorporation, which may not necessarily be held in Cayman Islands. According to the Articles of Incorporation of the Company ("Articles of Incorporation of the listed company") passed through resolutions of the shareholders' meeting held on June 19, 2014, the Company shall hold the general meetings within six months after the end of each fiscal year or other period approved by the stock exchange. Moreover, the Articles of Incorporation 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.

iv. The offering of new shares shall be subject to the resolutions of the board of directors. The Articles of Incorporation of the Company stipulate that the new common stock offering of the Company shall be subject to the consent of over half of the directors present at a board meeting within more than 2/3 of the Board members present. The Company is prohibited from offering shares whose capital stock has not been paid or has been paid partially.

v. An exempted company does not need to submit or declare detailed materials of shareholders to or with the company registry of Cayman Islands. According to the Articles of Incorporation of the Company, the board of directors shall keep the register of shareholders at an appropriate place within or beyond the territory of Cayman Islands.

vi. The register of shareholders of an exempted company is not necessarily accessible by the public.

vii. An exempted company may apply to the government of Cayman Islands for commitment of tax-free. The valid period of the commitment applied for the first time is 20 years. The commitment may be applied for update before its expiration.

viii. An exempted company may apply for deregistration, and transfer the place of incorporation to other countries.

ix. An exempted company may be registered as an exempted limited duration company. A limited duration company shall have at least two shareholders and the duration of operation of 30 years at most.

x. Since the laws of Cayman Islands on the protection of minority interest vary from the laws of the Republic of China and other regions with jurisdiction, 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 Incorporation within the scope permitted by the laws of Cayman Islands to guarantee the shareholders' interests of Taiwan investors.

xi. 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 the open policy to foreign exchanges, and have no relevant control restriction, it has no material impact on the Company's capital use. Moreover, the local government has granted tax preference policies 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 the company name, while the Company is only a holding company incorporated in Cayman Islands and has no operating activities there. Therefore, the Company's incorporation in Cayman Islands, the taxes and relevant laws of Cayman Islands have no material impact on the overall operation of the Company.

C. Whether acknowledging the civil decision effect of a court of the Republic of China

a. Risk of claim:

The Company is an exempted company incorporated in Cayman Islands, and has not applied for a license from the Ministry of Economic Affairs as stipulated in the Company Act of Taiwan, but the Articles of Incorporation have explicitly stipulated that Taipei District Court shall be the court of first instance for several shareholders' interests protection affairs. Moreover, the Company has appointed the agent ad litem and non-agent ad litem within the territory of the Republic of China as required by Taiwan Stock Exchange Corporation, but where any investor files a lawsuit against the Company or its person-in-charge with the Republic of China court, the court may judge the existence of jurisdiction and the means of service in light of the case nature and plot, and require that the investor states the foreign laws involved in the case; therefore, not all kinds of cases can receive substantive judgment at a court of the Republic of China court.

b. Risk of decision acknowledgment and execution:

The Cayman Islands' laws have not explicitly stipulated that the civil decisions made by courts of the Republic of China ("decisions made by the court of the Republic of China") shall be executed 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 the 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 Cayman Islands.

If the court of Cayman Islands does not acknowledge the decision of a court of the Republic of China, 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 laws of Cayman Islands. In order to list in Taiwan Stock Exchange Corporation, the Company has modified its Articles of Incorporation according to relevant laws of the Republic of China to secure the shareholders' rights. As for the matters uncovered in the Articles of Incorporation, the Company will handle them according to relevant laws of Cayman Islands and the laws of the Republic of China governing foreign issuers. Given the differences between the laws of Cayman Islands and the Taiwan laws on corporate operations, the investors cannot apply the opinions on protecting the legal rights when investing in Taiwan companies to the investments in a Cayman company. Therefore, the investors shall indeed know and consult with experts on whether the shareholders' interests can be secured when investing in a Cayman company.
b. Since the differences between Cayman Islands and the Republic of China in laws and stock exchange regulations will probably cause conflicts in governing law or interpretation, the resolution of conflicts in governing law or interpretation is still subject to the court decision. Therefore, the 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 way of equity transfer and records of equity holders), which will probably incur the risks of exercising rights to foreign companies.
c. Before investing, investors shpuld 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, economical, and social changes in tre country of registration and primary operations; industry cyclic fluctuations, compliance with lawas 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.

(2) Main country of operations: 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 Bristish Virgin Islands laws. See below for details about the risks:

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

The Bristish 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 Virgin Islands of Spain 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 Bristish 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 of foreign exchange control, laws and taxes

The Bristish Virgin Islands have no 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 Bristish Virgin Islands is free from the corporate tax, capital gains tax or property tax or other taxes applicable to business companies. The Bristish 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 Bristish Virgin Islands only pay few salaries tax. In terms of laws and regulations, according to the 2004 Bristish 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 or not acknowledge the effect of the civil decision of courts of the Republic of China court

The Bristish 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 Bristish Virgin Islands. The Bristish 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 Bristish 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 Bristish Virgin Islands, E. the Bristish 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 Bristish Virgin Islands' laws.

(3) Main country of operations: 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 SAR 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 and way of life for fifty years. Besides the national defense and foreign affairs, Hong Kong enjoys a high degree of autonomy in all the other affairs and the right to participate in international affairs, which is called "the Hong Kong people administer Hong Kong, and a high degree of autonomy". Now, it has 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. An HK company shall engage an HK local citizen to serve as its company secretary, and engage at least one director (individual or legal person). The HK company shall withdraw the 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 as of the anniversary date of its incorporation, and have qualified independent auditors (i.e. accountants) conduct the annual audit. A company that will probably pay tax on profits 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 HK 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

HK has no foreign exchange control. 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 HK. Main taxes:

i. Salaries tax: means the tax levied on the salaries of taxpayers earned for work in HK. 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.
ii. Income tax: which is a tax paid by the taxpayer for the profits obtained from its business operation in Hong Kong.
iii. 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.
iv. Stamp duty: is the tax levied by the HK government on real estate transfer or leasing and stock transfer.
v. Commodity tax: Hong Kong generally does not levy a commodity tax, with the exception of liquor, tobacco, hydrocarbons, and methanol.

C. Whether acknowledging the civil decision effect of a court of the Republic of China

Since the HK 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 HK when in HK. However, whether to acknowledge and implement the decision of a court of the Republic of China or not, the HK court will, according to the details of each decision, consider whether the decision complies with several conditions, including but not limited to:

vi. Whether or not the rights covered by the decision belong to private rights or not;
vii. Whether or not such decision complies with the needs of judicial interests, common knowledge and legal order or not;
viii. Whether not the acknowledgment of such decision will impair the sovereign interests or leads to violation of other public policies;
ix. 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; (ii) whether or not the persons involved in the decision (or the stakeholders) are the same as the ones in the case on which the HK court makes a decision; and (iii) whether or not the decision made by the HK court can resolve the disputable event.

(4) Main country of operations: 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 2024 National Economic and Social Development released by the National Bureau of Statistics of China, the annual GDP was RMB 134.91 trillion with a growth rate of 5.0% YoY. The value added by the third industry accounted for 56.7% of the gross domestic product. The final annual consumer expenses made a contribution of 2.2 percentage points to the gross domestic product. The total annual retail sales of consumer goods reached up to RMB 48.33 trillion, with an increase of 3.5% in comparison with the previous year. Among the sales of enterprises above the designated size in retailing, the growth rate of cosmetics increased by 1.1%.

Since 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. Given this, the financial status, operation results and prospect of the Company will be subject to the policies, economy and legal development of China. This uncertainty will probably cause a certain impact on the operation of the Company and the investments of investors.

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

i. 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. Instead, the exchange rate policy of a basket of currencies was adopted, 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.

ii. 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%.)

iii. 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 labor 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 the employment cost of the company, 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 a limited impact on the company, but legal changes in China in the future may affect the company's operation.

iv. Specialty of Land and Real Estate

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 people. 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.

v. Social Insurance and Housing Provident Fund

1. 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 and Weishuo Company, all comply with the local regulations applicable in the Shanghai region. Both Chlitina China and Weishuo Company have obtained the "Fundamentals of Units Participating in City and Town Social Insurance" from the Shanghai Social Insurance Fund Management Center without any arrears. From January to July 2015, Chlitina China authorized Qianjin Network Company and its partners to pay social insurance for part of its employees, and we have obtained the relevant documents proving the above fact. From August, 2015, Chlitina China began to pay social insurance for relevant employees on its own.

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, Chlitina China and Weishuo Company 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.

2. Housing Provident Fund

"Regulations on Management of Housing Provident Funds" was 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 and Weishuo Company, 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. They 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 part of their employees, and we 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.

vi. 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 factory of Weishuo Company 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 or 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.

vii. 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.

viii. 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 concerned'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.

III. 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:

1. 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 2023 and 2024 were NTD 159,639 thousand and 115,296 thousand, resectively, accounting for 3.52% and 2.84% of net operating revenue respectively. Interest expenses were NTD 154,890 thousand and 115,055 thousand, respectively, representing 3.42% and 2.83% 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.

2. 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 (NTD). 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 NTD 13,668 thousand and NTD -11,163 thousand occurred respectively in 2023 and 2024. They accounted for a low impact ratio of 1.14% and -1.48% in the current operating profit, respectively.
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.

3. 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.

(IV) 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.

2. 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.

2. 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.

3. 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.

4. 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 2024, the value of the hybrid contract based on the fair value at the end of the period was NTD 128,592 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".

(V) The company's policies of research and development plans and projected investment costs in the future 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 2024, the franchised channels conducted a comprehensive upgrade of the Youthkeeper series. The upgrade incorporates 9 core peptides and includes valuable ingredients such as T+Nano microencapsulated active extracts and Swertia chirata extract. Formulations address skin aging issues in all dimensions, effectively fighting photoaging, dull

skin, fine lines, and dryness to regain a youthful complexion.
Different products launched through different channels can satisfy the needs of different consumers for personalized skincare and healthy lifestyles to the greatest extent.

(1) 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.

(2) Estimated R&D expense in the future

The Company's R&D costs in 2022, 2023, and 2024 were NTD 31,015 thousand and NTD 19,616 thousand, and 16,375 thousand respectively, and each accounted for 0.76%, 0.43%, and 0,40% of the current annual revenue, respectively. 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 2025 are expected to account for about 1% of the annual revenue.

(VI) The impacts on the company's financial operations caused by 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 State of Incorporation of the Company is in the Cayman Islands, and the 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 economic systems. 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 movements in 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.

(VII) The impacts on the company's finance and business caused by changes in technology (including cyber security 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.

(VIII) 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 has been upholding a steady and practical spirit in its enterprise management. Ever since the establishment, we have been progressively strengthening the internal management, improving quality and efficiency. There is no change in the company's crisis management caused by the changes of corporate image. In the future, in case the change of

corporate image impacts the company's crisis management and leads to the company not being able to implement timely measures of coping responses to a boom or changes in the market, as well as the adverse effects to the company's business operation,
the company will put more dedication to maintain corporate governance by insisting in 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 enterprise's social responsibility as well as intensify the company's image of reliability.

(IX) 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 merging plans in the most recent year and up to the publication date of this annual report.

(X) 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 factory plants in the most recent year and up to the publication date of this annual report.

(XI) The risks of sales and purchasing concentration, as well as the response measures in the most recent year and up to the publication date of this annual report:

① Risks of purchasing concentration
There are numerous suppliers providing 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.

② Risks of sales concentration
The company's business is mainly operated through the chain management system that offers professional beauty care services and product sales. In addition to the expansion of the company's franchise stores that have been growing steadily in recent years, we made investments in the development of our e-commerce and medical cosmetology businesses in recent years. This successful performance has contributed to an increased number of sales consumers but dispersed consumers. Therefore, the company does not have the risks of sales concentration.

(XII) 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%.

(XIII) Effect, risk, and response actions caused by changes to the rights to manage the Company in the most recent year and up to the publication date of this annual report.
The Company has no changes to the rights to manage in the most recent year and up to the publication date of this annual report. The company has strengthened the governance measures and introduced independent directors in order to enhance the overall protection of shareholder's rights. The day-to-day operation of the company mostly relies on professional managers. At present, our strong professional managers team has had a considerable degree of contribution to the company's operating performance. In the future, the support from the

shareholders can be continued. Therefore, if there are any changes in the rights of business operation, there is no significant negative impact to company's management and operating advantages.

(XIV) Litigation and non-litigation matters

① 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.

② 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.

(XV) Other important risk(s) and response action(s) in the most recent year and up to the publication date of this annual report.

① Risks of damage to the brand image:

As a cosmetic skin care chain brand that directly faces a vast group of consumers, the company's brand image is crucial. However, with the company's continuous business operation and expansion, there are risks to the company's product, such as counterfeit or malicious attacks. There must be a certain degree of negative effect to company's image and interest. If the company's brand image and other rights are violated or the company's reputation suffers malicious slander, the company will adopt the legal method, which might consume a certain amount of the company's capacity of finance, material and manpower and cause a negative effect on the company's standard operation. The company's Clio Brand obtained the affirmation by China Well-Known Trademarks. Whoever counterfeits it will have an aggravated criminal responsibility in order to highlight the government's protection for Clio brand, and thus help with the reduction of counterfeited products and the risks of damage to brand image.

② Risks caused by the turnover of professional beauticians

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

③ Risks of franchise store management

The advantage of the franchise is speed of brand penetration, as well as the relatively low threshold. However, the disadvantage lies in a strong sense of dependence on the company's headquarters and the concerns of the slack occurrence in operation and sales. The level of difficulty in management is slightly increased. For the effective management of the vast number of chain stores extensively distributed in Chinese cities at all levels, in addition to the management of the various branches in each province, we will include a supervision audition, on-site training, promotion and counseling, and more intensified control of many franchise stores by establishing a perfect and sound system and norms. Upon joining, they are required to sign

contracts with the company including non-compete clauses. Also, the company will assess the performance of each store by visiting from time to time in order to progressively control the franchise stores and prevent vicious competition and other irregularities, so as to maintain the company's goodwill and competitiveness. Although the company has established a perfect management system and is committed to the control of franchise stores, without timely discipline and improvement, there might be an adverse impact to the company's goodwill and reputation.

④ Risks of price fluctuation and operating costs

As a result of the company's products advertising natural plant extracts, the main raw materials including rose vanilla pollen, seabed algae, vitamins, amino acids and all kinds of extract from precious plants, the origin of multiple characteristic raw materials is vulnerable to climate impact which may lead to an increase of production costs. Besides this, 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.

⑤ Risks of formula leakage

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. Nevertheles**s,** 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 risk associated with formula leakage.

⑥ Risks of 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 the Articles of Incorporation in compliance with the "reference paradigm in shareholder protection" made by the Taiwan Stock Exchange Corporation (TWSE), there are still many legal differences between the two countries regarding ordinances of company operation. As a result, investors cannot secure their application of legal rights to invest in a Cayman company the same as a Taiwanese company. Investors should fully understand and consult with experts about whether they are able to acquire shareholder protection when investing in a Cayman company.

⑦ Risk of information security

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 Cyber Security Evaluation 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 cybersecurity framework and management systems.

Facing 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 the potentiality of information security risks.

Since the implementation of the “Data Security Protection Law” and the “Cybersecurity Multi-Level Protection Scheme 2.0” in 2021, the company has enhanced the security of our “Chlitina Store Management System” and of our “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 leaks 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.

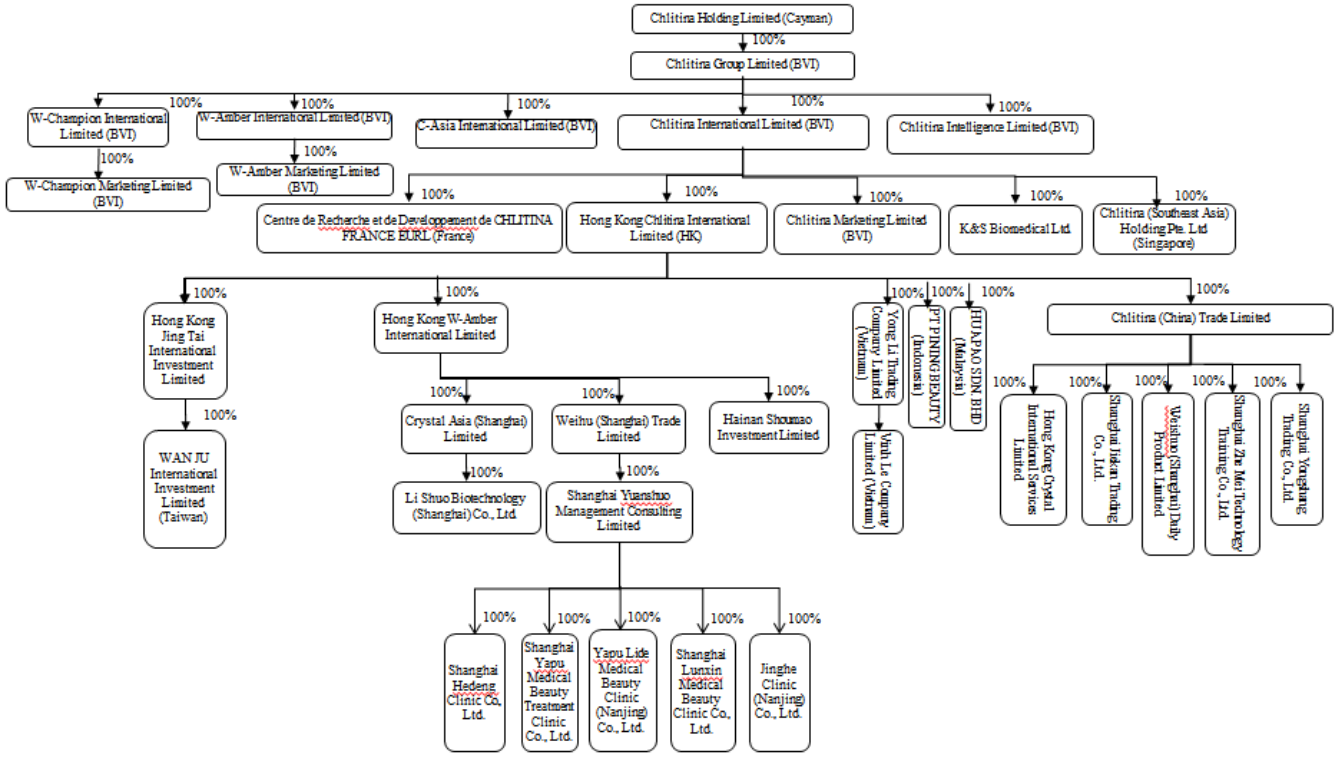
Through these enhanced security measures, the company has effectively reduced cybersecurity risks, ensured data security and system stability, met regulatory requirements, and maintained a stable operating environment.

VII. Other significant events: **None**

Six. Special items

I. Information on Affiliates:

1. Organizational chart of affiliates:



December 31, 2024

Note: Chlitina Intelligence Limited, Chlitina Marketing Limited, and Chlitina (China) Trade Limited all have branches. Given the considerable number of branches, they have not been showed in the above chart. See the beginning of the document for the branch information.

2. Basic information of affiliates

December 31, 2024

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 holdings.
Chlitina Intelligence Limited	April 03, 2012	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 0.001 thousand	Investment holdings 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 holdings.
W-Amber International Limited	May 07, 2014	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 1,150 thousand	Investment holdings.
W-Champion International Limited	March 11, 2016	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 930 thousand	Investment holdings.
C-Asia International Limited	December 07, 2016	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 20 thousand	Investment holdings.
Centre de Recherche et de Developpement de CHLITINA FRANCE EURL	June 09, 2008	102, avenue des Champs Elysées, 75008 Paris	EUR 5 thousand	R&D Center
Hong Kong Chlitina International Limited	December 15, 2009	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, 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 9,490 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 holdings.
Hong Kong Crystal Asia International Limited	December 29, 2016	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong	USD 2,300 thousand	Investment holdings.
Hong Kong W-Champion International Limited	April 08, 2016	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong	USD 2,950 thousand	Investment holdings.
Hong Kong W-Amber International Limited	July 11, 2014	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong	HKD 92,800 thousand + USD 10,600 thousand + RMB 53,700 thousand	Investment holdings.
W-Champion Marketing Limited	March 11, 2016	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 930 thousand	Investment holdings.
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 2,290 thousand	Marketing of skin-care 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 skin-care products
HUAPAO SDN. BHD.	April 23, 2019	Level 02.02A(I), Menara KeckSeng 203 Jalan BukitBintang55100 Kuala Lumpur W.P. Kuala Lumpur Malaysia	USD 121 thousand	Marketing of skin-care products
Hong Kong Crystal International Services Limited	September 16, 2019	Room 308, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, 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
Wuguan (Shanghai) Trade Limited (Note 1)	November 14, 2014	Site B81, 2F., Building 2, No.251, Jihying S. Rd., Pilot Free Trade Zone, Shanghai City, China	0	Marketing of skincare products and health food 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 22,100 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 3,000 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 97,000 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., Qinhui District, Nanjing City, Jiangsu Province, China	RMB 11,900 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 14,200 thousand	Medical cosmetology service
Jinghe Clinic (Nanjing) Co., Ltd.	August 19, 2019	Shop No. 2F-03, No.2, Shuiximen St., Qinhui District, Nanjing City, Jiangsu Province, China	RMB 1,000 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 1,300 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	NTD 2,000 thousand	Investment holdings.

Shanghai Jiekan Trading Co., Ltd.	May 13, 2021	Room 1701, No.666, Huaihai W. Rd., Changning Dist., Shanghai City, China	RMB 12,000 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	NTD 500 thousand + USD 5,007 thousand	Selling skin care and daily products

Note 1: Wuguan (Shanghai) Trade Limited was struck off in February 2024.

3. Information on the directors, supervisors and presidents of affiliated enterprises

December 31, 2024

Company name	Title	Name of individual or representative(s)	Shares held	
			Number of shares (shares)	Holding ratio
Chlitina Group Limited	Director	Pi-Hua Chen	2,728,707,348	100
Chlitina International Limited	Director	Pi-Hua Chen	25,470,001	100
Chlitina Intelligence Limited	Director	Pi-Hua Chen	1	100
W-Amber International Limited	Director	Pi-Hua Chen	1,150,000	100
W-Champion International Limited	Director	Pi-Hua Chen	930,000	100
C-Asia International Limited	Director	Pi-Hua Chen	20,000	100
Hong Kong Chlitina International Limited	Director	Pi-Hua Chen	69,850,001	100
Chlitina Marketing Limited	Director	Pi-Hua Chen	16,242,882	100
Centre de Recherche et de Developpement de CHLITINA FRANCE EURL	Director	Pi-Hua Chen	500	100
K&S Biomedical Ltd.	Director	Chen, Po-Hung	Note 1	100
Hong Kong Crystal Asia International Limited	Director	Pi-Hua Chen	2,300,000	100
Hong Kong W-Champion International Limited	Director	Pi-Hua Chen	2,950,000	100
Hong Kong W-Amber International Limited	Director	Pi-Hua Chen	184,303,060	100
W-Amber Marketing Limited	Director	Pi-Hua Chen	1,150,000	100
W-Champion Marketing Limited	Director	Pi-Hua Chen	930,000	100
Yong Li Trading Company Limited	Director	Pi-Hua Chen	Note 1	100
Vinh Le Company Limited	Director Partner	Pi-Hua Chen Thi Bui Thuy Diem	Note 1	100
HUAPAO SDN. BHD.	Director	Pi-Hua Chen	500,000	100
Hong Kong Crystal International Services Limited	Director	Pi-Hua Chen	100,000	100
Hong Kong Jing Tai International Investment Limited	Director	Pi-Hua Chen	1,000,000	100
PT PINING BEAUTY INDONESIA	Director	Pi-Hua Chen	Note 1	100
WAN JU International Investment Limited	Director	Pi-Hua Chen	200,000	100
Chlitina (China) Trade Limited	Executive director/General manager Supervisor	Chao, Cheng-Yu Chen, Le-Wei	Note 1	100
Shanghai Zhe Mei Technology Training Co., Ltd.	Executive director/General manager Supervisor	Chao, Cheng-Yu Chen, Chao-Ching	Note 1	100
Weishuo (Shanghai) Daily Product Limited	Executive Director Supervisor	Chao, Cheng-Yu Chen, Le-Wei	Note 1	100
Weihu (Shanghai) Health Management Consulting Co., Ltd.	Executive Director Supervisor	Chang, Pei-Ling Chen, Le-Wei	Note 1	100

Crystal Asia (Shanghai) Limited	Executive Director Supervisor	Chang, Pei-Ling Chen, Pei-Wen	Note 1	100
Wuguan (Shanghai) Trade Limited	Executive Director Supervisor	Pi-Hua Chen Chen, Le-Wei	Note 2	100
Shanghai Yuanshuo Management Consulting Limited	Executive Director Supervisor	Chang, Pei-Ling Ting, I	Note 1	100
Li Shuo Biotechnology (Shanghai) Co., Ltd.	Executive Director Supervisor	Chang, Pei-Ling Chen, Chao-Ching	Note 1	100
Shanghai Hedeng Clinic Co., Ltd.	Executive director/General manager Supervisor	Li, Liang Chao, Cheng-Yu	Note 1	100
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	Executive Director Supervisor	Chang, Pei-Ling Ting, I	Note 1	100
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Executive Director Supervisor	Ting, I Chao, Cheng-Yu	Note 1	100
Jinghe Clinic (Nanjing) Co., Ltd.	Executive Director Supervisor	Chang, Pei-Ling Xu, Zhen-Qiong	Note 1	100
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	Executive Director Supervisor	Chang, Pei-Ling Xu, Zhen-Qiong	Note 1	100
Hainan Shoumao Investment Limited	Executive director/General manager Supervisor	Chang, Pei-Ling Li Liang	Note 1	100
Shanghai Yongshang Trading Co., Ltd.	Executive Director Supervisor	Chao, Cheng-Yu Ting, I	Note 1	100
Shanghai Jiekan Trading Co., Ltd.	Executive Director Supervisor	Chao, Cheng-Yu Li Liang	Note 1	100

Note 1: Limited company, with no shares issued.
Note 2: Wuguan (Shanghai) Trade Limited was struck off in February 2024.

4. Operating profile of affiliated companies

December 31, 2024, Unit: NTD thousand

Company name	Capital	Total assets	Total liabilities	of shares rights	Operating revenues	Operating profit	Profit or loss in current period (after tax)	Earnings per share (NTD) (after tax)
Chlitina Group Limited	826,927	7,016,579	0	7,016,579	0	-2	643,610	Note 1
Chlitina International Limited	744,441	6,798,110	0	6,798,110	0	-36	547,740	Note 1
Chlitina Intelligence Limited	0	550,641	333,151	217,490	209,245	107,766	95,854	Note 1
W-Amber International Limited	50,880	79	0	79	0	0	3	Note 1
W-Champion International Limited	34,518	41	0	41	0	0	2	Note 1
C-Asia International Limited	920	110	0	110	0	0	5	Note 1
Hong Kong Chlitina International Limited	276,221	8,212,960	1,691,109	6,521,851	10,506	-45,993	626,738	Note 1
Chlitina Marketing Limited	485,427	233,426	89,889	143,537	147,337	-26,906	-32,998	Note 1
Centre de Recherche et de Developpement de CHLITINA FRANCE EURL	188	0	0	0	0	0	0	Note 1
K&S Biomedical Ltd.	157,000	67,037	10,917	56,120	25,088	-46,907	-46,429	Note 1
Hong Kong Crystal Asia International Limited	69,642	50,764	0	50,764	0	-191	6,195	Note 1
Hong Kong W-Champion International Limited	61,865	58,389	0	58,389	0	-38,704	421	Note 1
Hong Kong W-Amber International Limited	874,650	163,254	63	163,191	81	-48	-120,242	Note 1
Yong Li Trading Company Limited	65,731	15,460	1,177	14,283	912	-11,397	-12,315	Note 1
HUAPAO SDN. BHD.	3,502	2,643	0	2,643	0	-92	-180	Note 1
Hong Kong Jing Tai International Investment Limited	4,392	3,548	63	3,485	0	-114	-260	Note 1
PT PINING BEAUTY INDONESIA	0	0	0	0	0	0	0	Note 1
Vinh Le Company Limited	3,003	4,321	9,422	-5,101	1,922	-1,754	-1,752	Note 1 Note 2
Hong Kong Crystal International Services Limited	2,754	2,564	34	2,530	0	-84	-98	Note 1
W-Champion Marketing Limited	31,783	41	0	41	0	0	2	Note 1
W-Amber Marketing Limited	56,280	46	0	46	0	0	2	Note 1
WAN JU International Investment Limited	2,000	1,646	45	1,601	0	-81	-71	Note 1
Chlitina (China) Trade Limited	308,631	6,708,464	1,128,628	5,579,836	3,690,910	858,218	823,360	Note 1
Shanghai Zhe Mei Technology Training Co., Ltd.	78,302	55,463	17,065	38,398	81,321	9,330	19,850	Note 1
Weishuo (Shanghai) Daily Product Limited	64,207	982,380	84,203	898,177	599,489	38,100	45,010	Note 1
Wuguan (Shanghai) Trade Limited (Note 4)	0	0	0	0	0	0	0	Note 1
Weihu (Shanghai) Health Management Consulting Co., Ltd.	685,186	15,759	14,361	1,398	65,658	-15,685	-86,913	Note 1

Crystal Asia (Shanghai) Limited	87,189	27,239	4,390	22,849	0	-14,661	-16,081	Note 1
Li Shuo Biotechnology (Shanghai) Co., Ltd.	9,889	1,918	0	1,918	0	-1,524	-1,524	Note 1
Shanghai Yuanshuo Management Consulting Limited	428,203	-51,644	5,877	-57,521	0	-19,078	-71,273	Note 1
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	29,810	38,409	63,099	-24,690	55,992	-5,146	-5,185	Note 1
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	51,930	55,100	78,289	-23,189	35,522	-12,474	-12,402	Note 1
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	62,530	83,071	108,034	-24,963	41,177	-31,155	-21,956	Note 1
Jinghe Clinic (Nanjing) Co., Ltd.	4,368	11,786	16,248	-4,462	204	-6,682	-6,675	Note 1
Shanghai Hedeng Clinic Co., Ltd.	5,752	2,020	3,188	-1,168	417	-5,983	5, 981	Note 1
Hainan Shoumao Investment Limited	151,515	137,959	0	137,959	0	-135	-16,545	Note 1
Shanghai Jiekan Trading Co., Ltd.	53,188	44,752	17,489	27,263	17,513	-12,995	-12,966	Note 1
Shanghai Yongshang Trading Co., Ltd.	88,399	67,988	8,474	59,514	20,374	-11,141	-11,818	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.

II. Handling of Private Securities in the Most Recent Year (2024) and Up To the Publication Date of the Annual Reports: None

(5) 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 inconsistencies between the laws of the Cayman Islands and the laws of the Republic of China, the "Checklist for Shareholder Rights Protection in the Country of Registration for Foreign Issuers" (hereinafter referred to as "Shareholder Rights Protection Items) issued previously by the Taiwan Stock Exchange Corporation may not automatically apply to the Company. The table below shows the differences between the provisions of the Company's Articles of Incorporation, as required by the Cayman laws, as well as the protections to shareholders' rights, and the provisions of the Company's Articles of Incorporation.

Differences	Cayman laws and notes	Provisions of the Articles of Incorporation and notes
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.	According to the Company Law of 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.	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.” In the meantime, it shall also comply with the requirements of the Cayman laws and the Republic of China’s Company Act on votes to special resolutions of public companies. 2. Article 31 and 2 (1) of the Company’s Articles of Incorporation 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 laws and the Republic of China’s Company Act on votes to special resolutions of public companies.

Differences	Cayman laws and notes	Provisions of the Articles of Incorporation and notes
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.	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.	Since the Company Law of the Cayman Islands has strict requirements on the capital reduction of companies, and relevant provisions belong to the compulsory ones, the capital reduction cannot be done unless the company modifies the Articles of Incorporation. After confirming with lawyers in the Cayman Islands, Article 18-1 of the Articles of Incorporation of the Company is modified to repurchase shares based on the shareholding proportion of the shareholders and canceling such share repurchase to meet the requirements stated in the left-most column, which has no material difference with the content of the provision.

Differences	Cayman laws and notes	Provisions of the Articles of Incorporation and notes
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.	There is no such competent authority for approving the convention of shareholders' meetings in the Cayman Islands.	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 convention of shareholders' meeting" and specify the right of minority shareholders to request for the convention of special a shareholders' meeting in the Articles of Incorporation. According to Article 26(1) of the Company's Articles of Incorporation, 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 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 Incorporation 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.

Differences	Cayman laws and notes	Provisions of the Articles of Incorporation and notes
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.	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.	Article 46 of the Articles of Incorporation 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.
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.	The Company Law of the Cayman Islands stipulates that the voting right may be exercised personally or by entrusting a proxy.	As stipulated in the later paragraph of Article 47(2) of the Company's Articles of Incorporation, 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.

Differences	Cayman laws and notes	Provisions of the Articles of Incorporation and notes
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.	Cayman lawyers specified that the laws of the Cayman Islands do not have any equivalent concept to the solicitation of the proxy.	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.

Differences	Cayman laws and notes	Provisions of the Articles of Incorporation and notes
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.	The Company Law of the Cayman Islands stipulates that the voting right may be exercised personally or by entrusting a proxy.	As stipulated in the later paragraph of Article 53 in the Company's Articles of Incorporation, 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.
Regulations related to the supervisor.	The Company Law of the Cayman Islands does not have such provisions.	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 Incorporation, 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.

Differences	Cayman laws and notes	Provisions of the Articles of Incorporation and notes
1. When resolving one of the following items at the shareholders' meeting, the dissenting shareholder of the Company shall have the appraisal right: (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. 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 shareholder. 3. Shareholders who cast a negative vote or waived their right to vote at the shareholders' meeting may file a request for	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.	In 2020, the Company amended Article 39(3) of the Articles of Incorporation 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 Incorporation 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.

Seven. 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