



Hunya Foods

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2024
Annual Report

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V. Overseas Securities Exchange Where Securities Are Listed and Method of Inquiry: None

VI. Company Website: <https://www.hunya.com.tw/>

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Letter to Shareholders

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- IV. Impact of external competitive environment, regulatory environment and general business environment**

Chapter 1 Letter to Shareholders

Reflecting on the year 2024, despite varying economic and inflationary trends across countries, the global economy showed remarkable resilience, with inflation on a clear downward path. Data from the International Monetary Fund (IMF) indicates that the global economic growth rate in 2024 was 3.2%, representing a slight decline of 0.1 percentage points from 2023 and falling short of the pre-pandemic average of 3.7% recorded between 2000 and 2019. Key factors affecting economic performance in 2024 included easing inflation, reduced pressures in labor markets, interest rate cuts by central banks in several countries, heightened geopolitical risks, and strong demand for artificial intelligence (AI)-related products. Since the second half of 2020, global commodity prices have been rising, with many raw materials reaching historic highs. Notably, the price of cocoa surged by triple digits per ton in 2024, making it one of the fastest-rising commodities of the year. This significant rise was primarily due to adverse weather conditions in West Africa that severely impacted cocoa production. The intensifying effects of extreme climate patterns have negatively impacted cocoa cultivation and harvesting, resulting in supply shortages and soaring prices. Ghana and Côte d'Ivoire, the world's top two cocoa-producing countries in West Africa, collectively account for approximately 70% of global cocoa output. Additionally, the prices of key ingredients, such as cocoa butter and other edible oils, also saw considerable increases.

To become a prominent "Comfort Food" brand in the minds of Taiwanese consumers, Hunya's strategy is to strengthen its brand power, target the Gen-Z consumer group, and successfully launch products that cater to current trends and needs. Under this strategy, we will enhance brand equity and business influence through accurate and insightful marketing communication, innovative brand proposals, and a competitive Share of Voice (SOV), attracting new Gen-Z consumers and consolidating existing ones through brand rejuvenation and strategic partnerships. We also aim to increase brand penetration and revitalize brand momentum by launching new products that incorporate consumer insights in line with market trends, thereby meeting consumer needs. Media voice/marketing communication will, therefore, be precisely targeted at consumer-users and combined with the channel mix and product mix corresponding to consumer behavior to form a systematic product development strategy with improved near-term benefits.

Faced with the rapid development of modern channels, the shrinking of bargaining power, the need for diversity to survive and adapt, the rising costs of R&D and production, and the boom in e-commerce, Hunya, a food manufacturer, is under pressure to operate with continuously reduced profitability. The solutions are as follows:

- Segmented channel-based product strategy;
- Low-volume, high-variety production line layout and R&D strategy;
- Digital, self-owned channels and the deployment of talent;
- Partnering in the development of channel products.

The results of product development in 2024 are a testament to Hunya's efforts and effectiveness in core product development:

- Awarded three stars in the ITQI Global Sweet Snacks, Biscuit Bars, Cookies, Chocolate, and Confectionery Snacks categories.
- ALWAYS 90% Pingtung Cocoa Dark Chocolate won the gold medal in the Monde Selection International Quality Awards for three consecutive years.

In terms of smart manufacturing development, Hunya completed the first stage of digital transformation since implementing SAP and ERP in 2019, and is currently in the second stage of smart manufacturing. In terms of smart manufacturing development, Hunya Foods has successfully completed the first stage of its digital planning and transformation since implementing SAP and ERP systems in 2019. The company is currently advancing to the second stage - "Factory Intelligence" - with a primary focus on enhancing the stability of the food manufacturing sector's supply chain. This initiative aims to prevent risks of supply chain disruptions caused by issues such as stock shortages, labor shortages, poor inventory management, quality control failures, and communication inefficiencies. To address these challenges, Hunya Foods is concentrating on three key areas: Supply Chain Integration and Upgrading, Smart Warehousing, and Enhanced Enterprise Digital Security Management. Accordingly, several industrial technology upgrade projects and development plans have been formulated. These efforts have also been recognized through the successful acquisition of a Smart Upgrading Subsidy from the Ministry of Economic Affairs in 2023. The overall project is scheduled for completion in the first quarter of 2025. Furthermore, Hunya has obtained the FSSC (Food Safety System Certification), an internationally recognized standard, which has significantly boosted the credibility and competitiveness of its products in the global market. This certification has earned recognition from food inspection authorities across multiple countries, strengthening Hunya's ability to secure orders from major international retail chains and demonstrating a strong and ongoing commitment to product quality for consumers worldwide.

Facing changes and challenges in the general business environment, the Company's strategic development direction is as follows:

- Bringing consumers a satisfying Taiwanese casual snacking experience with deliciousness and peace of mind (77);
- Featuring local ingredients, French techniques, lifestyle, comfortable space, and professional service to make Rivon a stylish bakery gift store (Rivon);
- Becoming the most suitable pipeline for the circulation of domestic and foreign specialty goods;
- Establishing an efficient green facility with sustainable cycles and leading technology;
- Shortening time and distance with digital technology to meet consumer needs quickly through digital transformation.

With a deep commitment to corporate social responsibility and sustainable management, Hunya Foods has been recognized as one of *Business Weekly's* "Top 100 Carbon Competitiveness Companies" and has also been awarded the Silver Award in the Food and Beverage Industry category at the 2024 TCSA Taiwan Corporate Sustainability Awards. These honors recognize the company's exceptional performance and dedication to environmental sustainability and carbon management. Hunya will continue to establish a sustainable enterprise centered on wellbeing in Taiwan with our three significant cores values (trust, passion, and innovation) throughout our five main operation perspectives.

Operating results for 2024 are as follows:

1. Implementation Results of the Business Plan

The Company's consolidated net operating revenue for 2024 was NT\$1,977,776,000, representing an increase of NT\$47,823,000 or 2.48% compared to the consolidated net operating revenue of NT\$1,929,953,000 in 2023. The pre-tax loss amounted to NT\$24,702,000 in 2024, a decline of NT\$59,905,000 compared to the pre-tax profit of NT\$35,203,000 in 2023. The decline in overall performance was mainly due to significant fluctuations in raw material prices, which impacted product profitability, and increased costs from trial runs of new products and production lines.

2. Budget Implementation

Unit: NT\$ thousand

| Item \ Year | 2024 | | |
|------------------------------|---------------|---------------|----------------------|
| | Actual amount | Budget amount | Achievement rate (%) |
| Net operating income | 1,977,776 | 2,121,455 | 93.22% |
| Gross Profit | 509,169 | 622,613 | 81.78% |
| Operating (loss) profit | (52,781) | 13,831 | (381.61%) |
| Net loss (profit) before tax | (24,702) | 27,389 | (90.19%) |

The budget execution remains generally in line with expectations. However, the achievement rates for both revenue and gross profit were below 90%. The decline in gross profit margin was primarily due to rising raw material costs and the impact of trial runs for new products and production lines on overall costs. In addition, the fixed nature of various expenses requires further adjustment and control.

3. Financial Revenue and Profitability Analysis

(1) Financial income and expenditure

Unit: NT\$ thousand

| Item | 2024 | 2023 | Increase (Decrease) Amount | Increase (Decrease) % |
|------------------------------|-----------|-----------|----------------------------------|-----------------------------|
| Net operating income | 1,977,776 | 1,929,953 | 47,823 | 2.48% |
| Gross Profit | 509,169 | 537,476 | (28,307) | (5.27%) |
| Operating (loss) profit | (52,781) | 13,194 | (65,975) | (500.04%) |
| Net loss (profit) before tax | (24,702) | 35,203 | (59,905) | (170.17%) |
| Net loss (profit) after tax | (24,077) | 15,690 | (39,767) | (253.45%) |

Consolidated net operating income increased by 2.48%, gross profit decreased by 5.27%, operating income decreased by 500.04%, and net income decreased by 253.45% for 2024 compared to 2023. This year's overall performance was primarily impacted by profit erosion due to rising raw material costs, as well as an increase in selling expenses resulting from the launch of new products.

(2) Profitability analysis

| Item | 2024 | 2023 |
|--|--------|------|
| Return on Assets (%) | (0.30) | 0.59 |
| Return on Equity (%) | (0.97) | 0.59 |
| Operating Income to Paid-in Capital Ratio (%) | (6.09) | 1.52 |
| Income Before Tax to Paid-in Capital Ratio (%) | (2.85) | 4.06 |
| Net Profit Margin (%) | (1.22) | 0.81 |
| Earnings per share after tax (NT\$) | (0.28) | 0.16 |

Based on various profitability indicators, the company's performance in 2024 declined compared to 2023, primarily due to profit erosion resulting from rising raw material costs and increased selling expenses associated with new product launches.

4. Research and Development

In terms of research and development, the application of various functional materials, such as GABA, lactic acid bacteria, and food fiber, as well as the enhancement of immunity and bone strength, needs to better highlight the characteristics of our products. The development of products with high profitability, organic, additive-free, reduced sugar, high protein, plant-based, natural ingredients, innovation, and highlights can only capture the attention of the market and consumers, thus enhancing product value and market share. We can improve the manufacturing efficiency and performance of current equipment in the factory by implementing flexible manufacturing, thereby deriving new products with minimal investment. We are conducting in-depth research into core technologies, analyzing resource consumption (including raw materials, energy, and manpower), technology levels, and identifying areas for improvement, and then integrating more advanced processes.

II. 2024 Business Plan Overview

(I) Guideline for management:

Looking ahead, we will continue to develop new products and expand into new markets, meeting the real needs of consumers. We will continue to strengthen our supply chain management and manufacturing process to improve yield, reduce costs, and improve food safety and competitiveness. We are confident that we can improve our operating performance and generate increased profits in the new year.

1. To be the leading "comfort food" brand, we must continue to introduce healthy and high-quality products, creating a win-win situation for our customers and achieving good results.
2. We must carefully plan our financial structure, strengthen our corporate governance, and actively supervise and manage our operations through strict budget control and financial auditing to enhance operational performance, thereby maximizing the interests of our shareholders, valuing the welfare of our employees, and contributing actively to society.
3. We will continue to digitize and smarten business processes to improve the flexibility and efficiency of internal and external feedback and response mechanisms.

(II) Potential impact and the basis of expected sales quantities

Prepared by the Company's management unit in accordance with operating trends and annual plans:

| Product Items | Expected Sales Quantity (Boxes) |
|-----------------------|---------------------------------|
| Chocolate (Candy) | 782,800 |
| Wafer Biscuits | 5,863,857 |
| Wedding Cake (Pastry) | 1,062,550 |
| Other | 283,000 |

(III) Major production and sales policies:

1. We have developed a range of products tailored to meet consumer needs by focusing on the quality of our ingredients and the functionality of our products.
2. To increase the sales of high-end wedding cakes and festive products, we have been promoting souvenirs and retail products.
3. We are actively expanding into global markets with our local production advantages.
4. Production development utilizes renewable energy within a circular economy, minimizing waste by rethinking materials, products, processes, and business models. We will continue to pursue our strategy of "local sustainability and well-being."

The Company's management team is people-oriented, building upon five strategic **pillars** to achieve sustainable management and deliver happiness to five stakeholder groups: communicating with consumers through products to share the sweet taste of peace of mind; fostering a fresh and prosperous future for the next generation through

environmental initiatives; establishing mutually beneficial and prosperous relationships with partners; infusing society with joyful and positive energy; and creating a vibrant, friendly workplace for employees. **We create "Happy Moments" for our customers with sincerity, aspiring for happiness that lasts not only for a moment, but forever. Today, we are proud to have the opportunity to present our 2024 operating overview to all shareholders.**

We sincerely thank all shareholders for their continued support and trust in the new year, and we will strive even harder to achieve greater results to share with all of you.

Chairperson: Yun-Chi Chang

Managerial Officer: Yun-Chi Chang

Finance and Accounting Supervisor: Tsai-Yun Yu

- I. Information on the Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units**
- II. Remuneration Paid to the Directors, Supervisors, President, and Vice Presidents in the Recent Year**
- III. Implementation of Corporate Governance**
- IV. Information on CPA Professional Fees**
- V. Information on Replacement of CPAs**
- VI. The Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the CPAs' Accounting Firm or an Affiliate of the Accounting Firm**
- VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report) by Directors, Supervisors, Managerial Officers, or Shareholders with a Stake of More than 10%**
- VIII. Relationship information, if among the company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another**
- IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company**

I. Information on the Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

(I) Directors, Supervisors

Information on Directors and Supervisors (I)

As of April 20, 2025

| Title (Note 1) | Nationality /Place of Registration | Name | Gender Age (Note 2) | Date of Election/ Appointment in Current Term | Term | Date First Elected (Note 3) | Shareholding When elected | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominees | | Experience (Education) (Note 4) | Other Position Concurrently Held at the Company and Other Companies | Executives, Directors or Supervisors who Are Spouses or Kinship | | | Remark (Note 5) |
|----------------------|------------------------------------|---|---------------------|---|---------|-----------------------------|---------------------------|--------------------|----------------------|--------------------|-----------------------------|--------------------|--------------------------|--------------------|--|---|---|------|--------------|-----------------|
| | | | | | | | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | | | Title | Name | Relationship | |
| Chairperson | ROC | Cheng Tian Investment Co., Ltd. Representative: Yun-Chi Chang | Female/ 51-60 | 2022.6.29 | 3 years | 2016.6.22 | 10,410,000 | 9.61% | 9,711,652 | 11.20% | 0 | — | — | — | M.B.A., University of Virginia | President | - | - | - | |
| Director | ROC | Tong Mao Investment Co., Ltd. Representative: Sheng-Chun Wang | Male/ 31-40 | 2022.6.29 | 3 years | 2016.6.22 | 143,658 | 0.13% | 114,926 | 0.13% | 0 | — | — | — | M.S. in Management, Boston University | Director, Taipei Wangtea Enterprise Co., Ltd. Director, Taiwan Cogeneration Corp. Director, Ten Ken Tea Co. Ltd. | - | - | - | |
| | | Rivon Investment Co., Ltd. Representative: Shu-Yen Chang | Female/ 51-60 | 2022.6.29 | 3 years | 2022.6.29 | 3,440,295 | 3.18% | 2,752,236 | 3.18% | 34,000 | 0.04% | — | — | Chairperson, Rivon Investment Co., Ltd. | Head of Purchasing Department of the Company | - | - | - | |
| Independent Director | ROC | Tsung-Pen Chang | Male/ 61-70 | 2022.6.29 | 3 years | 2022.6.29 | 0 | - | 0 | - | 0 | - | — | — | PhD Program in Business Administration at National Chengchi University IMBA in International Business Management, National Taiwan University Bachelor of Science in Urban Planning, National Cheng Kung University | General Manager, Sanyou Drugstores, Ltd. Director, Taiwan Way Chain Industrial Co., Ltd. | - | - | - | |
| Independent Director | ROC | Yen-Chuan Lin | Female/ 61-70 | 2022.6.29 | 3 years | 2016.6.22 | 0 | - | 0 | - | 0 | - | — | — | M.A., Rikkyo University, Japan | Certified Public Accounting, Hsin Yeh Accounting Firm | - | - | - | |
| Independent Director | ROC | Chun-Pei Liu | Male/ 51~ 60 | 2022.6.29 | 3 years | 2019.6.21 | 0 | - | 0 | - | 23,200 | 0.03% | — | — | Ateneo De Manila University MBA Director of Service Merchandise, President Chain Store Corporation; President, Former Tat & Co. Merchant House | Director of the General Manager's Office, President Chain Store Corporation Director, Connection Labs Ltd. | - | - | - | |
| Independent Director | ROC | Cheng-Chiu Yang | Female/ 61-70 | 2023.6.20 | 3 years | 2023.6.20 | 0 | - | 0 | - | 0 | - | — | — | Department of German Language and Literature, Soochow University | KT. Li Foundation for Development of Science and Technology-Chief Advisor Taiwan Independent Director Association-Honorary Advisor Taiwan Women on Boards Association-Advisor Global Talentpreneur Innovation & Collaboration Association (GlobalTIC)- Director Next-Generation Industry Startup Training Program Innovation and Entrepreneurship Awards -Reviewer SOS-IPO-Reviewer/Coach Startup Terrace Kaohsiung Startup Recruitment Council -Reviewer | - | - | - | |

Note 1. For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2. Please state the actual age, or alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3. Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4. Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5. Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): In 2023, we added one new independent director seat to further enhance the effectiveness of corporate governance.

Table 1: Major Shareholders of Corporate Shareholders

As of April 20, 2025

| Name of corporate shareholder (Note 1) | Major shareholders of the corporate shareholder (Note 2) |
|--|--|
| Cheng Tian Investment Co., Ltd. | Yun-Chi Chang 31.67%, I-Yen Chang 31.67%, I-Feng Chang 31.67%, Tien Chang 4.98% |
| Tong Mao Investment Co., Ltd. | Lian-Yuan Wang 39%, Le-Yin Wang-Hung 41%, Sheng-Chun Wang 14%, Sheng-Wen Wang 3% |
| Rivon Investment Co., Ltd. | Chun-Guei Chang Chao 25%, Cheng Tian 37%, Yun-Chi Chang 20%, Shu-Yen Chang 6%, Hsiu-Ching Chang 6%, I-Yen Chang 6% |

Note 1. If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2. Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below. (N/A)

Table 2: Major shareholders of major corporate shareholders

As of April 20, 2025

| Name of legal person (Note 1) | Major shareholder of legal person (Note 2) |
|---------------------------------|---|
| Cheng Tian Investment Co., Ltd. | Yun-Chi Chang 31.67%, I-Yen Chang 31.67%, I-Feng Chang 31.67%, Tien Chang 4.98% |

Information on Directors and Supervisors (II)

I. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors

| Qualifications Name | Professional Qualification and Work Experience (Note 1) | Independence Analysis (Note 2) | Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director |
|---|---|---|--|
| Yun-Chi Chang Chairperson | The professional qualifications and experience of the directors can be found in the "Board of Directors' Profile" and (p.14~15) of the Annual Report. | N/A | 0 |
| Shu-Yen Chang Director | | | 0 |
| Sheng-Chun Wang Director | | | 0 |
| Tsung-Pen Chang Independent Director | All directors are not subject to the provisions of Article 30 of the Company Act (Note 1) | All independent directors are qualified as follows: 1. Comply with Article 14-2 of the Securities and Exchange Act and the Regulations Governing the Establishment and | 0 |
| Yen-Chuan Lin Independent Director | | | 0 |

| Qualifications Name | Professional Qualification and Work Experience (Note 1) | Independence Analysis (Note 2) | Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director |
|--------------------------------------|---|---|--|
| Chun-Pei Liu Independent Director | | <p>Compliance of Independent Directors of Public Companies promulgated by the FSC</p> <p>2. For the last two years, there was no remuneration for business, legal, financial, or accounting services provided by the Company or its affiliates.</p> | 0 |

II. Diversity and Independence of the Board of Directors:

(I) Board of Directors: In addition to evaluating the academic qualifications of each candidate, and considering the opinions of its stakeholders, it is stipulated in Article 20 of the "Code of Corporate Governance Practices" and Article 2 of the "Procedures for Election of Directors" that members of the Board of Directors shall generally possess the knowledge, skills and qualities required for the execution of their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Objective: In alignment with the Company's corporate governance and sustainable development strategy, diversity and ethical conduct are highly valued alongside professional expertise. The Company aims for independent directors to comprise at least 50% of the board, including at least one female director.

Achieved: Currently, the board consists of 1 director aged 31-50, representing 14% of all directors; 3 directors aged 51-60, accounting for 43% of all directors; and 3 directors aged 61-70, making up 43% of all directors. Notably, 4 female directors hold half of all director positions. Additionally, 29% of directors are company employees. Detailed profiles of board members, including their backgrounds and experiences, are provided in the Board Diversity Implementation report.

(II) Board of Directors Independence: The nomination and election of members of the Board of Directors adhere to the Articles of Incorporation, employing a candidate nomination system. Besides evaluating candidates' education and work backgrounds, stakeholders' opinions are considered per the "Regulations Governing Election of Directors" and the "Code of Corporate Governance" to ensure board diversity and independence. Among the three independent directors, constituting one-half of the board, are Yen-Chuan Lin, a certified public accountant, Chun-Pei Liu, president of Former Tait & Co. Merchant House and a senior manager of President Chain Store Corporation, and Tsung-Pen Chang, former president of President Drugstore Business Corporation who also managed the COSMED Cosmetic Chain Store. All possess the necessary knowledge, skills, and qualities required to perform their duties and have extensive expertise in finance, finance, business and industry respectively. In addition, the tenure of 2 independent directors is below 3 years, and the tenure of 2 independent directors is 4~7 years. There are no situations as stipulated in Article 26-3 of the Securities and Exchange Act, items 3 and 4, and there are no spousal or consanguineous relationships between each director and the independent directors.

Note 1.: Professional qualifications and experience: the professional qualifications and experience of each director and supervisor must be specified. If a member of the Audit Committee, their accounting or finance background and work experience must also be specified. Additionally, should any circumstance under any subparagraph of Article 30 of the Company Act exist with respect to a director or supervisor, this must also be specified.

Note 2.: The independence status of each independent director, including but not limited to the following, must be disclosed: have they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? If so, what is the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 3.: Regarding the method of disclosure, please refer to the "Sample Annual Report" page on the Taiwan Stock Exchange Corporate Governance Center website.

A. Implementation of Board Diversity:

| Diversified Core Competences | Basic Composition | | | | | | | | Professional Qualification and Work Experience | | | | Operating ability | | | |
|------------------------------|-------------------|--------|--------------------------------------|-------|-------|-------|-----------------------------------|-----------|--|-------------------------|----------------------|-------------------------|--------------------------------------|----------------------|----------------------|--------------------------|
| | Nationality | Gender | A Concurrent Employee of the Company | Age | | | Seniority of Independent Director | | Marketing | Cross-Border Operations | Financial Management | Accounting and Auditing | Leadership and Operations Management | Industrial Knowledge | Business Development | Corporate Sustainability |
| | | | | 31~50 | 51~60 | 61~70 | Less than 3 years | 3~9 years | | | | | | | | |
| Name of Director | | | | | | | | | | | | | | | | |
| Yun-Chi Chang | R.O.C. | Female | V | | V | | | | | V | V | V | | V | V | V |
| Shu-Yen Chang | R.O.C. | Female | V | | V | | | | | V | | | | V | V | V |
| Sheng-Chun Wang | R.O.C. | Male | | V | | | | | | V | V | V | | V | V | V |
| Tsung-Pen Chang | R.O.C. | Male | | | | V | V | | | V | V | V | | V | V | V |
| Yen-Chuan Lin | R.O.C. | Female | | | | V | | V | | | | V | V | V | | V |
| Chun-Pei Liu | R.O.C. | Male | | | V | | | V | | V | V | V | | V | V | V |
| Cheng-Chiu Yang | R.O.C. | Female | | | | V | V | | | V | | | | V | V | V |

Director Yun-Chi Chang holds a Master's degree in Business Administration from the University of Virginia. She previously served as Special Assistant to the General Manager of Hunya Corporation, with extensive experience across logistics, sales, merchandise planning, and business unit management. With a comprehensive and robust background in the industry, she is particularly skilled in product planning, marketing, leadership, and operational management. Ms. Chang has served as the Company's General Manager for 12 years. Upon the retirement of the founder and former Chairman, she assumed the role of Chairman while continuing her duties as General Manager. She has been dedicated to driving the Company's sustainable development and long-term growth. Under her leadership, the Company was awarded the TCSA Taiwan Corporate Sustainability Award – Silver Award in the Food & Beverage Industry in both 2020 and 2021, and the Gold Award in 2022. Furthermore, the Company received the Green Leadership Award from the AREA (Asia Responsible Enterprise Awards), becoming the only recipient from Taiwan's food industry. The Company also earned the Bronze Award in the TSAA (Taiwan Sustainability Action Awards) under SDG12 and, in 2023, was honored with the TCSA Platinum Award for its Corporate Sustainability Report.

Director Sheng-Chun Wang holds a Master's degree in Management from Boston University. He currently serves as a director of Taipei Wangtea Enterprise Co., Ltd. and Taiwan Cogeneration Corporation. As the fifth-generation brand steward of the century-old tea house Wangtea, Director Wang has innovatively transformed the traditional tea business, challenging the perception that its

customer base consists mainly of middle-aged and elderly consumers. He has implemented standardized pricing to promote honest sales, leveraged core competencies in roasting and blending, and developed the brand [Drink Joy] along with establishing the experimental tea house [Wangtea Lab]. Through his keen market insight and curiosity, he has successfully maintained the connection between traditional tea culture and modern markets. Director Wang has demonstrated outstanding capabilities in capital markets, international trade, product marketing, procurement practices, product planning and marketing, as well as business development.

Independent Director Tsung-Pen Chang currently serves as the General Manager of Sanyou Pharmacy Co., Ltd. He is pursuing a Doctor of Business Administration (DBA) at National Chengchi University, holds a Master's degree in International Business Management from National Taiwan University, and a Bachelor's degree in Urban Planning from National Chengchi University. Mr. Chang previously served as General Manager of Uni-President Life Enterprises Co., Ltd., where he was responsible for managing over 400 Cosmed pharmacy chain stores. He strengthened Cosmed's long-term competitiveness by strategically driving foundational initiatives and transformations across seven key elements: personnel, stores, products, systems, logistics, policies, and corporate culture. With his extensive experience in business management and strategic development, Mr. Chang is well positioned to contribute significantly to the Company's strategic planning, cross-border operations, and long-term marketing channel development.

Independent Director Yen-Chuan Lin graduated from the Department of Accounting at National Taiwan University and holds a Master's degree from Rikkyo University in Japan. She is currently a partner at Hsin Yeh Accounting Firm, providing the Company with professional and independent expertise in accounting and auditing, financial management, and tax regulations.

Independent Director Chun-Pei Liu holds an MBA from Ateneo De Manila University. He formerly served as General Manager of Tait & Co. Merchant House and was Vice President of 7-Eleven Philippines for seven years, achieving outstanding business performance. He is currently the Director of Service Merchandising at President Chain Store Corporation (7-Eleven Taiwan). With his unique background in convenience store systems and channel management, Director Liu has made significant and distinctive contributions to the Company's strategic planning, cross-border operations, and the long-term development of marketing channels.

Independent Director Cheng-Chiu Yang graduated from the Department of German Language and Literature at Soochow University. She has served as Secretary-General of the Taiwan Venture Capital Association (TVCA) and the Mergers and Acquisitions and Private Equity Council of Taiwan (MAPECT), playing a key role in promoting venture capital and private equity investment in Taiwan. She currently serves as Chief Advisor to the K.T. Li Foundation for the Development of Science and Technology, Executive Advisor to the Monte Jade Science & Technology Association of Taiwan, and Director of the Global Talentrepreneur Innovation & Collaboration Association (GlobalTiC). Director Yang's extensive network and experience enable her to provide invaluable advice on business investment expansion and corporate development.

B. President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

Information on the President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

As of April 20, 2025

| Title (Note 1) | Nationality | Name | Gender | Date Elected | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominees | | Major Experience (Education) (Note 2) | Other Position Concurrently Held at the Company and Other Companies | Managerial Officer who Are Spouses or within the Second Degree of Kinship | | | Remark |
|--|-------------|-----------------|--------|--------------|------------------|--------------------|-----------------------------|--------------------|--------------------------|--------------------|--|---|---|------|--------------|--------|
| | | | | | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | | | Title | Name | Relationship | |
| President | ROC | Yun-Chi Chang | Female | 2009.11.18 | 1,786,080 | 2.06% | 70,712 | 0.08% | - | - | M.B.A., University of Virginia | - | - | - | - | |
| Assistant Vice President of 77 Business | ROC | Chi-Jie Chi | Male | 2018.5.1 | - | - | - | - | - | - | Electronic Division, Chin-Min College Sales Supervisor, Mars Foods Inc. | - | - | - | - | |
| Assistant Vice President, Production HQ | ROC | Chu-Bin Yang | Male | 2019.5.1 | - | - | - | - | - | - | M.S. in Industrial Engineering, National Tsing Hua University Manager of R&D Department, Manufacturing Division, Onstatic Technology Co., Ltd. Associate Manager of Strategic Planning Office, AUO Corporation | - | - | - | - | |
| Financial and Accounting Manager | ROC | Tsai-Yun Yu | Female | 2015.09.23 | - | - | - | - | - | - | Master of Business Administration, Yuan Ze University Accounting Supervisor, Listed Electronics Company | - | - | - | - | |
| Assistant Vice President of Marketing Planning | ROC | Shao-Ting Chung | Male | 2022.07.01 | - | - | - | - | - | - | Master of Business Administration, National Chengchi University Marketing Manager, Koninklijke Philips N.V. | - | - | - | - | |
| Assistant Vice President of Baking Business | ROC | Tse-Kuang Chen | Male | 2023.8.30 | - | - | - | - | - | - | M.S. in Nutritional Sciences, University of Michigan Director, Namchow Oil and Fat Co., Ltd. Team Leader of Marketing, Total Quality Food Association (TQFA) | - | - | - | - | |

Note 1.: The information in this table should be disclosed for the general manager, deputy assistant general managers, assistant general managers, and the chiefs of all the company's divisions and branch units, including all persons in positions equivalent to general manager, assistant general manager, or deputy assistant general manager, regardless of job title.

Note 2.: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible

Note 3.: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer). There are seven members on the Board of Directors, three of whom are independent directors and four of whom are active employees, and they should be able to meet the requirements of professionalism and interest avoidance in discussing and deciding on Material Matters for the Company.

II. Remuneration Paid to the Directors, Supervisors, President, and Vice Presidents in the Recent Year

(I) Remuneration Paid to the Directors, Supervisors, President, and Vice Presidents in the Recent Year

1. Remuneration Paid to Directors and Independent Directors (Individual Disclosure of Names and Remuneration Items)

| Unit: NT\$ thousand | | | | | | | | | | | | | | |
|--|-----------------|--------------------------------|-------------------------------|------------------------|---|--|---|--|------------------------------------|------------------------------------|---|--|---------|--|
| Title | Name | Remuneration to directors | | | | Sum of A+B+C+D and ratio to net income (Note 10) | | Remuneration received by directors for concurrent service as an employee | | | | Sum of A+B+C+D+E+F+G and ratio to net income (Note 10) | | Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11) |
| | | Base Compensation (A) (Note 2) | Severance Pay and Pension (B) | Directors (C) (Note 3) | | Business Execution Expenses (D) (Note 4) | Salary, rewards, and Special disbursements (E) (Note 5) | Severance Pay and Pension (F) | Employee Compensation (G) (Note 6) | | The Company Consolidated Financial Statements | All Companies in Consolidated Financial Statements (Note 10) | | |
| | | | | The Company | All Companies in Consolidated Financial Statements (Note 7) | | | | The Company | All consolidated entities (Note 7) | | | | |
| | | | | | | | | | | | | | Cash | |
| Chairperson | Yun-Chi Chang | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (25.05) | 0 |
| Director | Sheng-Chun Wang | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0.11) | 0 |
| Director | Shu-Yen Chang | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5.70) | 0 |
| Independent Director | Tsung-Pen Chang | 215 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1.16) | 0 |
| Independent Director | Yen-Chuan Lin | 115 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0.75) | 0 |
| Independent Director | Chun-Pei Liu | 215 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1.16) | 0 |
| Independent Director | Cheng-Chiu Yang | 57 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0.51) | 0 |
| 1. Please explain the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the considered factors such as their job responsibilities, risks, and working time: 2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises): | | | | | | | | | | | | | | |

Range of Remuneration

| Range of Remuneration Paid to Directors | Name of Director | | | |
|--|--|--|--|--|
| | Total Amount of Remuneration (A+B+C+D) | | Total Amount of Remuneration (A+B+C+D+E+F+G) | |
| | The Company (Note 8) | All Companies in Consolidated Financial Statements (Note 9) H | The Company (Note 8) | All Companies in Consolidated Financial Statements (Note 9) I |
| Less than NT\$1,000,000 | Tsung-Pen Chang, Sheng-Chun Wang, Yen-Chuan Lin, Chun-Pei Liu, Cheng-Chiu Yang | Tsung-Pen Chang, Sheng-Chun Wang, Yen-Chuan Lin, Chun-Pei Liu, Cheng-Chiu Yang | Tsung-Pen Chang, Sheng-Chun Wang, Yen-Chuan Lin, Chun-Pei Liu, Cheng-Chiu Yang | Tsung-Pen Chang, Sheng-Chun Wang, Yen-Chuan Lin, Chun-Pei Liu, Cheng-Chiu Yang |
| NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive) | Shu-Yen Chang | Shu-Yen Chang | Shu-Yen Chang | Shu-Yen Chang |
| NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive) | - | - | - | - |
| NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive) | - | - | - | - |
| NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive) | Yun-Chi Chang | Yun-Chi Chang | Yun-Chi Chang | Yun-Chi Chang |
| NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive) | - | - | - | - |
| NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive) | - | - | - | - |
| NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive) | - | - | - | - |
| NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive) | - | - | - | - |
| Over NT\$100,000,000 | - | - | - | - |
| Total | 7 | 7 | 7 | 7 |

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an assistant general manager, please complete this Table and Tables 3-1, or 3-2.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other form of transportation, or personalized expenses is provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but don't include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal

year (including concurrent service as general manager, assistant general manager, another managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

- Note 7.: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).
- Note 8.: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.
- Note 9.: No Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).
- Note 10.: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year
- Note 11.: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").
- b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, which remuneration shall be added into the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises."
- c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

* This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

3. Remuneration to President(s) and Assistant President(s) (Individual Disclosure of Names and Remuneration Items)

Unit: NT\$ thousand

| Title | Name | Salary (A) (Note 2) | | Severance Pay and Pension (B) | | Bonus and Allowance (C) (Note 3) | | Employee Compensation (D) (Note 4) | | | | Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 8) | | Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9) |
|-----------|---------------|---------------------|---|-------------------------------|---|----------------------------------|---|------------------------------------|---|-------------|---|--|----------------|---|
| | | The Company | All Companies in Consolidated Financial Statements (Note 5) | The Company | All Companies in Consolidated Financial Statements (Note 5) | The Company | All Companies in Consolidated Financial Statements (Note 5) | The Company | All Companies in Consolidated Financial Statements (Note 5) | The Company | All Companies in Consolidated Financial Statements (Note 5) | | | |
| | | | | | | | | | | | | | | |
| President | Yun-Chi Chang | 2,893 | 2,893 | 174 | 174 | 2,965 | 2,965 | 0 | 0 | 0 | 0 | 6,032/(25.05%) | 6,032/(25.05%) | None |

* Disclosures must be made for all persons in positions equivalent to president or assistant president, regardless of job title (e.g., president, chief executive officer, chief administrative officer, etc.)

4. Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEX listed Company (Individual Disclosure of Names and Remuneration Items)

Unit: NT\$ thousand

| Title | Name | Salary (A) (Note 2) | | Severance Pay and Pension (B) | | Bonus and Allowance (C) (Note 3) | | Employee Compensation (D) (Note 4) | | | | Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 8) | | Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9) |
|-------|------|---------------------|---|-------------------------------|---|----------------------------------|---|------------------------------------|---|-------------|---|--|-------|---|
| | | The Company | All Companies in Consolidated Financial Statements (Note 5) | The Company | All Companies in Consolidated Financial Statements (Note 5) | The Company | All Companies in Consolidated Financial Statements (Note 5) | The Company | All Companies in Consolidated Financial Statements (Note 5) | The Company | All Companies in Consolidated Financial Statements (Note 5) | | | |
| | | | | | | | | | | | | Cash | Stock | |
| N/A | | | | | | | | | | | | | | |

*Disclosures must be made for all persons in positions equivalent to president or assistant president, regardless of job title (e.g., president, chief executive officer, chief administrative officer...etc.)

Range of Remuneration

| Range of Remuneration Paid to the President and Vice Presidents | Name of President and Vice President | |
|---|--------------------------------------|--|
| | The Company (Note 7) | All Companies in Consolidated Financial Statements (Note 8) E |
| Less than NT\$1,000,000 | - | - |
| NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive) | - | - |
| NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive) | - | - |
| NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive) | - | - |
| NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive) | Yun-Chi Chang | Yun-Chi Chang |
| NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive) | - | - |
| NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive) | - | - |
| NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive) | - | - |
| NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive) | - | - |
| Over NT\$100,000,000 | - | - |
| Total | 1 | 1 |

Note 1.: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an assistant general manager, please complete this Table and Table 1-1, or Tables 1-2-1 and 1-2-2.

Note 2.: This includes salary, duty allowances, and severance pay to the general manager(s) and assistant general manager(s) in the most recent fiscal year.

Note 3.: This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the general manager(s) and assistant general managers(s) in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a right offering, etc.—should be included in the calculation of remuneration.

Note 4.: This refers to employee profit-sharing compensation (including stocks and cash) received by the general manager(s) and assistant general manager(s) as approved or expected to be approved by the board of directors for the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed

Note 5.: Disclose the total amount of remuneration in each category paid to the general manager(s) and assistant general manager(s) by all companies in the consolidated financial report (including the Company).

Note 6.: Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager by the Company.

Note 7.: Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager of the Company by all companies in the consolidated financial report (including the Company).

Note 8.: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9.: a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and assistant general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If general manager(s) or assistant general manager(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises."

c. Remuneration means remuneration received by the general manager(s) and assistant general manager(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

* This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

March 31, 2025

| | Title (Note 1) | Name (Note 1) | Stock | Cash | Total | As a % of net profit |
|--------------------|-------------------------------------|-----------------|-------|------|-------|----------------------|
| Managerial Officer | President | Yun-Chi Chang | - | - | - | - |
| | Assistant Vice President | Shao-Ting Chung | | | | |
| | Assistant Vice President | Chi-Jie Chi | | | | |
| | Vice President | Tse-Kuang Chen | | | | |
| | Assistant Vice President | Chu-Bin Yang | | | | |
| | Financial and Accounting Supervisor | Tsai-Yun Yu | | | | |

Note 1.: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2.: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 3.: The applicable scope of “managerial officers” is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:

- (1) President(s) and equivalent level positions
- (2) Vice president(s) and equivalent level positions
- (3) Assistant vice president(s) and equivalent level positions
- (4) Chief officer of the finance department
- (5) Chief officer of the accounting department
- (6) Other persons who have the power to manage affairs and sign for the Company

Note 4.: If any director, general manager, or assistant general manager receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-2.

(II) If any of the circumstances listed below applies to the Company, it shall individually disclose the names and remuneration items paid to each director and supervisor:

1. A company that posted an after-tax deficit in the parent company only financial reports or individual financial reports in any of the three most recent fiscal years shall disclose the names and remuneration paid to individual directors and supervisors. This requirement, however, shall not apply if the company has posted net income after tax in the parent company only financial report or individual financial report for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits.
2. A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors.
3. A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of

pledged shares in excess of 50 percent for each such month.

4. If the total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million, the company shall disclose the remuneration paid to that individual director or supervisor.
 5. A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) is ranked within the lowest two tiers in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation.
 6. The average annual salary of the full-time non-management employees in a TWSE or TPEX listed company is less than NT\$500,000 in the most recent fiscal year.
 7. A TWSE or TPEX listed company had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year.
 8. A TWSE or TPEX listed company had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000.
- (III) If the Company falls under the circumstances set forth in Subparagraph 1 or 5 of the preceding paragraph, it shall disclose the remuneration of the top five highest-paid executive officers individually: Not applicable.
- (IV) The total amount of remuneration paid to the Company's directors, supervisors, general manager and vice president as a percentage of net income after tax for the last two years was 34.46% (2023) and 55.50% (2023) for the Company and all companies in the consolidated financial statements, respectively. The remuneration paid in 2023 is as follows:
1. The remuneration of directors and supervisors is based on the Company's Articles of Incorporation at 2% or less of the pre-tax net income, and the Board of Directors resolved to appropriate 1.5% of the pre-tax net income for the year. No remuneration was paid to the directors other than NT\$3,000 for every travel attended by the directors and NT\$200,000 as a fixed annual remuneration to the independent directors.
 2. In addition to the fixed salary, the managers are evaluated on the basis of their performance and annual targets (KPI); the marketing unit is evaluated on the basis of turnover achievement, product gross profit achievement rate, expense control, organization and manpower development, channel relationship management, and short-, medium- and long-term brand image development; the production and R&D unit is evaluated on the basis of production process safety, employee safety and health, production capacity performance, inventory control, production and sales coordination, product development, and quality control; the other management units are evaluated on the basis of their functions and responsibilities, and bonuses are paid after annual performance evaluation.

III. Implementation of Corporate Governance

The Board of Directors has authorized its Audit Committee and Remuneration Committee to assist the Board of Directors in carrying out its supervisory duties. The constitution of each committee is approved by the Board of Directors and its resolutions are regularly reported to the Board of Directors.

(I) Implementation of Board of Directors

1. The Company's Board of Directors consists of seven directors with extensive experience in industrial operations or professional fields, four of whom are independent directors, accounting for one-half of the total number of directors.
2. The composition of the Company's board of directors is diverse, including industry experience, management experience, multinational corporations, accountants, foreign banks, etc., and includes four female directors, as described in the Diversity of Directors section on page 19 to 20 of this annual report.
3. The Board of Directors is responsible for monitoring the Company's compliance with the law, financial transparency and integrity, evaluating the performance of the team and appointing and dismissing managers, resolving important issues, and guiding the management team. Quarterly financial reports, results of operations and corporate strategy are presented by the management. The Board reviews the progress of the strategy and urges the management team to make adjustments as necessary.
4. The election of directors is based on the nomination system for candidates under Article 192-1 of the Company Act, and the term of office of the board of directors is three years. The independence of independent director candidates must also comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". In accordance with the relevant laws and regulations, shareholders holding 1% or more of the total issued shares of the Company may propose a list of candidates to the Company so that shareholders may participate in the nomination process for director candidates. All director candidates will be elected by shareholders' vote at the annual shareholders' meeting.
5. In accordance with the Company's Articles of Incorporation, the compensation of the Board of Directors is determined in accordance with the usual industry standards based on the degree of participation and value of the Board's contribution to the Company's operations. The Board of Directors' remuneration is based on their participation in the Company's operations and the value of their contribution to the Company's operations at the usual level of the industry. The Articles of Incorporation specify that no more than 2% of annual profits shall be paid to the directors.
6. For the most recent year (2024) and up to March 31, 2025, the 17th Board of Directors held 9 meetings (A) and the attendance of the Directors and Supervisors was as follows:
 - A. The Board of Directors of the Company consists of seven members.
 - B. For the current term of directors, the board of directors held 11 meetings (A) in the most recent year and up to March 31, 2024, and the qualifications and attendance of the board members are as follows: (from 2022.06.29 to 2025.05.24)

| Title | Name (Note 1) | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (B/A) (Note 2) | Remark |
|--------------------------|---|--------------------------|---------------------|--------------------------------|---------------|
| Chairperson/ Director | Representative of Cheng Tian Investment Co., Ltd.: Yun-Chi Chang | 11 | - | 100% | Re-elected |
| Director | Representative of Tong Mao Investment Co., Ltd.: Sheng- Chun Wang | 11 | - | 100% | Re-elected |
| Director | Representative of Rivon Investment Co., Ltd.: Shu-Yen Chang | 11 | - | 100% | Newly-elected |
| Independent Director | Tsung-Pen Chang | 11 | - | 100% | Newly-elected |
| Independent Director | Yen-Chuan Lin | 11 | - | 100% | Re-elected |
| Independent Director | Chun-Pei Liu | 11 | - | 100% | Re-elected |
| Independent Director | Cheng-Chiu Yang | 11 | - | 100% | Newly-elected |

Other information required to be disclosed:

- I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors: None.
 - (I) Any matter under Article 14-3 of the Securities and Exchange Act.
 - (II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution.
- II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest shall specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: Reviewed the 2024 year-end bonus for senior executives and the 2023 employee remuneration distribution. Resolution:
With the exception of Directors Yun-Chi Chang and Shu-Yen Chang, who were recused from the discussion and voting in accordance with the law, the remaining directors present were approved without objection after consultation with the chairman.
- III. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table 2(2) Implementation of Evaluations of the Board of Directors.
- IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof: None.

Note 1.: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2.:

- (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.
- (2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(II) Implementation of Evaluations of the Board of Directors

Information on the periodicity and duration, scope, manner and content of self- (or peer) evaluation by the Board of Directors of the Company is as follows: Once a year.

| Frequency | Period | Scope | Method | Content | Result |
|-----------|------------------------|---|------------------------------------|---|---|
| | 2024.1.1 to 2024.12.31 | Board members | Self-evaluation by the directors | <ol style="list-style-type: none"> 1. Familiarity with the goals and missions of the company 2. Awareness of the duties of a director 3. Participation in the operation of the company 4. Management of internal relationships and communication 5. The director's professionalism and continuing education 6. Internal control | The overall appraisal results are positive and valid, showing that the Board of Directors of the Company has been guiding and supervising the strategy, business and risk management of the Company, and the overall operation is in line with the spirit of corporate governance and safeguarding the interests of shareholders. |
| | | Performance of Board of Directors | Self-evaluation by the directors | <ol style="list-style-type: none"> 1. Degree of the board's participation in the operation of the company 2. The quality of the board's decision making 3. Composition and structure of the board 4. Election and continuing education of the directors 5. Internal control | The overall assessment results are positive and valid, indicating that the directors of the Company have a good evaluation of the operation of each assessment indicator. |
| | | Performance of the Functional Committee | Member of the functional committee | <ol style="list-style-type: none"> 1. Degree of the board's participation in the operation of the company 2. Awareness of the duties of the functional committee 3. Quality of decisions made by the functional committee 4. Makeup of the functional committee and election of its members 5. Internal control | The overall evaluation results are positive and valid, indicating that the functional committees of the Company are operating well and effectively enhancing the functions of the Board. |

Succession planning and execution of the Company's board of directors and key management personnel: The Company is actively engaged in succession planning, particularly focusing on grooming successors for key leadership positions. Currently, co-managers and vice presidents are identified as potential successors to the chairman/president, with succession capabilities being honed through hands-on business experience.

The succession pattern of senior executives in the company follows a hierarchical structure. Each department head has established agents and cultivated them to become successors to senior supervisors in their respective departments. This is followed by the implementation of an agent system for each class supervisor and staff member. Job rotation training, function cultivation, education, training, self-learning, coaching, and work experience are employed to develop these successors. Additionally, the company evaluates and examines suitable future successors through its performance appraisal system for future development and implementation. In addition to retaining talent, the company also recruits outstanding talent externally, leveraging both internal and external talent pools to broaden and deepen the company's pool of succession candidates.

Ernst & Young was commissioned by the Company to conduct a performance evaluation of the Board of Directors in 2023. They prepared an evaluation report consolidating major observations, findings, and proposals. Following the Methodology of Ernst & Young on Performance Evaluation of the Board of Directors, the evaluation procedures comprised questionnaires, interviews, and file and document inspection and analysis. The report was submitted to the Board of Directors on January 31, 2023, and relevant information is available on the Company's website."

(III) Operation of Audit Committee

The purpose of the Audit Committee is to assist the Board in fulfilling its role in overseeing the quality and integrity of the Company's execution of accounting, auditing, financial reporting processes and financial controls.

The main subjects considered by the Audit Committee include:

1. Establishing or revising the internal control system.
2. Evaluation of the effectiveness of the internal control system.
3. To establish or revise procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, or endorsement or guarantee of others.
4. Matters in which the directors have an interest.
5. Significant asset or derivative transactions.
6. Lending, endorsing or guaranteeing significant funds.
7. The raising issuance or private placement of securities of an equity nature.
8. The appointment, dismissal or compensation of a certified public accountant.
9. Appointment or removal of financial, accounting or internal audit officers.
10. Annual financial reports and semi-annual financial reports.

Others such as the performance of the Audit Committee's duties and responsibilities; and the Audit Committee's performance evaluation self-assessment questionnaire. Under ROC law, the Audit Committee shall consist of all independent directors, including a certified public accountant and foreign bank executives with a financial expertise background. The Audit Committee conducts annual self-assessments of its performance and discusses future issues of particular concern.

The Audit Committee has the authority to conduct any appropriate audits and investigations in accordance with its Articles of Incorporation in order to fulfill its responsibilities, and has direct access to the Company's internal auditors, certified public accountants, and all employees. The Audit Committee also has the authority to retain and supervise attorneys, accountants or other consultants to assist the Audit Committee in carrying out its duties. Please refer to the Company's website for the Audit Committee Charter.

(2) Operation of Audit Committee

- A. There are a total of 3 members in the Audit Committee.
- B. The term of office of the current members: June 29, 2022 to June 28, 2025, the most recent year and up to March 31, 2025 the 2nd Audit Committee held 6 meetings (A), the qualifications and attendance of the members are as follows:

(From 2022.06.29 to 2025.06.28)

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) (B/A) (Note 1 & 2) | Remark (Re-election date 2022.6.28) |
|------------------|---------------|--------------------------|---------------------|--|-------------------------------------|
| Convener | Ta-Tsung Lin | 6 | - | 100% | Newly-elected |
| Committee Member | Yen-Chuan Lin | 6 | - | 100% | Re-elected |

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) (B/A) (Note 1 & 2) | Remark (Re-election date 2022.6.28) |
|------------------|-----------------|--------------------------|---------------------|--|-------------------------------------|
| Committee Member | Chun-Pei Liu | 6 | - | 100% | Re-elected |
| Committee Member | Cheng-Chiu Yang | 6 | - | 100% | Newly-elected |

Note 1.: If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

Note 2.: If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

C. Other information required to be disclosed:

(I) Any matter under Article 14-5 of the Securities and Exchange Act:

| Meeting Date | Content of Motion | The opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors |
|--------------|---|---|
| 2024.1.31 | 1. Approved the Company's "Regulations for Performance Evaluation of the Board of Directors and Functional Committees." | Approved by all independent directors. |
| 2024.2.27 | 1. Approval of the 2023 financial statements and review of the 2023 Business Report. 2. Approval of the 'Assessment of the Effectiveness of Internal Control System' and 'Statement of Internal Control System' for 2023. 3. Approval of the appropriation of the Company's employee compensation and director remuneration for 2023. 4. Review of the 2023 earnings distribution. 5. Evaluation of the appointment and independence of the accountant. 6. Approval of the process and general policy for pre-approval of non-confirmation services by Ernst & Young LLP and its affiliates. 7. Approved the amendments to the Company's "Rules of Procedure for Shareholders' Meetings." 8. Approved the amendments to the Company's "Audit | |

| Meeting Date | Content of Motion | The opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors |
|--------------|--|---|
| | Committee Charter" and "Regulations Governing Procedure for Board of Directors Meetings." 9. Approval of the disposal of marketable securities of PharmaEssentia. | |
| 2024.5.9 | 1. Approval of financial statements for the first quarter of 2024. | |
| 2024.7.16 | 1. Discussion of the proposal of equipment investment. | |
| 2024.8.13 | 1. Approval of financial statements for the second quarter of 2024. 2. Approved the amendment of certain provisions of the Company's Code of Ethical Conduct . 3. Approved the amendment of certain provisions of the Company's Code of Business Conduct with Integrity . | |
| 2024.11.13 | 1. Approval of the financial statements for the third quarter of 2024. 2. Approved the amendment of certain provisions of the Company's "Internal Control System" and "Internal Audit Implementation Rules". 3. Approval of the 2025 Internal Audit Plan. | |
| 2025.2.25 | 1. Approval of the 2024 financial statements and review of the 2024 Business Report. 2. Approval of the 'Assessment of the Effectiveness of the Internal Control System' and 'Statement of Internal Control System' for 2024. 3. Review of the 2023 earnings distribution. 4. Approved the change of financial statement certifying CPAs to Rung-Huang Shiu and Jung-Chin Liu, effective from fiscal year 2025. 5. Evaluation of the appointment and independence of the accountant. 6. Approval of the process and general policy for pre-approval of non-confirmation services by Ernst & Young LLP and its affiliates. 7. Approval of the amendment to the Company's "Articles of Incorporation." 8. Approved the disposition of the subsidiary's (Croissants Bakery Guanyin District) land and plant. | |

Note: Other resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

(II) Independent directors' recusal from the implementation of interested parties' motions: None.

- (III) Communication between the independent directors, chief internal auditor, and CPAs (including the key items, methods, and results of audit of finances and operations):
1. The head of internal audit of the Company regularly reports and communicates the audit results with the members of the Audit Committee at the quarterly Audit Committee meetings, and reports to the Audit Committee immediately if there are special circumstances. For the most recent year and as of the printing date of the annual report, there were no such special circumstances, and the communication between the audit committee and the head of internal audit of the Company was good.
 2. The Company's Certified Public Accountant (CPA) regularly communicates audit findings directly with the members of the Audit Committee during the two to three annual Audit Committee meetings. In the event of any special circumstances, the CPA will report to the Audit Committee immediately. As of the most recent fiscal year and the printing date of this annual report, no such special circumstances have arisen. Communication between the Audit Committee and the Company's CPA has been satisfactory.
 3. The communication between the independent directors (no ordinary directors) and the head of internal audit and the accountant are listed below:

| Meeting Date | Attendees | Communication with the Chief Internal Auditor | Communication alone with CPA | Communication Result |
|--------------|--|--|---|--|
| 2024.2.27 | Independent Director Chun-Pei Liu Independent Director Tsung-Pen Chang Independent Director Yen-Chuan Lin CPA Rung-Huang Shiu (No management of the Company present) | | 1. Discussion of review of fourth quarter of 2023 financial statements 2. Report on changes in securities and tax legislation 3. Review of qualifications and independence of CPA 4. (Audit Quality Index) AQI Report 5. Explanation of the process and general policy for pre-approval of non-confirmation services by Ernst & Young LLP and its affiliates. | The independent directors have no opinion. |
| 2024.2.27 | Independent Director Chun-Pei Liu Independent Director Tsung-Pen Chang Independent Director Yen-Chuan Lin Audit Manager Chi-Chen Lin Finance Manager Tsai-Yun Yu | 1. Review of internal audit reports 2. Review of the 'Assessment of the Effectiveness of Internal Control System' and 'Statement of Internal Control System' 3. Review of Audit Committee's Review Report 4. Formulation of the process and general policy for pre-approval of non-confirmation services by Ernst & Young LLP and its affiliates. | | The independent directors have no opinion. |
| 2024.5.9 | Independent Director Chun-Pei Liu Independent Director Ta-Tsung Lin Independent Director Yen-Chuan Lin | 1. Review of internal audit reports | 1. Discussion of review of first quarter of 2024 financial statements 2. Report on changes | The independent directors have no opinion. |

| Meeting Date | Attendees | Communication with the Chief Internal Auditor | Communication alone with CPA | Communication Result |
|--------------|--|---|---|--|
| | Audit Manager Chi-Chen Lin Finance Manager Tsai-Yun Yu | | in securities and tax legislation | |
| 2024.8.13 | Independent Director Chun-Pei Liu Independent Director Tsung-Pen Chang Independent Director Yen-Chuan Lin Audit Manager Chi-Chen Lin Finance Manager Tsai-Yun Yu | 1. Review of internal audit reports | 1. Discussion of review of second quarter of 2024 financial statements 2. Report on changes in securities and tax legislation | The independent directors have no opinion. |
| 2024.11.13 | Independent Director Chun-Pei Liu Independent Director Tsung-Pen Chang Independent Director Yen-Chuan Lin CPA Rung-Huang Shiu (No management of the Company present) | 1. Review of internal audit reports | 1. Discussion of review of third quarter of 2024 financial statements 2. Report on changes in securities and tax legislation | The independent directors have no opinion. |
| 2024.11.13 | Independent Director Chun-Pei Liu Independent Director Tsung-Pen Chang Independent Director Yen-Chuan Lin Audit Manager Chi-Chen Lin Finance Manager Tsai-Yun Yu | 1. Discussion of 2023 Audit Plan 2. Review of internal audit reports | | The independent directors have no opinion. |
| 2024.2.27 | Independent Director Chun-Pei Liu Independent Director Tsung-Pen Chang Independent Director Yen-Chuan Lin CPA Rung-Huang Shiu (No management of the Company present) | | 1. Discussion of review of fourth quarter of 2023 financial statements 2. Report on changes in securities and tax legislation 3. Review of qualifications and independence of CPA 4. (Audit Quality Index) AQI Report 5. Explanation of the | The independent directors have no opinion. |

| Meeting Date | Attendees | Communication with the Chief Internal Auditor | Communication alone with CPA | Communication Result |
|--------------|--|--|---|----------------------|
| | | | process and general policy for pre-approval of non-confirmation services by Ernst & Young LLP and its affiliates. | |
| 2025.2.25 | Independent Director Chun-Pei Liu Independent Director Tsung-Pen Chang Independent Director Yen-Chuan Lin Audit Manager Chi-Chen Lin Finance Manager Tsai-Yun Yu | <ol style="list-style-type: none"> 1. Review of internal audit reports 2. Review of the 'Assessment of the Effectiveness of Internal Control System' and 'Statement of Internal Control System' 3. Review of Audit Committee's Review Report 4. Formulation of the process and general policy for pre-approval of non-confirmation services by Ernst & Young LLP and its affiliates. 5. Approved the change of financial statement certifying CPAs to Rung-Huang Shiu and Jung-Chin Liu, effective from fiscal year 2025. | | |

(IV) The Company has a Remuneration Committee, which shall disclose its composition, duties and operations:

(1) Information on Remuneration Committee Members

March 31, 2025

| Capacity (Note 1) | Name | Qualifications | Professional Qualification and Work Experience (Note 2) | Independence Analysis (Note 3) | Number of other public companies at which the person concurrently serves as remuneration committee member |
|-------------------------|--------------------|----------------|--|---|---|
| | | | | | |
| Independent Director | Chun-Pei Liu | | Please refer to the Information on Directors and Supervisors (I) for details. | Please refer to the Information on Directors and Supervisors (I) for details. | 0 |
| Independent Director | Yen- Chuan Lin | | Please refer to the Information on Directors and Supervisors (I) for details. | Please refer to the Information on Directors and Supervisors (I) for details. | 0 |
| Independent Director | Tsung-Pen Chang | | Please refer to the Information on Directors and Supervisors (I) for details. | Please refer to the Information on Directors and Supervisors (I) for details. | 0 |
| Independent Director | Cheng-Chiu Yang | | Please refer to the Information on Directors and Supervisors (I) for details. | Please refer to the Information on Directors and Supervisors (I) for details. | 0 |

Note 1.: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1 Information on Directors and Supervisors (I) on page.8. For “Capacity,” please specify whether the member is an independent director or other (if the member is the convenor, please note that fact).

Note 2.: **Professional qualifications and experience:** Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3.: **Independence analysis:** Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a “specified company” (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment

and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 4.: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(2) Operational status of the Remuneration Committee

- A. There are a total of 3 members in the Remuneration Committee.
- B. The term of office of the current members is from June 29, 2022 to June 28, 2025. As of March 31, 2025, the 5th Remuneration Committee held three meetings during the most recent fiscal year. The qualifications and attendance records of the members are as follows:

(from 2022.01.01 to 2025.6.28)

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) (B/A) (Note) | Remark (Re-election date 2025.6.28) |
|------------------|-----------------|--------------------------|---------------------|----------------------------------|-------------------------------------|
| Convener | Chun-Pei Liu | 3 | - | 100% | Re-elected |
| Committee Member | Tsung-Pen Chang | 3 | - | 100% | Newly-elected |
| Committee Member | Yen-Chuan Lin | 3 | - | 100% | Re-elected |
| Committee Member | Cheng-Chiu Yang | 3 | - | 100% | Newly-elected |

Other information required to be disclosed:

- I. If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.
- II. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

Note:

- (1) The resignation date for any members of the Remuneration Committee resigning before the end of the fiscal year shall be specified in the Remark column. The attendance rate (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the number of attendances during the member's tenure.
- (2) If members of the Remuneration Committee are re-elected before the end of the fiscal year, the succeeding and preceding members shall be listed and indicated as "succeeding", "preceding" or "re-elected" in the Remark column, as well as the date of re-election. The attendance rate (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the number of attendances during the member's tenure.

C. The discussion of the Remuneration Committee and the result of the resolution, and the Company's handling of the opinions of the members

| Meeting Date | Content of Motion | The opinions of all the members, and the Company's handling of the opinions of the members |
|--------------|---|--|
| 2024.1.31 | 1. Reviewed the year-end bonus and allocation to directors and executives for duty execution for 2023. | Approved by all members of Remuneration Committee |
| 2024.5.24 | 1. Reviewed the appropriation and allocation of remuneration to directors and supervisors for 2023. 2. Reviewed the allocation of employee compensation to senior executives for 2023. | Approved by all members of Remuneration Committee |
| 2025.1.16 | 1. Reviewed the year-end bonus and allocation to directors and executives for duty execution for 2023. | Approved by all members of Remuneration Committee |

(V) Major Resolutions and Implementation of Shareholders' Meeting and Board Meetings during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report.

1. Major Resolutions of Shareholders' Meeting and Implementation Status

At the 2024 Annual General Meeting of Shareholders held on May 24, 2024, in the conference room of the Taoyuan Jianguo Plant, the following matters were resolved and executed by the shareholders meeting:

(1) Approval of 2023 Annual Report and Financial Statements

Implementation: Approval of 2023 Annual Report and Financial Statements, including consolidated revenue of NT\$ 1.9299 billion, net loss after tax of NT\$15.69 million and earnings per share of NT\$0.16 for the year.

(2) Approval of 2023 earnings distribution

Implementation: Approval of cash dividends of NT\$0.65 per common share allotted. The ex-dividend date is set as July 26, 2024 and the cash dividends shall be paid on August 9, 2024.

(3) Approval of amendments to the Company's internal regulations as follows:

Rules of Procedure for Shareholders' Meetings

Implementation: The resolution was passed. The implementation has been completed in accordance with the resolution of the shareholders' meeting.

(4) Extempore motion: None.

2. Major Resolutions of the Board of Directors Meetings

The following is a summary of the significant resolutions of the Board of Directors of the Company for 2024 and up to the date of printing of the annual report:

| Date of major resolutions | Major Resolutions of the Board of Directors Meetings | Implementation |
|---------------------------|---|--|
| 2024.1.31 | <ol style="list-style-type: none"> Approval of remuneration committee resolution. Approval of a bank credit line. Proposal for the amendment to the provisions of the Regulations for the Performance Evaluation of the Board of Directors and Functional Committee. <p>Temporary motions:</p> <p>(1) Independent Director Cheng-Chiu Yang: Leezen Company Ltd. plans to organize beach cleaning and coastline protection events this year and invite colleagues and their families to participate in these activities. Beach cleaning is also an approach for enterprises to show their sustainable philosophy and is good for companies and their reputation.</p> | <ol style="list-style-type: none"> Implementation is completed in accordance with the resolution of the Board of Directors. The Chairman of the Board of Directors is authorized to execute the relevant deeds with the Bank and to complete all necessary procedures. |
| 2024.2.27 | <ol style="list-style-type: none"> 2023 Business Report and Financial Statements. Approval of the 'Assessment of the Effectiveness of Internal Control System' and 'Statement of Internal Control System'. Proposal regarding the appropriation of the Company's employee compensation and director remuneration for 2023. 2023 earnings distribution. Appointment of a Certified Public Accountant and Independent Evaluation. Proposal of the process and general policy for pre-approval of non-confirmation services by Ernst & Young LLP and its affiliates. Proposal for the amendments to the Rules of Procedure for Shareholders' Meetings for approval. Proposal of amendments to Audit Committee Charter and Regulations Governing Procedure for Board of Directors Meetings for approval. Proposal for convening the 2024 Annual Shareholders' Meeting. Approval of a bank credit line. Disposition of the shares of PharmaEssentia Corp. | <ol style="list-style-type: none"> Implementation is completed in accordance with the resolution of the Board of Directors. The Chairman of the Board of Directors is authorized to execute the relevant deeds with the Bank and to complete all necessary procedures. |
| 2024.4.10 | <ol style="list-style-type: none"> Discussion proposed by shareholders. | Does not fulfill the Section 172 of the Company Act, thus it is not featured in the Shareholders' Meeting. |
| 2024.5.9 | <ol style="list-style-type: none"> Financial statements for 2024 Q1. Discussion on the determination of the ex-dividend date of the Company and related matters. Approval of a bank credit line. | <ol style="list-style-type: none"> Approved by all directors present without objection. The Chairman of the Board of Directors is authorized to execute the relevant deeds with the Bank and to complete all necessary procedures. |

| Date of major resolutions | Major Resolutions of the Board of Directors Meetings | Implementation |
|---------------------------|---|--|
| 2024.7.16 | 1. Proposal of equipment investment. | Approved by all directors present without objection. |
| 2024.8.13 | 1. Financial statements for 2024 Q2. 2. Amendment to the provisions of the Company's "Code of Ethical Conduct" and "Code of Business Conduct with Integrity". 3. Approval of a bank credit line. | 1. Implementation is completed in accordance with the resolution of the Board of Directors. 2. The Chairman of the Board of Directors is authorized to execute the relevant deeds with the Bank and to complete all necessary procedures. |
| 2024.11.13 | 1. Financial statements for 2023 Q3. 2. Approval of the 'Assessment of the Effectiveness of Internal Control System' and 'Statement of Internal Control System'. 3. Proposal for an Internal Audit plan for 2025. 4. Approval of a bank credit line. | 1. Implementation is complete in accordance with the resolution of the Board of Directors. 2. The Chairman of the Board of Directors is authorized to execute the relevant deeds with the Bank and to complete all necessary procedures. |
| 2024.12.26 | 1. Approval of the Company's operating plan and budget for 2025. 2. Approval of a bank credit line. | 1. Implementation is completed in accordance with the resolution of the Board of Directors. 2. The Chairman of the Board of Directors is authorized to execute the relevant deeds with the Bank and to complete all necessary procedures. |
| 2025.1.16 | 1. Proposal of the resolution of the Remuneration Committee for approval. Temporary motions: (1) Director Shu-Yen Chang: In conjunction with the Ministry of Finance's MIG version 4.1 upgrade (to be implemented in 2025), supplier invoice information can be integrated to enhance operational efficiency. If the invoice data fully matches the corresponding SAP goods receipts, invoice verification can be performed automatically, which manpower can be allocated to abnormality management and analytical tasks. | 1. Implementation is completed in accordance with the resolution of the Board of Directors. 2. The Chairman of the Board of Directors is authorized to execute the relevant deeds with the Bank and to complete all necessary procedures. |
| 2025.2.25 | 1. 2024 Business Report and Financial Statements. 2. Approval of the 'Assessment of the Effectiveness of the Internal Control System' and 'Statement of the Internal Control System' for 2024. 3. Proposal for the appropriation of the Company's employee compensation and director remuneration for 2024. | 1. Implementation is completed in accordance with the resolution of the Board of Directors. 2. The Chairman of the Board of Directors is authorized to |

| Date of major resolutions | Major Resolutions of the Board of Directors Meetings | Implementation |
|---------------------------|--|--|
| | 4. Proposal for the 2024 earnings distribution for approval. 5. Evaluation of the independence and competence of verified CPAs for approval. 6. Proposal for the process and general policy for pre-approval of non-confirmation services by Ernst & Young LLP and its affiliates. 7. Proposal for the amendment of the Company's "Articles of Incorporation." 8. Closing of Sanchong store. 9. Proposal of relevant affairs on convening the 2025 Shareholders' Meeting for approval. 10. Re-election of company's directors. 11. Approval of the list of candidates for directors and independent directors nominated by the Board of Directors. 12. Approval of lifting the non-compete restriction of newly directors. 13. Approval of the sale of subsidiary's (Croissants Bakery Guanyin District) land and plant. 14. Approval of a bank credit line. | execute the relevant deeds with the Bank and to complete all necessary procedures. |

(VI) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

| Evaluation Item | Implementation Status (Note) | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|------------------------------|----|---|--|
| | Yes | No | Description | |
| 1. Does the company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies? | V | | The Company has established a "Code of Corporate Governance" and placed it on the Company's website for stakeholders to download and review. | Compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
| 2. Shareholding structure & shareholders' rights (1) Does the company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations? | V | | The Company has a spokesperson and a proxy registrar to properly handle issues such as shareholder proposals or disputes. In addition, an investor area is set up on the Company's website to collect shareholders' opinions and responses. | Compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
| (2) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of | V | | The Company's major shareholders report changes in their shareholdings to the Company on a monthly basis in accordance with the regulations, and appoints a dedicated share agent to assist in share-related matters, so as to | |

| Evaluation Item | Implementation Status (Note) | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|------------------------------|----|--|--|
| | Yes | No | Description | |
| those major shareholders? | | | effectively grasp the list of major shareholders and ultimate controllers of major shareholders who effectively control the Company. | |
| (3) Does the company establish and execute a risk management and firewall system within its affiliates? | V | | The financial, business and management rights and responsibilities of the affiliated companies are independent of each other, and transactions between affiliated companies are based on the principle of fairness and reasonableness and are received and paid on time. Currently, it is implemented in accordance with the "Related Operational Specifications for Financial Business between Related Parties". | |
| (4) Does the company establish internal rules against insiders using undisclosed information to trade in securities? | V | | The Company has established "Management and Control Procedures for the Prevention of Insider Trading", which stipulates that all members of the Company shall not use unpublished information known to them to disclose to others in order to prevent insider trading. | |
| 3. Composition and responsibilities of the Board of Directors | V | | The policy of diversity has been established in accordance with Article III of Strengthening the Functionality of the Board of Directors of Corporate Governance Best Practice Principles, the nomination and election of board members are compliant with the Articles of Incorporation, and the candidate nomination system is adopted; except for the evaluation of candidates' academic qualifications and with reference to stakeholders' opinions, the Procedures for Director Election and Corporate Governance Best Practice Principles are followed to ensure the diversity and independence of the Board of Directors. | Compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
| (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented? | | | Based on the Company's operational development needs, the seven directors to be elected in 2023 include four female directors (57%) and two employee directors (33%), two independent directors (6 to 9 years), one independent director (1 to 3 years), one director (31 to 50 years), four directors (51 to 60 years), and two director (61 to 70 years). Please refer to the description of "Directors and Supervisors (II)" (page 9 to 11) of this annual report for the areas of expertise of the individual members of the Board. | |
| (2) Does the company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee | V | | The Company has voluntarily established an ESG Sustainability Committee. Due to its outstanding performance, the committee received the TCSA Taiwan Corporate Sustainability Awards in the Restaurant and Food Industry category — Silver Awards in both 2020 and 2021, followed by a Gold Award | |

| Evaluation Item | Implementation Status (Note) | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|------------------------------|----|---|--|
| | Yes | No | Description | |
| <p>and Audit Committee?</p> <p>(3) Does the company establish standards and methods to evaluate the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?</p> | V | | <p>in 2022. In the same year, the Company was also honored with the Green Leadership Award at the Asia Responsible Enterprise Awards (AREA), becoming the only winner from Taiwan's food industry. In 2023, the Company received the Bronze Award at the Taiwan Sustainability Action Awards (for SDG 12) and was once again recognized with the Platinum Award in the TCSA Corporate Sustainability Report category.</p> <p>On January 31, 2024, the Company adopted the "Regulations for Performance Evaluation of the Board of Directors and Functional Committees" as follows:</p> <p>Evaluation cycle: The performance evaluation of the Board of Directors and Functional Committees shall be conducted annually. In addition, the performance evaluation of the Board of Directors shall be carried out by an external independent professional agency or a team of external experts and scholars at least once every three years.</p> <p>Evaluation period: The evaluation covers the performance of the Board of Directors, the Audit Committee, and the Remuneration Committee for the period from January 1, 2024 to December 31, 2024. The evaluation results will be reported to the Board of Directors in a meeting held on February 25, 2025, in accordance with legal requirements, and subsequently published on the Company's website. Additionally, Ernst & Young Business Consulting Services Ltd. conducted the 2023 Board of Directors performance evaluation, the results of which have been announced on the Company's website.</p> <p>Scope of evaluation: Including performance evaluation of the board of directors, individual board members and functional committees. The evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the Board members, or other appropriate methods. The evaluation contents include at least the following items according to the scope of evaluation:</p> <p>(1) The evaluation of Board performance: including at least the participation in the operation of the company, the quality of the Board of Directors' decision-making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.</p> <p>(2) The evaluation of Board member performance: including at least the alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of</p> | |

| Evaluation Item | Implementation Status (Note) | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|------------------------------|----|--|--|
| | Yes | No | Description | |
| (4) Does the company regularly evaluate the independence of the CPAs? | V | | <p>the company, the management of internal relationships and communication, the director's professionalism and continuing education, and internal control.</p> <p>(3) The evaluation of the functional committee performance: including at least participation in the operation of the company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, the makeup of the functional committee and election of its members, and internal control.</p> <p>On November 10, 2015, the Company established the "Regulations for Reviewing the Selection of Certified Public Accountants" to conduct the appointment and independence evaluation of certified public accountants at least once a year.</p> <p>Ernst & Young Associates has reported and declared the independence of the Certified Public Accountants in the Report of the Board of Directors dated February 25, 2025.</p> <p>To strengthen the evaluation indicators for the selection of certified public accountants and to ensure audit quality, the Company obtained the Audit Quality Indicator AQI from Ernst & Young Associates to evaluate the suitability of certified public accountants. On February 25, 2025, the Company reported the results of the evaluation of the Board of Directors, which were reviewed and approved by the Board of Directors, as described in the "Evaluation of Accountants' Independence" in this annual report (p. 73-75), and the accountants, Rung-Huang Shiu and Jian-Tze Huang, met the independence requirements and operated independently enough to serve as the Company's certified public accountants. On the same day, the Company established a process and general policy for pre-approving the non-confirmation services of Ernst & Young and its affiliates, which was reviewed and approved by the Board of Directors.</p> | |
| 4. Does the company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in | V | | The current chief financial officer is designated as the head of corporate governance, and has at least three years of experience as the head of accounting for public companies. This includes providing the necessary information required for the directors to conduct their business, holding meetings of the board of directors, committees and shareholders, and preparing minutes of meetings. The CFO must | Compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |

| Evaluation Item | Implementation Status (Note) | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|------------------------------|----|--|--|
| | Yes | No | Description | |
| following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)? | | | assist directors in their appointment and continuing education; provide the information necessary for the directors to conduct their business; assist the directors in complying with the laws and regulations to protect the interests of shareholders, and strengthen the functions of the Board of Directors. | |
| 5. Does the company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material CSR development issues in a proper manner? | V | | Depending on the situation, the Company designates the marketing unit, the president's office, stock affairs, human resources, customer service, and procurement departments to communicate with stakeholders, and provides a spokesperson and contact information for each relevant business department on the Company's website. A stakeholder area is set up to respond appropriately to the concerns of stakeholders. For more details, please refer to our CSR Report "Stakeholders and Significant Topics". | Compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
| 6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs? | V | | The Company has appointed Grand Fortune Securities Co. to act as stockbroker. Website: https://www.gfortune.com.tw/ | Compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
| 7. Information disclosure (1) Does the company have a website to disclose the financial operations and corporate governance status? (2) Does the company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)? (3) Does the company publicly announce and file the annual financial | V V V | | An investor area is set up on the Company's website to disclose financial and corporate governance information for each year and to update the information regularly. Website: https://www.hunya.com.tw/ir In addition to designating a person responsible for the collection and maintenance of corporate information, we also implement a spokesperson system and disclose the contents of the corporate meetings we attend on the Company's website. In accordance with the relevant regulations, the Company announces and reports its annual financial statements within two months after | Compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |

| Evaluation Item | Implementation Status (Note) | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|------------------------------|----|---|--|
| | Yes | No | Description | |
| reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline? | | | the end of the fiscal year, and announces and reports its first, second, and third quarterly financial statements and monthly operations three to seven days before the prescribed deadline. Please refer to the Market Observation Post System (MOPS) at https://mops.twse.com.tw/mops/web/index for the disclosure of the above information. | |
| 8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchase of liability insurance for directors and supervisors)? | V | | <p>For information on employee rights, employee care, investor relations, supplier relations, and stakeholder rights, please refer to pages 0~0. The Company formulates strategies, procedures, and performance indicators in response to changes in laws, policies, and market conditions. It regularly analyzes and evaluates developments in relevant risks and adopts appropriate countermeasures to mitigate overall potential risks. These efforts aim to: coordinate the management of various types of risks, establish risk management policies and defined management scopes, plan for future operational developments, and strengthen information security management.</p> <p>The information security framework is based on: (1) Personal Data Protection Management: Employee personal data is controlled by the Human Resources Department through the HR system, while customer B2C data is managed by the POS system and overseen by store managers and the business management unit. (2) T Computerized Information System Controls: Systems such as AS400/SAP ERP/POS are currently operated within the company intranet and are isolated from external networks via hardware firewalls. (3) Email Security: Company emails are sent and received through the company's Exchange server, which is protected by Openfind MailGate for virus, spam, and attack prevention. Email data is backed up off-site at the Linkou data center. Additionally, all endpoints (PCs and notebooks) and the Exchange server are safeguarded by F-Secure software, with DeepGuard providing comprehensive threat blocking. (4) Information Disaster Recovery and Contingency Planning: Information disaster recovery and contingency plans have been established and</p> | Compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |

| Evaluation Item | Implementation Status (Note) | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|-----------------|------------------------------|----|---|--|
| | Yes | No | Description | |
| | | | regular drills are conducted to ensure preparedness. (5) Reporting: Execution status and audit results are reported regularly to the Board of Directors. | |

9. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved:
- (1) Improvements made: Based on the results of the most recent Annual Corporate Governance Review (12th), the major components of the Company that have been improved are described below:
 - (a) The Company continues to identify and disclose potential risks and opportunities associated with climate change, and actively implements response measures to address climate-related issues.
 - (2) Priority enhancements and measures: In response to the revision of the 13th Corporate Governance Evaluation Indicators, the Company's priority enhancements are described below:
 - (a) The Company adds non-compulsory functional committees (e.g.: Risk Management Committee, Integrity Management Committee) as appropriate to ensure the applicableness and effectiveness of medium-and long-term risk management and resource allocation.
 - (3) The Company will continue to evaluate the feasibility of future improvements for those parts that have not yet been scored.

Note: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

(V) Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof:

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|-------------------------|----|--|---|
| | Yes | No | Description | |
| 1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board? | V | | Hunya Food recognizes that fulfilling corporate social responsibility (CSR) is a critical factor for sustainable business development. The Company formally established the Corporate Social Responsibility Committee in October 2014, which was renamed the Corporate Sustainability Committee in November 2022. Currently, the ESG Committee is chaired by the Chairman of the Board, with key members comprising department heads responsible for implementing ESG strategies. The President's Office is assigned to formulate and execute the Company's annual ESG strategies, as well as to oversee the planning and implementation of sustainability development goals. To promote transparency, the Company has established a dedicated Corporate Social Responsibility section on its official website (available in both Chinese and English), which discloses the progress and outcomes of its sustainability initiatives. The Board of Directors completed a consolidated report on these efforts on August 13, 2024. | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |
| 2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the business operations and formulate relevant risk management policies or strategies based on the materiality principle? (Note 2) | V | | Hunya Food utilizes databases from external market research firms and industry consultant reports as key reference materials. At the end of each fiscal year, the Company convenes a strategic meeting to analyze external environmental factors in comparison with internal operational performance, relying on the collected data and reports. Based on this comprehensive analysis, the Company conducts an annual risk assessment and develops corresponding response strategies, with a primary focus on macroeconomic trends, country-specific risks, and competitor intelligence. Strategic development objectives are then established for each business unit. Additional details and other important information that provide further insights into the Company's corporate governance and operations can be found on page 00 of this Annual Report (Risk Management System). | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|-------------------------|----|---|---|
| | Yes | No | Description | |
| <p>3. Environmental issues</p> <p>(1) Does the company establish an environmental management system proper to its industry's characteristics?</p> | V | | <p>In compliance with relevant regulations and in alignment with Hunya's commitment to environmental protection, the Company has established an Environment and Energy Management Committee along with a dedicated unit to oversee related affairs. The Chairman serves as the Chairperson of the Environment, Safety, and Health (ESH) Promotion Committee, while the head of the Manufacturing Headquarters acts as the Executive Representative. This representative is responsible for establishing and issuing ESH system documentation, promoting related activities, monitoring the progress of ESH objectives, identifying environmental aspects, and managing hazard identification within the Occupational Safety and Health (OSH) Office. Additionally, the Executive Representative plans and implements ESH management activities as well as internal emergency response plans. During the execution and control of the ESH management system, relevant departments provide the necessary human resources, specialized expertise, and financial resources to ensure effective management and facilitate the advancement of related projects.</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |
| <p>(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?</p> | V | | <p>1. Electricity: The primary energy source for equipment at the Taoyuan Plant is electricity. A power demand monitoring and control system has been implemented to manage consumption effectively. Hunya has also signed a power purchase agreement with Taipower, under which electricity generated by the solar photovoltaic system is sold back to Taipower and repurchased for internal use. In 2024, the solar power system generated a total of 598,146 kWh of renewable energy, with cumulative generation reaching 3,880,146 kWh.</p> <p>2. Liquefied petroleum gas: It is used in the continuous baking ovens on the production lines, effectively reducing carbon emissions.</p> <p>3. Natural gas: It is mainly used in steam boilers and baking ovens. Efficiency control is conducted on each production day based on standard operations.</p> <p>4. Diesel: It is used in emergency</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|----------------------------|-------------------------|----|--|---|
| | Yes | No | Description | |
| | | | <p>generators and logistics trucks. In recent years, the logistics trucks have been rented instead of purchasing, and vehicles with high fuel consumption have been replaced.</p> <p>5. Gasoline: It is mainly used in official cars. The vehicles with high fuel consumption have been replaced with reference to energy consumption standards.</p> <p>6. Air conditioning power:</p> <p>(1) The pumps in the chilled water area have been improved by using variable-frequency motors to save electricity.</p> <p>(2) All air handling units and induction motors have been replaced with high-efficiency equipment.</p> <p>(3) Cold water resetting and variable-frequency air volume energy-saving control are adopted for cooling towers.</p> <p>7. Lighting control:</p> <p>(1) All the original lighting equipment used on the production lines has been replaced with high-efficiency LED lighting.</p> <p>(2) Solar energy storage and LED lighting are adopted outdoors in the plant area.</p> <p>(3) Automatic induction energy-saving lamps are used in the public areas.</p> <p>8. Air compression power:</p> <p>(1) High-efficiency variable-frequency zero-pressure units are fully adopted, and program management is applied to reduce standby power consumption.</p> <p>(2) Two techniques, i.e., flow monitoring & abnormality warning and preventive maintenance, are applied to avoid waste caused by leakage.</p> <p>9. Waste heat recovery:</p> <p>(1) The waste heat generated by the air compressors is recovered and used for hot washing water on the production lines.</p> <p>(2) Condensed steam water is recovered and used in steam boilers.</p> <p>(3) A heat pump system is installed to recover waste gas from air-conditioning units.</p> | |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|----------------------------|-------------------------|----|--|---|
| | Yes | No | Description | |
| | | | <p>(4) Waste heat from power transformers is recovered and used to dry material cartons.</p> <p>Hunya places great emphasis on recycling as part of its energy-saving initiatives. By investing in energy-efficient equipment, the Company strives to recycle production energy and thereby reduce overall energy consumption. Energy usage at the Taoyuan Plant differs significantly from other locations. To better illustrate the relevant energy data, the following charts present energy statistics segmented by region. Electricity consumption at the head office and branch warehouses/stores is primarily attributed to office operations, warehouse facilities, and air conditioning. Diesel and gasoline consumption mainly supports official vehicles and logistics trucks.</p> <p>Waste reduction and resource recycling are the two main pillars of Hunya's waste management strategy. The Company focuses on minimizing the use of single-use materials and enhancing the segregation and recycling of reusable resources to achieve effective waste management. In 2024, the total weight of externally purchased packaging materials amounted to 12,684 metric tons of plastics (a 2.8% decrease compared to the previous year), 10,391 metric tons of paper cartons, 2,062 metric tons of paper boxes, and 5,429 metric tons of plastic films. None of the purchased packaging materials in 2024 contained renewable materials. However, 74.1% of Hunya's packaging materials are recyclable, reusable, or compostable. Internally, the Company continues to promote sustainability initiatives through ESG committee discussions, advocating the adoption of sustainable packaging materials. Efforts are underway to develop recyclable and biodegradable plastic trays, with plans to gradually replace some plastic trays with paper-based alternatives. For further details, please refer to Chapter 4 of the Company's ESG Report.</p> | |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|-------------------------|----|--|---|
| | Yes | No | Description | |
| (3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them? | V | | <p>The Global Risks Report released by the World Economic Forum (WEF) in 2025 revealed the top ten most serious global risks with a high probability of occurrence in the next two years and the next ten years. Among the long-term risks, environmental issues are the most prominent, with the top four being "extreme weather events," "biodiversity loss and ecosystem collapse," "critical changes to Earth systems," and "natural resource shortages." Therefore, it is crucial to properly assess the risk factors of climate change on businesses and quantify its impact on operations. In response to international sustainability trends, Hunya actively manages climate-related risks and complies with regulations that strengthen ESG disclosures under Corporate Governance 3.0. Since 2021, we have gradually implemented the Task Force on Climate-related Financial Disclosures (TCFD). By conducting risk assessments, we identify risks and opportunities arising from climate change and make our disclosures more transparent. Climate-related risks and issues are addressed and managed by the Company's Environment and Energy Management Organization. For further details, please refer to Chapter 4 of the Company's ESG Report and page 00 of the Annual Report.</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|-------------------------|----|--|---|
| | Yes | No | Description | |
| (4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes? | V | | <p>The Company's greenhouse gas emissions primarily originate from purchased electricity, followed by fuel consumption. In 2024, total carbon emissions amounted to 9,750 metric tons. Scope 1 emissions, which include fuel and refrigerants, totaled 2,289 metric tons, with liquefied petroleum gas (LPG) accounting for 2.6% of this amount. The largest source of emissions was Scope 2 (electricity), representing 76.5% of the total. Overall, carbon emissions in 2024 increased by 14.1% compared to 2023. Regarding emission intensity, the greenhouse gas emission intensity in 2024 was 4.83 metric tons CO₂e per NT\$1 million revenue, reflecting a 15% increase year-over-year. This increase in emission intensity was mainly due to the addition of wafer and bread production lines in 2024.</p> <p>In response to regulatory requirements, Hunya has initiated a carbon inventory verification program focusing primarily on Scope 1 and Scope 2 emissions. Verification of Scope 3 emissions is not yet planned but will be considered after obtaining carbon inventory certification. Scope 1 and Scope 2 emissions are expected to undergo external verification for ISO 14064 certification by 2025, with priority given to completing the verification required by regulatory authorities by 2029.</p> <p>Additionally, the Company does not emit ozone-depleting substances (ODS), nitrogen oxides (NO_x), sulfur oxides (SO_x), or other significant greenhouse gases. For more details, please refer to Chapter 4 of the Company's ESG Report.</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |
| <p>4. Social issues</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p> | V | | <p>In addition to valuing diversity in workforce composition and gender equality, Hunya also prioritizes the management of human rights to protect employees' labor rights. The Company has established relevant management guidelines referencing the International Labour Organization (ILO) conventions. Hunya maintains a zero-tolerance policy toward any form of harassment and discrimination, with all incidents promptly reported and handled. Recruitment and performance</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|-------------------------|----|---|---|
| | Yes | No | Description | |
| | | | <p>evaluations are conducted without discrimination based on race, gender, age, religion, or political beliefs, and the hiring of child labor is strictly prohibited.</p> <p>To ensure employees clearly understand their rights, new hires receive human rights training upon onboarding. This training covers labor rights, compensation, working hours, welfare, and other human rights topics such as freedom of employment, prohibition of discrimination, and freedom of assembly. In 2024, 316 new employees participated in this training, totaling 1,897 hours. Additionally, company-wide human rights awareness training related to operations was conducted through meetings, with 903 participants attending group sessions totaling 170.47 hours.</p> <p>In 2024, one complaint concerning sexual harassment was filed, resulting in internal disciplinary action against the involved employee. There were no incidents involving violations of Indigenous peoples' rights. For more details, please refer to Chapter 5 of the Company's ESG Report.</p> | |
| (2) Does the company appropriately reflect the business performances or achievements in the employee remuneration policy (including salary, annual leave and other benefits)? | V | | <p>Employees are the Company's most valuable asset. Salaries are determined based on employees' education, experience, future potential, and individual performance, without discrimination based on gender, race, religion, political beliefs, or marital status. In recent years, salary adjustments have been made in consideration of cost of living and performance. In 2024, the average salary increase was 2%. For entry-level employees, regardless of gender, the starting salary is 1.03 times the statutory minimum wage, and the average monthly regular salary is 1.12 times the statutory minimum wage. The pay ratio of female to male entry-level employees is 1:1.04, while for senior managers, the female-to-male pay ratio is 1:0.9. In 2024, the number of full-time employees without managerial positions was 647, with total salaries amounting to NT\$344,358,000, based on the</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|-------------------------|----|---|---|
| | Yes | No | Description | |
| | | | accountant-verified annual salary report for non-managerial full-time employees. The average salary for full-time employees in non-managerial positions was NT\$532,191. For more details, please refer to Chapter 5 of the Company's ESG Report. | |
| (3) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis? | V | | <p>Hunya pays attention to employees' health and has implemented the following 6 health promotion plans to ensure effective health management and promotion for the employees.</p> <ol style="list-style-type: none"> 1. Health checkup: The Company organizes a free health checkup for all employees every year. In 2024, in addition to the statutory examination items, the Company added the following examinations at an extra cost: <ol style="list-style-type: none"> A. Tumor marker screening: To examine whether any cellular abnormalities exist regarding liver cancer, colorectal cancer, pancreatic cancer and ovarian cancer. B. Ultrasound examinations: To diagnose and monitor the statuses of multiple body structures and organs. <ol style="list-style-type: none"> (a) Carotid artery ultrasound (b) Prostate ultrasound for men and gynecological ultrasound for women C. Autonomic nerve stress test: To evaluate the balance between the sympathetic and parasympathetic nervous systems. D. Fundus photography: To examine eye diseases. 2. Onsite worker health services: In 2024, the Company hired worker health service physicians and nurses and provided employees with health management and guidance and assessment of employees returning to work from work-related injuries, focusing on the contents of four major plans (Maternal Health Protection Plan, Unlawful Infringement Prevention Plan for the Performance of Duties, Abnormal Workload Induced Disease | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|----------------------------|-------------------------|----|--|---|
| | Yes | No | Description | |
| | | | <p>Prevention Plan and Ergonomic Hazard Prevention Plan) and abnormalities indicated in the health checkup reports. In 2024, a total of 183 employees participated in health management and guidance.</p> <p>3. Visually impaired massage station: A visually impaired massage station is set up to help employees relax physically and mentally. In 2024, a total of 183 employees were served.</p> <p>4. AED education and training: In 2024, 36 local employees and 0 foreign employees participated in the education and training. The Company has installed AED and held training courses for practical simulations to strengthen the first-aid awareness and create a safe workplace environment.</p> <p>5. Health lectures: Intended to improve health awareness and health management capabilities and promote physical and mental health.</p> <p>A. DIY light salad lecture: A total of 30 employees participated in the lecture in 2024.</p> <p>B. Overcoming the stagnation period of weight loss and never regaining weight: A total of 25 employees participated in the lecture in 2024.</p> <p>C. Occupational injury and prevention-shoulder and neck pain: A total of 21 employees participated in the lecture in 2024.</p> <p>6. Health advocacy: The Company provides information regarding health, nutrition, sports and psychology, so that employees can better understand their own health and pay more attention to and take active health actions. For further details, please refer to Chapter 5 of the Company's ESG Report for details. For further details, please refer to Chapter 5 of the Company's ESG Report for details.</p> | |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|-------------------------|----|---|---|
| | Yes | No | Description | |
| (4) Does the company establish effective career development and training plans for its employees? | V | | <p>Our company's talent development plan focuses on three key pillars: training, education, and development. It promotes comprehensive learning, enhances job-specific professional knowledge, and cultivates potential talent reserves to improve the structure, quality, and efficiency of our human resources. In alignment with employee career development and the company's business objectives, we are progressively establishing a system of structured and institutionalized training programs.</p> <p>The training categories cover professional skill cultivation in each field. From management-level courses at the headquarters to the practical process operation training at the plants, training plans have been arranged for personnel from each department. To emphasize on employees' work safety, strengthen automatic production and improve industry competitiveness, Hunya has spent more training hours on workplace safety than those of other training categories. The total training hours on workplace safety reached 7,537 hours. In 2024, the total training hours reached 22,950.92 hours, showing Hunya's emphasis on the improvement of the personnel's capabilities. At the same time, labor safety is also a top priority of Hunya regarding its care for the site operators. The site operating environment must comply with each safety regulation, and injuries caused due to careless machine operations must be avoided. For the training courses executed to improve supervisors' organizational operation capabilities, a total of 108 supervisors participated in the courses, with the total training hours of 4,230.53 hours. Through concept guidance and hands-on practice in the courses, supervisors can learn how to optimize organizational efficiency and then put it into practice. For further details, please refer to Chapter 5 of the Company's ESG Report for details.</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|-------------------------|----|---|---|
| | Yes | No | Description | |
| (5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies? | V | | <p>To protect customer privacy and ensure information security, the Company employs the latest technologies, including an Intrusion Prevention System (IPS), anti-malware software, and application control. We have also deployed next-generation firewalls and Unified Threat Management (UTM) systems to block both internal and external intrusions. Regular system and data backups are performed to guarantee the security of critical operational systems.</p> <p>The Point of Sale (POS) system used by the Rivon Business Group enforces strict confidentiality measures to protect customer orders and personal data, ensuring that information is neither disclosed externally nor stolen. In 2024, Hunya recorded no incidents of customer privacy breaches or loss of customer data.</p> <p>In response to the frequent food safety incidents in recent years, government agencies have actively revised relevant regulations. The Company closely monitors regulatory changes, complies with all requirements, and maintains quality and safety standards to protect consumer rights.</p> <p>Our certifications include TQF, ISO 22000, and FSSC 22000. In 2024, 100% of the products produced met the FSSC 22000 requirements.</p> <p>For more information, please refer to Chapter 3 of the Company's ESG Report.</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |
| (6) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights? | V | | <p>Hunya has established Supplier Management Regulations in accordance with the ISO 22000 Food Safety Management System standards, setting clear guidelines regarding both environmental and quality aspects. In addition, the Quality Assurance (QA) unit inspects raw materials and conducts regular audits and random inspections of suppliers based on the certification standards of the Taiwan Quality Food (TQF) Association. For further details, please refer to Chapter 6 of the Company's ESG Report.</p> | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |

| Sustainability Initiatives | Implementation (Note 1) | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|-------------------------|----|--|---|
| | Yes | No | Description | |
| 5. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body? | V | | This report has been independently assured by Ernst & Young (EY), a reputable certified public accounting firm, in accordance with the Statement of Assurance Standards No. 1 issued by the Accounting Research and Development Foundation. EY conducted a limited assurance engagement on Hunya Foods' 2024 Corporate Social Responsibility Report, prepared following the Core option of the GRI Standards. Upon completion of the assurance process, the results were fully communicated to the Company's governance unit. For detailed information regarding the scope and conclusions of the assurance, please refer to the Independent Assurance Report included in the appendix of this ESG Report. | Compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies |
| 6. If the company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," describe the implementation and any deviations from such principles: On May 13, 2020, the Company revised the "Code of Ethical Conduct", "Code of Business Conduct with Integrity" and "Code of Practice on Corporate Social Responsibility" to further its commitment to corporate social responsibility. That same year, we received the BS 8001 Circular Economy Award from the Industrial Development Bureau, Ministry of Economic Affairs. In both 2020 and 2021, we were honored with the TCSA Taiwan Corporate Sustainability Award – Food & Beverage and Food Industry – Silver Award, followed by the Gold Award in 2022. In 2023, the Company received the Taiwan Sustainability Action Award – Bronze Award (SDG 12) and was once again recognized with the TCSA Corporate Sustainability Report – Platinum Award. | | | | |
| 7. Other important information to facilitate better understanding of the company's promotion of sustainable development: For details, please refer to our CSR report. | | | | |

Note 1.: If "Yes" is ticked in the "Implementation status" column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If "No" is ticked in the "Implementation status" column, please explain the deviations and the reasons in the "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons" column and explain the Company's plans for adoption of related policies, strategies, and measures in the future. However, for Items 1 and 2, the TWSE/TPEX listed company shall describe its governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal formulation, review measures, etc. It additionally shall describe the company's risk management policies or strategies for operations-related environmental, social, and corporate governance issues, and their assessment status

Note 2.: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

Note 3.: Regarding the method for disclosure, please refer to the "Sample Annual Report" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

Table 2-2-3

Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

| Item | Implementation |
|--|--|
| 1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. | 1. Hunya Foods has established a Sustainable Development Committee under the Chairman. The Company regards the Sustainable Development Committee as the highest governing body for climate change management. It is composed of the General Manager's Office and the heads of departments responsible for ESG strategy execution. Chaired by the General Manager, the Committee is responsible for managing climate-related risks and opportunities. It holds an annual meeting to review the Company's climate change strategies and targets, assess the actions taken to manage climate-related risks and opportunities, evaluate implementation progress, and discuss future plans. The outcomes are reported to the Board of Directors. Currently, the inventory and reduction of greenhouse gas (GHG) emissions are managed by the Manufacturing Department. The Procurement Department and other units also take climate-related risks into consideration and respond accordingly during business operations. The General Manager's Office integrates information from all departments and collaborates with external consultants to assess and review the overall climate risks of Hunya Foods each year. At present, the Sustainable Development Committee holds meetings on this topic every six months, and in the fourth quarter, it submits a report to the Board of Directors to present the GHG emissions results and the progress of emissions reduction KPIs. These records are documented by the Audit Office, included in the Board meeting agenda and minutes, and submitted to the competent authority for record and verification. In addition, high-level seminars are held to explain current global climate governance trends and strategies, share practical case studies, and facilitate communication with board members to enhance their ability to supervise related issues. To mitigate climate change and reduce GHG emissions, the Manufacturing Department is currently responsible for conducting GHG inventories and implementing reduction measures. The Procurement Department and other related units consider climate risks in their business execution and respond accordingly. The General Manager's Office is responsible for consolidating departmental information and working with external consultants to annually assess Hunya's overall climate risks. The major climate risks identified through the TCFD (Task Force on Climate-related Financial Disclosures) project are discussed, and in the third quarter, each business group is required to formulate development strategies, action plans, and targets. These are incorporated into strategic development risk considerations. |
| 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). | 2. Since 2021, Hunya Food has initiated project discussions on TCFD (Task Force on Climate-related Financial Disclosures), and, in accordance with the principles and requirements of the TCFD framework, has conducted interviews with various departments and formulated response strategies for climate risks and opportunities. The identification of climate risks is conducted by the Corporate Sustainability Development Committee, based on the relationship between the company's operational activities and the environment, and with reference to potential risks induced by climate change, to establish an internal risk assessment system. With the guidance of external consultants and through multiple meetings and workshop discussions, Hunya integrated three parameters—vulnerability, impact, and likelihood—to conduct a comprehensive assessment and produce a climate risk matrix diagram. To align with the need for up-to-date risk management, Hunya follows the aforementioned methodology to identify climate risk factors every two years. In 2023, Hunya identified a total of 10 climate risk factors, among which 2 were classified as high risk (i.e., increased cost or difficulty in raw material acquisition, and increased extreme weather events—typhoons, heavy rainfall, |

| Item | Implementation |
|---|--|
| | <p>and drought). In addition to potential risks, climate change, if addressed proactively, can also help optimize current operations or lead the way in responding to consumer preferences, thus creating new business opportunities. Apart from identifying climate-related risks through the TCFD framework, Hunya also identified four climate-related opportunities: modular application of gift box packaging materials, increased use of renewable energy, development of low-carbon products to gain consumer recognition, and use of sustainable materials.</p> |
| <p>3. Describe the financial impact of extreme weather events and transformative actions.</p> | <p>3. The increase in production cost impairs profitability and affects corporate sustainable development. Carbon fees derived from sustainability topics, laws governing the environmental sustainability of packaging materials, and regulations concerning energy and resources directly contribute to an increase of production costs and reduction of profits. The greenhouse effect impacts crop production and quality, leading directly to poor quality products or interruptions in material supplies. The goodwill and operational performance may be affected as a result.</p> |
| <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system</p> | <p>4. Currently, the greenhouse gas (GHG) inventory and reduction efforts at Hunya Food are managed by the Manufacturing Department. The Procurement Department and other relevant units incorporate climate-related risk considerations into their business execution processes. The General Manager's Office is responsible for consolidating information from all departments and, in collaboration with external consultants, conducting annual evaluations of the company's overall climate-related risks. At this stage, climate-related matters are discussed semiannually at the meetings of the Corporate Sustainability Development Committee. In the fourth quarter, the Committee reports to the Board of Directors, presenting updates on GHG emissions, progress on emission reduction KPIs, and related results. These records are documented by the Audit Office and included in the official agenda and meeting minutes of the Board of Directors, and are also submitted to the competent authority for review.</p> <p>In addition, Hunya organizes executive-level seminars to explain global climate governance trends and response strategies, and shares practical case studies with board members to strengthen their oversight capabilities on climate-related issues.</p> <p>To mitigate climate change and reduce greenhouse gas emissions, the current inventory and reduction initiatives are led by the Facilities Department under Manufacturing. The Procurement and other departments cooperate by integrating risk-related considerations into their operations. The General Manager's Office consolidates cross-departmental information and works with external consultants to annually review and evaluate Hunya's overall climate risk profile. Material climate risks identified through the TCFD project are reviewed and discussed, and in the third quarter, each business unit is requested to develop strategic responses, action plans, and targets—incorporating climate risks into strategic development considerations.</p> |
| <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> | <p>5. Hunya's Identified Climate-Related Risk Factors. Hunya has compiled a list of climate change-related risk factors. This year, a scenario analysis is planned for the most significant risk factor—the rising cost of raw materials. The results of this quantitative analysis will be disclosed in next year's sustainability report. Extreme weather events caused by climate change may result in unstable yields of key upstream raw materials used by Hunya—such as cocoa beans, dairy products, peanuts, and others. This instability may lead to increased procurement costs for raw materials, which in turn may raise production costs and reduce profitability. Additionally, such cost increases could result in higher selling prices, potentially impacting overall business operations. To determine priority materials for risk analysis, Hunya evaluated both usage volume and procurement value. As a result, five raw materials were identified as priorities: peanuts, dairy products, cocoa, flour, and sugar. After assessing climate-related risks associated with these materials—including the vulnerability of their</p> |

| Item | Implementation |
|--|--|
| | production regions—peanuts were selected for the climate scenario analysis. In 2023, Hunya's procurement cost for peanuts exceeded NT\$50 million, making it the most financially significant among the prioritized raw materials. The methodology and findings of the scenario analysis will be further detailed in <i>Note 1</i> of the report. |
| 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. | 6. In 2024, the Company's greenhouse gas emissions were primarily generated from purchased electricity, followed by fuel consumption. The total carbon emissions amounted to 9,750 metric tons of CO ₂ e, with Scope 1 emissions (from fuel and refrigerants) reaching 2,289 metric tons. Within Scope 1, liquefied petroleum gas (LPG) accounted for 2.6% of the emissions. The largest share of emissions came from Scope 2 (electricity consumption), which accounted for 76.5% of total emissions. Compared to 2023, the Company's overall carbon emissions increased by 14.1% in 2024, mainly due to the expansion of wafer and bread production lines, resulting in higher energy usage. In terms of emission intensity, the Company recorded 4.83 metric tons of CO ₂ e per NT\$1 million in 2024, representing a 15% year-on-year increase. This increase in intensity was also attributed to the ramp-up in production capacity during the year. To comply with regulatory requirements, Hunya has initiated a carbon inventory and external verification plan, focusing primarily on Scope 1 and Scope 2 emissions. At this stage, there are no immediate plans to initiate Scope 3 inventory, which will be considered after obtaining verification certification. The Company targets to complete its Scope 1 and Scope 2 inventory by 2027, with ISO 14064 external assurance scheduled for completion before the regulatory deadline of 2029. Furthermore, the Company confirms that it does not emit ozone-depleting substances (ODS), nitrogen oxides (NO _x), sulfur oxides (SO _x), or any other significant greenhouse gases. |
| 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. | 7. Hunya has not yet established an internal carbon pricing mechanism. However, the Company is currently conducting assessments and research to explore the potential introduction of relevant policies. |
| 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. | 8. For further details, please refer to Chapter Four: Climate Risk Governance in Hunya's Sustainability Report. |
| 9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below). | |

Note 1.: Scenario analysis explanation regarding Item 5 in the Table above.

Peanuts are tropical and subtropical crops, with Asia having the largest cultivation area. China and India are the leading producers. Future climate change may lead to higher average temperatures and more frequent or intense droughts in major peanut-growing regions, potentially affecting yields. In Taiwan, peanut crops have suffered climate-related losses every year over the past decade, primarily due to prolonged waterlogging, which causes root rot, mold, or premature sprouting. The following analysis focuses on rising temperatures and extreme rainfall events to assess their impact on peanut cultivation and on Hunya, in relation to these two climate risks.

| | |
|-------------------------------------|---|
| Risk factor | Rainstorm |
| Parameters | Peanut yields and prices |
| Climate scenario | RCP 8.5 |
| Deadlines | 2050, 2100 |
| Explanation about scenario analysis | <ul style="list-style-type: none"> Over the past ten years, peanuts in Taiwan have experienced climate-related disaster losses every year. These losses are primarily caused by prolonged heavy rainfall, which leads to extended waterlogging of crops, resulting in mildew, darkening, or sprouting of the roots and peanuts. Such climate impacts not only cause fluctuations in peanut yields and prices but also negatively affect product quality—for example, by increasing moisture content. In 2022, due to these conditions, Hunya was unable to procure a sufficient quantity of O-King Black Peanuts (Carbonado Groundnut). As per IPCC AR6: Climate Change - The Physical Science Basis (Taiwan Version) ⁽¹⁾, the maximum one-day rainstorm intensity is projected to increase in Taiwan in the future. Under the worst-case scenario (SSP5-8.5), the average annual maximum one-day rainstorm intensity per day is expected to increase by about 20% and 41.3%, respectively, by the middle and end of the 21st Century. In an optimistic scenario (SSP1-2.6), these increases are estimated to be about 5.7% and 15.3%, respectively, by the middle and end of the 21st Century. As per the research conducted by the National Science and Technology Center for Disaster Reduction ⁽²⁾, when the global average temperature rises by 1.5~2°C (under a fixed warming context), it is highly likely that the spring peanuts will be affected by lower cumulative rainfall in the last third of March, and by higher cumulative rainfall in the middle of June. |
| Analysis results | <p>Under future climate change scenarios, more frequent and heavier rainstorms are expected, escalating peanut prices and impacting both peanut quality and yields. These changes will have latent impacts on Hunya as follows:</p> <ul style="list-style-type: none"> The rise in peanut prices will increase Hunya's expenses in purchasing raw materials. Unsatisfactory peanut quality will force Hunya to incur additional treatment costs to ensure compliance with quality requirements. There's also the risk that Hunya may fail to purchase peanuts meeting quality standards, potentially leading to production downturns and affecting operating revenue. Unfavorable peanut quality and yield will lead to unstable output of relevant products and may lead to these products being removed from the shelves of distributors. This could affect the cooperative relationship with distributors and the quantity of products that can be subsequently launched, ultimately affecting Hunya's market share and brand volume. |

| | |
|-------------------------------------|--|
| Risk factor | Rise in average temperature |
| Parameters | Peanut yields and prices |
| Climate scenario | RCP 8.5(3) |
| Deadline | 2050 |
| Explanation about scenario analysis | Peanuts are tropical and subtropical crop, with Asia boasting the largest planting scale, and China and India serving as principal producers. Future climate change might result in higher average temperatures and intensified droughts in the main planting regions, affecting peanut yields. India, one of the primary peanut producers, is used to analyze the projected percentage drop in peanut yield due to climate change by the middle of the Century (2050). Assuming one-to-one inverse relationship between yield and cost, we calculate the future financial impacts on Hunya from peanut purchase expenses in recent years. |
| Analysis result | In the most pessimistic model under the context of RCP 8.5, it is projected that the peanut yield will decrease by 10.23% by the middle of the Century (2050). Consequently, the increased cost of peanut purchases is calculated to account for less than 0.5% of the operating revenue of Hunya. |

Notes:

- (1) IPCC AR6: Climate Change - The Physical Science Basis (Taiwan Version, Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), National Science and Technology Council (NSTC), Anthropogenic Climate Change Center, Research Center for Environmental Changes of Academia Sinica, Central Weather Administration (CWA), Ministry of Transportation and Communications (MOTC), Department of Earth Sciences, National Taiwan Normal University, National Science and Technology Center for Disaster Reduction
- (2) Impacts on Peanut Yields from Rainstorm Disasters under Climate Change, Ya-wen Huang, Chun-Yu Wag, National Science and Technology Center for Disaster Reduction
- (3) Prediction by using the two global climate models (GCM) Geophysical Fluid Science laboratory's Earth System Modeling (GFDL-ESM2M) (Dunne et al., 2012a; Dunne et al., 2012b) and Hadley Centre's Global Environment Model (HadGEM 2-ES) version 2 (Martin et al., 2011)

1-1. Greenhouse Gas Inventory and Assurance Status

Instructions for Completing the Table:

1. Scope 1 and Scope 2 information in this table shall be disclosed according to the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Scope 3 information may be voluntarily disclosed by the business.
2. The company may conduct the greenhouse gas inventory in accordance with the following standards:
 - (1) The Greenhouse Gas Protocol (GHG Protocol).
 - (2) ISO 14064-1 issued by the International Organization for Standardization.
3. The assurance body shall meet the provisions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.
4. The information for subsidiaries may be reported individually, or in aggregate (e.g., by country or by region), or on a consolidated basis (Note 1).
5. The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) should be disclosed (Note 2).
6. The proportion of total emissions from operating sites or subsidiaries not included in the inventory calculation shall not be more than 5%. "Total emissions" above means the quantity of emissions calculated according to the mandatory inventory scope referred to in point 1 of these Instructions for Completing the Table.
7. The description of assurance status shall summarize the content of the assurance report of the assurance body, and the assurance opinion shall be uploaded (Note 3).

| | | |
|---|--|---|
| Basic information of the Company <input type="checkbox"/> Capital of NT\$10 billion or more, iron and steel industry, or cement industry <input type="checkbox"/> Capital of NT\$5 billion or more but less than NT\$10 billion <input checked="" type="checkbox"/> Capital of less than NT\$5 billion | Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies: <input checked="" type="checkbox"/> Inventory for parent company only <input type="checkbox"/> Assurance for parent company only | <input checked="" type="checkbox"/> Inventory for all consolidated entities <input type="checkbox"/> Assurance for all consolidated entities |
|---|--|---|

| Scope 1 | Total emissions (Metric tons CO ₂ e) | Intensity (Metric tons CO ₂ e / NT\$ 1 million) (Note 2) | Assurance body | Description of assurance status (Note 3) |
|----------------|--|---|----------------|---|
| Parent company | 2,288 | 1.16 | None | Internal self-examination (Planning for the future to be checked by third parties) |
| Subsidiary | 0 | 0 | | |
| (Note 1) | | | | |
| Total | 2,288 | 1.16 | | |
| Scope 2 | Total emissions (Metric tons CO ₂ e) | Intensity (Metric tons CO ₂ e / NT\$ 1 million) (Note 2) | Assurance body | Description of assurance status (Note 3) |
| Parent company | 7,461 | 3.67 | None | Internal self-examination (Planning for the future to be checked by third parties) |
| Subsidiary | 625 | 0 | | |
| (Note 1) | | | | |
| Total | 8,086 | 3.67 | | |
| Scope 3 | | | | |

(VII) Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

| Evaluation Item | Implementation Status (Note) | | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|------------------------------|----|--|
| | Yes | No | |
| <p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?</p> <p>(2) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(3) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?</p> | V | | Compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies |
| | V | | On August 11, 2015, the Company's Board of Directors approved the "Code of Conduct with Integrity" and disclosed it on the Company's website and the Market Observation Post System, expressing the belief and policy of conducting business with integrity, and it expected and required the Board of Directors and management to actively implement and commit to it. |
| | V | | The Company has established a code of ethical conduct, a system to prevent insider trading, and a code of conduct for employees to regulate and prohibit dishonesty, improper benefits, and fraud. |
| | V | | The Company has outlined preventive measures in the "Ethical Corporate Management Best Practice Principles" for business activities with a higher risk of dishonest conduct, as stipulated in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" or other business areas. It requires the implementation of such measures (e.g., traceability management, additive permit management). |
| <p>2. Fulfillment of ethical corporate management</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?</p> | V | | Compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies |
| | | | The Company conducts pre-crediting of previous clients. We evaluate our partners as per the "Supplier Management System". |

| Evaluation Item | Implementation Status (Note) | | Description | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|------------------------------|----|--|--|
| | Yes | No | | |
| <p>(2) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?</p> <p>(3) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?</p> <p>(4) Does the company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging a certified public accountant to carry out the audit?</p> <p>(5) Does the company regularly hold internal and external training on ethical corporate management?</p> | V | V | <p>There is no set up yet.</p> <p>It is clearly defined to prevent conflict of interest and implement fair trade, provide appropriate presentation channels in the stakeholder area of the company's website, and relevant units are required to implement them.</p> <p>In addition to routine checks, the internal audit unit will report to the board members and supervisors upon receiving and verifying a report, ensuring the effectiveness of the system at all times.</p> <p>We will promote the concept of honest management and strengthen the audit of illegal activities within the company.</p> | |
| <p>3. Operation of the whistle-blowing system</p> <p>(1) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?</p> <p>(2) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?</p> <p>(3) Does the company provide protection for whistle-blowers against receiving improper treatment?</p> <p>(4) Does the company provide protection for whistle-blowers against receiving improper treatment?</p> | V | V | <p>The company has established a whistle-blowing mailbox, with the Management Planning Office and the Human Resources Department responsible for receiving such reports. If there is a report of wrongdoing or breach of integrity, an investigation will be conducted, and the report will be kept confidential to protect the whistle-blower. Any unlawful acts or breaches of integrity will be punished as per the personnel regulations. Cases deemed serious or involving complaints will be sent to the Human Resources Committee for consideration or legal action.</p> | Compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies |

| Evaluation Item | Implementation Status (Note) | | Description | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|------------------------------|----|---|--|
| | Yes | No | | |
| 4. Enhanced disclosure of ethical corporate management information Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS? | V | | We publicize business news on the company's website and disclose material information and periodic financial information online as required. A spokesperson is available for inquiries and proactive information dissemination. | Compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies |
| 5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: Compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. | | | | |
| 6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The Company has established a code of conduct for honest business practices, which is posted on the Company's website and on the Market Observation Post System. | | | | |

Note 1.: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.

(VII) If the Company has established a code of corporate governance and related regulations, the Company shall upload its inquiry methods on the company's website (Investor > Corporate Governance > Corporate Governance Practice Guideline) and MOPS.

(VIII) Other Important Information on Corporate Governance:

1. Risk management system

We refer to the databases of external market survey companies and the reports of business experts and advisors to hold a strategy meeting at the end of the year. Analysis of elements in the external environment and comparison with the internal operation status are conducted based on the collected procurement reports and documents to perform risk assessment and formulate a new response plan for the next year. We conduct comparative analysis with respect to information on the macro market, national risks, and the situation of competitors to develop strategic development goals for our business groups. We have summarized the following risks, considering the challenges that food companies have been facing in recent years and with reference to the features of the industry:

| Risk | Impact on Hunya Foods | Countermeasure | Achievements in 2024 |
|------------------|---|---|---|
| Political risk | The major market for Hunya Foods is Taiwan, and the risk of sales prohibition due to political elements is relatively low. We will continue to monitor this closely. Our primary production base is located at the Bade Factory in Taoyuan, and Taiwan accounts for the majority of our products (96.8%), followed by overseas markets (3.2%). Both the share of sales in China market and the impact are relatively low. | To mitigate export risk, we are developing markets in Southeast Asia, Australia and North America to reduce concentration in a single market. | In 2024, the Philippines was added as a new export destination country, contributing to approximately 17% of the overall export revenue. |
| Legal risk | Food-related laws and regulations have become stricter in recent years, imposing more requirements on traceability and production quality. In response to this trend, relevant facilities and systems must be used. | We pay close attention to changes in national food-related laws and regulations to ensure that all products meet the requirements of the laws. Considering the misrepresented description that products could promote health on the website; to avoid consumers' misunderstanding, we will enhance the advocacy of relevant laws and regulations to relevant staff members in the future. | No food-related regulation risk |
| Demographic risk | The impact of economic and social risks on our business operations is directly reflected in operational performance and results. For example, the reduction in the number of marriages and the declining birth rate directly affects the wedding/engagement cake market. | The management team of Hunya has adjusted the organizational strategies in a real-time way and strengthen the talent recruitment and retention plan to reduce adverse impact. | In 2024, the planning and marketing department primarily targeted at the younger generation as its advertising and marketing objects, and actively developed new products to expand new consumer groups. With respect to employee recruitment and retention, Hunya has enhanced its talent training and welfare to enhance the willingness of job applicants to |

| Risk | Impact on Hunya Foods | Countermeasure | Achievements in 2024 |
|-------------------------|--|---|--|
| | | | apply for jobs and employees to stay, respectively. |
| Product demand risk | Nowadays, people have a greater awareness of health and nutrition and have stricter requirements regarding healthy diets. As we are engaged in the candy and biscuit business, the operational performance of the Company is inevitably affected when people demand a reduction of sugar in products. | Hunya has gradually shifted its product R&D and design direction to products without artificial additives and healthy and simple food ingredients in response to consumers' needs for health and wellness. | In 2024, the Company continually launched products with Clean Label and health functions. |
| Supply risk | Climate change is the most critical element of the major global risks in recent years. The impact on the Company's business is high because the major (raw) material sources of the Company are primary agricultural industries, and the price and supply of agricultural products are highly affected by global climate anomalies. | To maintain the stable supply of raw materials, Hunya not only signs contracts with suppliers for protection, but also seeks alternative sources of raw materials and suppliers, ensuring the stability of the prices and the continual supply and reducing the impact on its operation. Hunya has also gradually introduced a supply chain management platform to facilitate agile management of the impact and risks associated with the supply of raw materials. | The introduction of the Supply Chain Management (SCM) platform makes the purchasing operation more transparent and facilitates the centralized and unified management of information. 95% of suppliers are conducting transactions on this platform. |
| Competition risk | The threshold for entering the food market is low, leading to fierce competition, and customers rapidly change their preferences. These factors have a certain impact on the Company's business. | Hunya manages to avoid competition risk by reshaping its brand image and product exposure, enhancing consumers' brand loyalty and developing innovative products through clear market segmentation. | The Company continues to make innovations and expand its customer groups according to the progress of strategic projects. |
| Infectious disease risk | Global pandemics affect the global economy, directly impacting supply chains and (raw) material supplies, altering consumer behavior, and thus significantly affecting the sales and operational strategies of the Company. They may directly impact the operations of both upstream and downstream supply chains, leading to delivery delays or supply shortages in production, transport and shipment. | Currently, in response to the crisis of supply chain disruption, Hunya continually tracks the situation and prepare goods in advance to reduce the impact therefore caused. | In 2024, with the easing of the pandemic and the opening of borders, the risk of supply chain disruption of relevant raw materials was relatively low. The Company continued to track and observe the status quo of the supply chain |

| Risk | Impact on Hunya Foods | Countermeasure | Achievements in 2024 |
|---------------------|--|---|--|
| | | | at the monthly department meetings. |
| Climate change risk | Climate change risk will affect the business of the Company and the management of our energy and resources, (raw) materials, and supply chains. The impact on the Company at the production stage is direct and obvious. | Since 2021, we have implemented the Task Force on Climate-Related Financial Disclosures (TCFD) framework and have utilized it for assessing and planning our operational strategies. In addition, we have incorporated climate change considerations into our decision-making process. We've established a climate change risk management procedure and mechanism, incorporating it into our overall risk management policies. We actively implement various environmental protection, energy-saving and carbon reduction measures to reduce GHG emissions. Furthermore, we promote green production and food services to mitigate the impact of climate change on the business and adapt to these circumstances. More details about climate change risks are described in "4.2.1 Climate risk governance". In 2023, we planned to install smart electric meters throughout the factories, identified energy-intensive production lines for renewal and replacement, and began preparations for carbon inventory and assurance. | In 2024, the Company began the carbon inventory certification with counseling from the Foundation of Taiwan Industry Service. It is expected that Hunya will obtain ISO 14064 certification in 2025. |

2. We implement the customer-oriented Customer Relationship Management (CRM) system to provide outstanding services and products for customers and maintain good communication with them through different channels. Details are described below.

- **Toll-free customer service hotline (0800):**
We provide customers with complaint, return, and replacement services. The tasks of communication with customers are assigned to different units at various levels. The corresponding service unit or store transfers the task to the responsible unit through the 0800 system to ensure customers receive the best service.
- **Online customer service:**
Designated personnel respond to customer demands through various digital channels such as Facebook, Line, Instagram, and e-commerce service. They then transfer the task to the store, business unit, or factory through the CRM system, ensuring customers can understand their purchase and transport progress rapidly and conveniently.
- **Digital tracking:**
Customer files are created through the customer information system. The service progress of the sales personnel is monitored in real-time, and they submit a monthly report each month. Customer feedback is classified and followed up in the monthly report. The comment and rating functions on Google Maps are open to customers, allowing them to express their satisfaction promptly.
- **Satisfaction survey:** We proactively issue consumer satisfaction investigation questionnaires on a regular basis to conduct questionnaire surveys covering multiple aspects like products and services. Also, we enable the consumers to give feedback on their shopping experiences in an open-ended manner, with the objective to collect their opinions and make immediate adjustments and optimizations. As a result, we can provide higher-quality services and products.



Hunya has adopted the latest technologies for its information security, including Intrusion Prevention System (IPS), anti-malware and application program control. We have installed a next-generation firewall and UTM to block internal and external intrusions. At the same time, we have implemented proper system and data back to ensure the security of our crucial operating systems. The Point-of-Sale (POS) system used by the Rivon Business Group guarantees that the strictest confidentiality mechanism has been adopted for the end customers' orders and personal data, thereby protecting the data from disclosure or theft. In 2024, no information security incidents like infringement upon customers' privacy or loss of customer

data occurred to Hunya. Hunya Foods conducted information security projects and executed relevant information security detection and upgrading work in 2024, to ensure that the important information of customers and the Company were completely protected and effectively managed. Relevant projects executed are listed as follows.

■ Upgrading of POS equipment

We completed the replacement of old POS devices and the upgrading of OS and POS software at all stores in the province/factory welfare stores/Republic of Chocolate, to ensure that the devices and software comply with the information security regulations and reduce the possibility of occurrence of information security incidents.

■ Information security vulnerability scanning

Hunya conducted vulnerability scanning to identify potential risks. One high-risk vulnerability was detected during the initial scan. After applying patches and updates, a follow-up scan confirmed that the number of vulnerabilities was reduced to zero. The patching rate reached 100%, effectively mitigating the information security risks.

■ Multi-Factor Authentication (MFA) introduced to VPN

With respect to the VPN usage control of all colleagues of the Company as well as external consultants and vendors, Hunya has abandoned previous insecure practices of allowing access to the company network with just account names and passwords. Specifically, it has introduced an additional MFA mechanism based on verification to improve the security of VPN connection, substantially strengthen identity authentication and implement the principle of zero trust. As a result, the security of the information environment of Hunya has been further guaranteed.

■ System account and password management

Hunya has strengthened the security control of "Public Cloud Platform Management Accounts". The MFA mechanism has been introduced to the administrator account to ensure the security of system account and password.

■ Mail firewall upgrade

We have completed the upgrading of the major version of the Company's mail firewall, Openfind MailGates, and strengthened the capability to address various common email attacks, including Social Engineering, Spear Phishing, Business Email Compromise (BEC), APT attack and ransom software attack; furthermore, we can proactively recognize and remind colleagues to notice whether emails are sent from external sources or whether they are suspicious emails, thereby effectively defending against external information security attacks and threats.

■ Deployment of MDR endpoint detection and response system

We have deployed an endpoint Managed Detection and Response (MDR) system which has integrated the capabilities of EDR and NDR. This system can effectively strengthen the Company's capabilities to detect and process illegal activities like hacker intrusion, lateral movement within the enterprise and privilege escalation. At the same time, it has complied with the requirements of the government for strengthening the information security capabilities for endpoint detection and response of TWSE- and TPEX-listed companies.

■ Information security education and training and social engineering drills: Improving employees' information security awareness and risk perception capability

To enhance the information security awareness and risk perception of all employees, Hunya engaged an external professional cybersecurity firm to conduct social engineering drills. In 2024, two social engineering drills were carried out, with a total of 1,830 participants. Since the first drill in 2022, Hunya has significantly increased information security education, training, and advocacy, while continuously conducting social engineering exercises to strengthen employees' risk awareness. As a result of these ongoing efforts, the rate of antivirus software blocks triggered by employee errors decreased by 77.8% in 2024 compared to 2023. This demonstrates Hunya's strong commitment to internal cybersecurity, leading to a substantial reduction in risky behaviors when using computer systems.

3. Employee's Rights and Communication: please refer to the Company's ESG Report for details.

4. Communication with Stakeholders

By referencing the experiences of internal departments and other companies in the industry collected by the members of the Corporate Sustainability Committee and considering the spirit of the AA1000 SES-2011 Stakeholder Engagement Standard (SES), we have identified seven major stakeholders based on five major principles (dependence, responsibility, level of concern, influence, and diverse perspectives): investors, consumers, government authorities, employees, suppliers, distributors, communities, and others.

AA1000 SES-2011 Five Principles.

| | | |
|----|----------------------|---|
| 1. | Dependence | Stakeholders who are directly or indirectly dependent on the activities and operations of the Company. |
| 2. | Responsibility | Stakeholders for whom the Company takes responsibility currently or may do so in the future. |
| 3. | Level of concern | Stakeholders who require the immediate concern of the Company in financial, economic, social and environmental issues. |
| 4. | Influence | Stakeholders who only have influence on the Company or are capable of making decisions. |
| 5. | Diverse perspectives | Stakeholders who have different perspectives and thus can provide new ideas and give assistance in the identification of new opportunities. |

To understand stakeholders' opinions on corporate governance, environmental issues, social issues, etc., Hunya has established smooth communication channels. The units most closely connected with stakeholder groups are responsible for communicating with stakeholders and collecting their opinions. These opinions will serve as references for Hunya to determine future action directions and CSR strategies. To help our employees and upstream and downstream stakeholders better understand our long-term ESG goals, we continued communicating in 2024 about our peanut skin recycling project and Forever-Love Sustainable Pineapple Cake Gift Box through relevant media outlets such as Business Weekly, Common Wealth Magazine and Business Today. With supporting topics of green operations and environmental sustainability, we aim to gain recognition from stakeholders, enhance brand awareness and recognition among consumers, and serve as a model for other food companies, encouraging them to join in implementing ESG and environmental protection for the common good. For information on the channels and frequency of communication with stakeholders, please refer to Chapter 1 of the ESG Report.

5. Supply chain management

Guided by the philosophy of local sustainability, harmonious growth, and continuous happiness, Hunya places great emphasis on supplier management and has established comprehensive Supplier Assessment Management Regulations. We strictly adhere to the ISO 22000 standards for supplier evaluation, employing a scoring system based on quality, delivery time, capability, and other criteria. This enables us to thoroughly review, analyze, and assess supplier product quality, facilitating effective risk planning and mitigation. In 2024, Hunya engaged a total of 280 suppliers, including 207 raw material suppliers, 73 material suppliers, and 112 providers of other products and services such as stationery, equipment, machinery, and consulting. The majority of these

suppliers are located in Taiwan.

This chapter focuses on key raw material suppliers, all of whom are required to submit certificates and relevant documentation in compliance with procurement regulations. Only suppliers who pass our Quality Assurance (QA) testing and evaluation process are admitted to the supply chain. The QA Department also regularly conducts random inspections and audits to ensure ongoing compliance and quality control.

Regulations are established to build a sustainable supply chain management framework. Procurement is classified into raw material and material purchase categories. The responsible units conduct screening, monitoring, back-end logistics and distribution management, as well as on-site assessment, documentation/data collection, and file creation management. Continuous follow-up actions will be implemented if any food safety violations occur with a supplier. Collaboration will be terminated as per the law if any violations of the Supplier Assessment Management Regulations are identified.

In addition to procuring raw materials that comply with international product certifications, the Company also supports current suppliers in obtaining various management system certifications by providing knowledge on relevant laws and regulations and tracking the effectiveness of their improvement actions. Thanks to Hunya Foods' continuous efforts and policies, the number of suppliers acquiring international management system certifications has increased, especially in food safety-related certifications such as ISO 22000, HACCP, and FSSC. The following table summarizes the number of suppliers that have obtained international system certifications over the past three years:

| No. | Certification | 2022 | | 2023 | | 2024 | |
|---|---|---------------------|----------------|---------------------|----------------|---------------------|----------------|
| | | Number of Suppliers | Percentage (%) | Number of Suppliers | Percentage (%) | Number of Suppliers | Percentage (%) |
| 1 | Environmental Management Systems (ISO 14001) | 28 | 9.82 | 32 | 10.95 | 32 | 11.43 |
| 2 | Quality Management System (ISO 9001) | 60 | 21.05 | 63 | 21.58 | 60 | 21.43 |
| 3 | Food Safety Management Systems (ISO 22000) | 80 | 28.07 | 91 | 31.16 | 84 | 30.00 |
| 4 | Hazard Analysis and Critical Control Points (HACCP) | 77 | 27.02 | 84 | 28.77 | 74 | 26.43 |
| 5 | Food Safety System Certification (FSSC)* | 54 | 18.95 | 61 | 20.89 | 64 | 22.86 |
| 6 | Good Manufacturing Practice (GMP) | 7 | 2.46 | 7 | 2.39 | 5 | 1.79 |
| 7 | Food Safety Management Systems (BRC)* | 9 | 3.16 | 10 | 3.42 | 7 | 2.50 |
| 8 | Safe Quality Food (SQF)* | 4 | 1.40 | 7 | 2.39 | 6 | 2.14 |
| 9 | Total Quality Food (TQF) | 3 | 1.05 | 5 | 1.71 | 5 | 1.79 |
| 10 | Roundtable on Sustainable Palm Oil (RSPO) | 3 | 1.05 | 4 | 1.37 | 6 | 2.14 |
| Number and percentage of suppliers passing international system certification | | 265 | 88.77 | 156 | 53.42 | 142 | 50.71 |
| Number of (raw) material suppliers | | 291 | --- | 292 | --- | 280 | --- |

Note: * means compliance with GFSI certification

6. 2024 Directors' Continuing Education

The principal means of continuing education for the Company's directors include:

- Quarterly board meetings include presentations by the management team covering business updates, regulatory changes, and other relevant information. At board meetings, directors are provided with presentations related to political, economic, or compliance matters.
- The Audit Committee meets quarterly, during which the external auditors report to the committee on regulatory changes and the company's compliance status.

Relevant continuing education is as follows:

| Time | Course name | Sponsored by | Attendees | Course hours |
|------------|---|---|---|--------------|
| 2024/5/24 | Systematic Transformation of the Global Economic System Driven by Sustainability Challenges-Response Strategies for the Food Industry | Taiwan Institute of Directors | Yun-Chi Chang, Shu-Yen Chang, Sheng-Chun Wang, Chun-Pei Liu, Tsung-Pen Chang, Cheng-Chiu Yang, Chi-Chen Lin, Tsai-Yun Yu, Shih-Pin Hsu | 3 |
| 2024/12/26 | Trends and Risk Management of Digital Technology and Artificial Intelligence | Taiwan Institute of Directors | Yun-Chi Chang, Shu-Yen Chang, Sheng-Chun Wang, Chun-Pei Liu, Tsung-Pen Chang, Yen-Chuan Lin, Cheng-Chiu Yang, Chi-Chen Lin, Tsai-Yun Yu | 3 |
| 2024/08/12 | The New Generation of Artificial Intelligence: ChatGPT Flipping the New Trends of the Industry | Taiwan Corporate Governance Association | Sheng-Chun Wang | 3 |
| 2024/5/21 | ESG Rating Analysis of Capital Market and Business Implications of Sustainability Evaluation | Taiwan Independent Director Association | Cheng-Chiu Yang | 3 |
| 2024/5/24 | Systematic Transformation of the Global Economic System Driven by Sustainability Challenges-Response Strategies for the Food Industry | Taiwan Institute of Directors | Cheng-Chiu Yang | 3 |
| 2024/9/3 | From ESG Transformation to Impact Investment and Seizing of Business Opportunities | Taiwan Independent Director Association | Cheng-Chiu Yang | 3 |
| 2024/12/26 | Trends and Risk Management of Digital Technology and Artificial Intelligence | Taiwan Institute of Directors | Cheng-Chiu Yang | 3 |

7. Purchase of liability insurance for directors and supervisors

| Insured Persons | Insurance Company | Insured Amount (US\$) | Period of Insurance | Date of reporting to the Board |
|----------------------------|---------------------------|-----------------------|---------------------|--------------------------------|
| All Directors and Managers | Fubon Insurance Co., Ltd. | 5,000,000 | 2024/10/5~2025/10/5 | November 13, 2024 |
| All Directors and Managers | Fubon Insurance Co., Ltd. | 5,000,000 | 2023/10/5~2024/10/5 | November 10, 2023 |
| All Directors and Managers | Fubon Insurance Co., Ltd. | 5,000,000 | 2022/10/5~2023/10/5 | November 11, 2022 |
| All Directors and Managers | Fubon Insurance Co., Ltd. | 5,000,000 | 2021/10/5~2023/10/5 | November 11, 2021 |

- (IX) The implementation status of the internal control system should disclose the following matters
1. Statement on Internal Control

Hunya Foods Co., Ltd.
Statement on Internal Control

Date: February 25, 2025

The Company hereby states the results of the self-evaluation of the internal control system for 2024 as follows:

- i. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. The Company acknowledges that the establishment, implementation and maintenance of an internal control system is the responsibility of the Board of Directors and managers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- ii. II. The internal control system has innate limitations. No matter how robust and effective the internal control system, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.
- iii. III. The Company uses the assessment items specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the process of control, the assessment items specified in the Regulations divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element includes a certain number of items. For more information on such items, refer to the Regulations.
- iv. The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.
- v. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2022, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- vi. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- vii. This statement was approved by the Board of Directors on February 25, 2025, and out of the six directors in attendance (including attendance by proxy), none objected to it and all consented to the content expressed in this statement.

Hunya Foods Co., Ltd. (Seal)

Chairman: Yun-Chi Chang Signature and seal

President: Yun-Chi Chang Signature and seal

2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: None.
- x. Penalties Imposed upon the Company and the Company's Employees According to Law, Penalties Imposed by the Company upon Employees for the Violation of the Internal Control System Policy, Principal Deficiencies, and Improvement Status during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.
- xi. Any Dissenting Opinions Expressed by Directors or Supervisors with Respect to Major Resolutions Passed by the Board of Directors during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report, where Said Dissenting Opinions Have Been Recorded or Prepared as a Written Declaration, Contract Content: None.

V. Information on CPA Professional Fees:

(I) Information on CPA Professional Fees

Information on CPA Professional Fees

Unit: NT\$ thousand

| Name of CPA Firm | Name of CPA | Audit Period | Audit Fees | Non-audit Fees | Total | Remark |
|------------------|-----------------|-------------------|---------------------|-------------------|---------------------|------------------------------------|
| Ernst & Young | Rung-Huang Shiu | 20240101-20241231 | NT\$ 2,850 thousand | NT\$ 302 thousand | NT\$ 3,152 thousand | Non-audit fee is ESG assurance fee |
| | Jian-Tze Huang | 20240101-20241231 | | | | |

Note 1.: If the company changed its CPAs or accounting firm during the fiscal year, list the audit periods before and after the change separately, and specify the reason for the change in the "Remarks" column and disclose sequentially the audit and non-audit fees paid. For non-audit fees, additionally specify the content of the services.

(II) The audit fee referred to in the preceding paragraph refers to the fee paid by the Company to the certified public accountants for the audit, review and verification of financial reports, review of financial projections and tax certification.

(III) Evaluation of CPAs' Independence

The Company's Audit Committee conducts an annual evaluation of the independence and suitability of its certified public accountants. In addition to requiring a formal Statement of Independence and Audit Quality Indicators (AQIs), the Committee performs assessments based on the criteria outlined in Note 1 and 13 AQI metrics. It has been confirmed that the accountants have no financial interests or business relationships with the Company beyond those related to certification and tax services, and that none of their family members violate independence requirements. Furthermore, the auditors' experience level exceeds the industry average, and the use of audit tools has been continuously adopted over the past three years to enhance audit quality. The most recent evaluation was reviewed and approved by the Audit Committee on February 25, 2025, and subsequently ratified by the Board of Directors on the same day.

Note 1. The results of the CPA's independent evaluation are as follows

| Item No. | Evaluation Content | Please tick | | | Remark |
|----------|--|-------------|----|-----|--------|
| | | Yes | No | N/A | |
| 01 | Neither the CPA himself/herself nor his/her spouse or minor children have any investment or financial interest sharing relationship with the Company. | V | | | |
| 02 | The CPA has no financial borrowings from the Company for himself/herself or his/her spouse or minor children. However, if the principal is a financial institution and the transaction is normal, this does not apply. | V | | | |
| 03 | The CPA firm did not issue any assurance report on the effective operation of the financial information system designed or assisted in its implementation. | V | | | |
| 04 | Neither the CPA nor any member of the audit service team is currently, or has been for the last two years, a director or manager of the Company or has had a significant influence on the audit case. | V | | | |
| 05 | There are no significant items of non-audit services provided to the Company that directly affect the audit cases. | V | | | |
| 06 | Neither the CPA nor members of the audit service team promoted or brokered shares or other securities issued by the Company. | V | | | |
| 07 | The CPA or members of the audit service team do not represent the Company in defending legal cases or other disputes with third parties, except for those permitted by law. | V | | | |
| 08 | Neither the CPA nor any member of the audit service team is related to a spouse, consanguineous or consanguineous within two degrees of consanguinity to a director or manager of the Company or a person who has significant influence on the audit case. | V | | | |
| 09 | The co-practicing CPA who retired within one year did not serve as a director or manager of the Company or have significant influence on the audit. | V | | | |
| 10 | No member of the CPA or Audit Services Group has received any gift or special privilege of significant value from the Company or from a director, manager or substantial shareholder. | V | | | |
| 11 | The CPA is not currently employed by the Principal or the Auditor on a regular basis, receives a fixed salary or serves as a director or supervisor. | V | | | |
| 12 | Listed company: The CPA has not provided audit services to the Company for seven consecutive years. Non-listed company: The CPA has not provided audit services to the Company for ten consecutive years. | V | | | |
| 13 | The CPA has recused himself/herself from any matters in which he/she has a direct or material indirect interest that would affect his/her impartiality and independence. | V | | | |

| Item No. | Evaluation Content | Please tick | | | Remark |
|----------|--|-------------|----|-----|--------|
| | | Yes | No | N/A | |
| 14 | An audit, review, examination or opinion of the CPA is conducted in such a manner as to provide independence not only in substance but also in form. | V | | | |
| 15 | Members of the audit services team, other co-practicing accountants or shareholders of corporate accounting firms, accounting firms, firm affiliates and alliance firms, also maintain independence from the Company | V | | | |
| 16 | The CPA performs professional services with integrity and rigor. | V | | | |
| 17 | The CPA maintains an impartial and objective position when performing professional services and has avoided bias, conflict of interest or interest that would affect professional judgment. | V | | | |
| 18 | The CPA's lack or loss of independence has not compromised the integrity and objectivity of the position. | V | | | |

VI. Information on Replacement of CPAs:

The Company has changed its CPA in the last two years and the subsequent periods: None.

(I) Information regarding the former CPAs: N/A

(II) Information Regarding the Successor CPAs: N/A

(III) The reply letter from the former CPA regarding the Company's disclosures under Item 1 and Item 2, Sub-item 3, of Paragraph 5, Article 10 of the Regulations.

VII. Chairman, President, or Any Managerial Officer in charge of financial or accounting matters of the Company who has worked for the firm of certified public accountants or their affiliates within the last year should disclose their name, title and period of employment with the firm of certified public accountants or their affiliates: None.

VIII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report) by Directors, Supervisors, Managerial Officers, or Shareholders with a Stake of More than 10%

Change in Equity Interests by Directors, Supervisors, Managerial Officers, and Major Shareholders

| Title (Note 1) | Name | 2024 | | Current fiscal year as of April 20 | |
|---|--|---------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | Change in Number of Shares Held | Change in Number of Shares Pledged | Change in Number of Shares Held | Change in Number of Shares Pledged |
| Chairperson | Representative of Cheng Tian Investment Co., Ltd.: Yun-Chi Chang | - | - | - | - |
| Director | Representative of Tong Mao Investment Co., Ltd.: Sheng-Chun Wang | - | - | - | - |
| Director | Representative of Rivon Investment Co., Ltd.: Shu-Yen Chang | - | - | - | - |
| Independent Director | Yen-Chuan Lin | - | - | - | - |
| Independent Director | Tsung-Pen Chang | - | - | - | - |
| Independent Director | Chun-Pei Liu | - | - | - | - |
| 10% Major Shareholder | Rivon Investment Co., Ltd. | - | - | - | - |
| Vice President | Yung-Shun Chien | - | - | - | - |
| Assistant Vice President of Marketing Planning | Chieh-Hui Chen | - | - | - | - |
| Assistant Vice President of 77 Business | Chi-Jie Chi | - | - | - | - |
| Assistant Vice President, Production | Chu-Bin Yang | - | - | - | - |
| Headquarters Assistant Vice President of Marketing Planning | Shao-Ting Chung | - | - | - | - |
| Chief officer of the finance department | Tsai-Yun Yu | - | - | - | - |

Note 1.: Any shareholder holding more than 10 percent of the Company's total share capital shall be noted as a major shareholder, and such shareholders shall be listed individually.

Note 2.: The decrease in the number of shares was primarily due to a 20% capital reduction in cash.

Note 3.: If the counterparty of a transfer of shareholding or a pledge of shareholding is a related party, additionally complete the table below:

Information on Transfers of Shareholding

| Name (Note 1) | Reason for transfer (Note 2) | Date of transfer | Counterparty | Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders | Number of Shares | Transaction Price |
|------------------|------------------------------------|---------------------|--------------|--|---------------------|----------------------|
| - | - | - | - | - | - | - |
| | | | | | | |

Note 1.: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10 percent shareholding.

Note 2.: Specify whether the shares are acquired or disposed of.

Information on Pledges of Shareholding

| Name (Note 1) | Reason for change in pledge status (Note 2) | Date of change | Counterparty | Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders | Number of Shares | Shareholding Ratio | Pledge Ratio | Amount borrowed under pledges (or redeemed) |
|------------------|---|-------------------|--------------|--|---------------------|-----------------------|-----------------|---|
| None | - | - | - | - | - | - | - | - |
| | | | | | | | | |

Note 1.: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10 percent shareholding.

Note 2.: Specify whether it is a pledge or redemption.

IX. Relationship information, if among the company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another

Relationships Among the Top 10 Shareholders

Date: April 20, 2025

| Name (Note 1) | Shareholding | | Spouse & Minor Shareholding | | Total shareholding by nominee arrangements | | Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree of kinship (Note 3) | | Remark |
|--|------------------|--------------------|-----------------------------|--------------------|--|--------------------|--|---|--------|
| | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Name | Relationship | |
| Rivon Investment Co., Ltd. (Representative: Shu-Yen Chang) | 12,765,032 | 14.73% | - | - | - | - | Hsiu-Ching Chang | Sister | |
| Shu-Yen Chang | 4,694,732 | 5.42% | 975,956 | 1.13% | - | - | Hsiu-Ching Chang | Sister | |
| Cheng Tian Investment Co., Ltd. (Representative: Yun-Chi Chang) | 9,711,652 | 11.20% | - | - | - | - | Yun-Chi Chang | Chairperson & President | |
| Yun-Chi Chang | 1,786,080 | 2.06% | 70,712 | 0.08% | - | - | Cheng Tian Investment Co., Ltd. | Chairperson | |
| Kuo-Chen Chang | 6,570,616 | 7.58% | 1,999,300 | 2.31% | - | - | - | - | |
| Lian-Yuan Wang | 2,541,828 | 2.93% | 370,797 | 0.43% | - | - | Sheng-Chun Wang Sheng-Ru Wang | Father and son Father and daughter | |
| Hsiu-Ching Chang | 2,970,421 | 3.43% | - | - | - | - | Shu-Yen Chang | Sister | |
| XB Investments Inc. (Representative: Da-Cheng Lin) | 3,660,000 | 4.22% | - | - | - | - | Hsiu-Ching Chang | Spouse (Responsible Person of XB Investments Inc.) | |
| Sheng-Chun Wang | 2,752,236 | 3.18% | 34,000 | 0.04% | - | - | Lian-Yuan Wang Sheng-Ru Wang | Father and son Brother and Sister | |
| Sheng-Ru Wang | 2,695,299 | 3.11% | - | - | - | - | Lian-Yuan Wang Sheng-Chun Wang | Father and daughter Brother and Sister | |
| Special Account for Entrusted Trust Property of SinoPac Securities Corporation | 2,080,000 | 2.40% | - | - | - | - | - | - | |

| Name (Note 1) | Shareholding | | Spouse & Minor Shareholding | | Total shareholding by nominee arrangements | | Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree of kinship (Note 3) | | Remark |
|--|------------------------|-----------------------|--------------------------------|-----------------------|---|-----------------------|---|--------------|--------|
| | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Number of Shares | Shareholding Ratio | Name | Relationship | |
| Special Account for Entrusted Trust Property of SinoPac Securities Corporation | 2,080,000 | 2.40% | - | - | - | - | - | - | - |

Note 1.: All of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately.

Note 2.: The shareholding ratio (%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees.

Note 3.: Disclose the relationships among the above-listed shareholders, including corporate/juristic person shareholders and natural person shareholders, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. 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

Total Ownership of Shares in Investee Enterprises

| Investee enterprise (Note) | Ownership by the Company | | Investment by Directors/Managerial Officers and Companies Directly or Indirectly Controlled by the Company | | Total Ownership | |
|-----------------------------|--------------------------|----------------------------|--|----------------------------|------------------|----------------------------|
| | Number of Shares | Percentage of Ownership | Number of Shares | Percentage of Ownership | Number of Shares | Percentage of Ownership |
| Croissants Bakery Co., Ltd. | 1,020,000 | 100% | | | 1,020,000 | 100% |

Note: The Company's investments are accounted for by the equity method.

Fundraising Overview

- I. Capital and Shares**
- II. Corporate Bonds**
- III. Preferred Shares**
- IV. Global Depositary Receipts**
- V. Employee Stock Options**
- VI. New Restricted Employee Shares**
- VII. Issuance of New Shares in Connection with
Mergers or Acquisitions or with Acquisitions of
Shares of Other Companies**
- VIII. Implementation of Capital Allocation Plans**

Chapter 3 Fundraising Overview

I. Capital and Shares

(I) Source of Capital

March 31, 2025

| Year/ Month | Par Value | Authorized Capital | | Paid-in Capital | | Remark | | |
|----------------|--------------|---------------------------------|------------------------------|---------------------------------|------------------------------|---|--|---------|
| | | Number of Shares (Shares) | Amount (NT\$ thousand) | Number of Shares (Shares) | Amount (NT\$ thousand) | Source of Capital | Capital Increase by Assets Other than Cash | Others |
| 1976.06 | 1,000 | 5,350 | 5,350 | 5,350 | 5,350 | Start-up NT\$5,350,000 | None | |
| 1978.12 | 1,000 | 18,000 | 18,000 | 18,000 | 18,000 | Cash capital increase of NT\$12,650,000 | None | |
| 1981.09 | 1,000 | 28,000 | 28,000 | 28,000 | 28,000 | Cash capital increase of NT\$10,000,000 | None | |
| 1983.08 | 1,000 | 50,000 | 50,000 | 50,000 | 50,000 | Cash capital increase of NT\$22,000,000 | None | |
| 1987.09 | 1,000 | 75,000 | 75,000 | 75,000 | 75,000 | Cash capital increase of NT\$25,000,000 | None | |
| 1990.11 | 1,000 | 163,000 | 163,000 | 163,000 | 163,000 | Cash capital increase of NT\$88,000,000 | None | |
| 1992.10 | 1,000 | 19,966,300 | 199,663 | 19,966,300 | 199,663 | Consolidated of NT\$36,663,000 | None | Note 1 |
| 1994.10 | 10 | 80,000,000 | 800,000 | 38,602,330 | 386,023 | Cash capital increase of NT\$166,394,000 | | |
| | | | | | | Capital Surplus of NT\$19,966,000 | None | Note 2 |
| 1995.08 | 10 | 80,000,000 | 800,000 | 43,234,610 | 432,346 | Capital increase through earnings appropriation: NT\$7,720,000 | | |
| | | | | | | Capital Surplus of NT\$38,603,000 | None | Note 3 |
| 1996.08 | 10 | 80,000,000 | 800,000 | 48,422,764 | 484,227 | Capital increase through earnings appropriation: NT\$30,264,000 | | |
| | | | | | | Capital Surplus of NT\$21,618,000 | None | Note 4 |
| 1997.07 | 10 | 80,000,000 | 800,000 | 54,717,723 | 547,177 | Capital increase through earnings appropriation: NT\$38,738,000 | | |
| | | | | | | Capital Surplus of NT\$24,212,000 | None | Note 5 |
| 1998.07 | 10 | 80,000,000 | 800,000 | 61,283,850 | 612,838 | Capital increase through earnings appropriation: NT\$65,661,000 | None | Note 6 |
| 2002.08 | 10 | 80,000,000 | 800,000 | 63,122,366 | 631,224 | Capital increase through earnings appropriation: NT\$18,385,000 | None | Note 7 |
| 2003.08 | 10 | 80,000,000 | 800,000 | 66,278,484 | 662,785 | Capital increase through earnings appropriation: NT\$31,561,000 | None | Note 8 |
| 2004.08 | 10 | 80,000,000 | 800,000 | 71,580,763 | 715,808 | Capital increase through earnings appropriation: NT\$53,023,000 | None | Note 9 |
| 2005.08 | 10 | 80,000,000 | 800,000 | 75,159,801 | 751,598 | Capital increase through earnings appropriation: NT\$35,790,000 | None | Note 10 |
| 2006.08 | 10 | 120,000,000 | 1,200,000 | 81,172,585 | 811,726 | Capital increase through earnings appropriation: NT\$60,128,000 | None | Note 11 |
| 2008.08 | 10 | 120,000,000 | 1,200,000 | 85,231,214 | 852,312 | Capital increase through earnings appropriation: NT\$40,586,000 | None | Note 12 |
| 2010.07 | 10 | 120,000,000 | 1,200,000 | 92,049,711 | 920,497 | Capital increase through earnings appropriation: NT\$68,185,000 | None | Note 13 |
| 2011.08 | 10 | 120,000,000 | 1,200,000 | 98,493,191 | 984,932 | Capital increase through earnings appropriation: NT\$64,435,000 | None | Note 14 |
| 2012.07 | 10 | 120,000,000 | 1,200,000 | 108,342,510 | 1,083,425 | Capital increase through earnings appropriation: NT\$98,493,000 | None | Note 15 |
| 2023.10 | 10 | 200,000,000 | 1,200,000 | 86,674,00 | 866,740 | Capital decrease of NT\$216,685,000 | None | Note 16 |

Notes:

1. Merged in the form of three shares for one share; capital increased by NT\$36,663,000.
2. Approved on August 27, 1994, by Letter No. (83) Tai-Cai-Zheng (I) No. 32626.
3. Approved on June 23, 1995, by Letter No. (84) Tai-Cai-Zheng (I) No. 37255.
4. Approved on June 26, 1996, by Letter No. (85) Tai-Cai-Zheng (I) No. 40015.
5. Approved on June 3, 1997, by Letter No. (86) Tai-Cai-Zheng (I) No. 44636.

6. Approved on May 26, 1998, by Letter No. (87) Tai-Cai-Zheng (I) No. 46022.
7. Approved on June 17, 2002, by Letter No. Tai-Cai-Zheng (I) 0910132750.
8. Approved on June 24, 2003, by Letter No. Tai-Cai-Zheng (I) 0920127913.
9. Approved on June 18, 2004, by Letter No. Tai-Cai-Zheng (I) 0930127294.
10. Approved on June 17, 2005, by Letter No. Jin-Guan-Zheng (I) 0940124435.
11. Approved on June 29, 2006, by Letter No. Jin-Guan-Zheng (I) 0950127088.
12. Approved on June 23, 2008, by Letter No. Jin-Guan-Zheng (I) 0970031146.
13. Approved on June 23, 2010, by Letter No. Jin-Guan-Zheng-Fa 0990032431.
14. Approved on June 27, 2011, by Letter No. Jin-Guan-Zheng-Fa 1000029539.
15. Approved on June 18, 2012, by Letter No. Jin-Guan-Zheng-Fa 1010027140.
16. Approved on August 22, 2023, by Letter No. Shou-Shang 11230160290.

| Share Type | Authorized Capital | | | Remark |
|--------------|--------------------|-----------------|-------------|---------------|
| | Issued Shares | Unissued Shares | Total | |
| Common stock | 86,674,008 | 113,325,992 | 200,000,000 | Listed stocks |

Information on the shelf registration system: N/A.

(II) Structure

April 20, 2025

| Structure Item | Government Agencies | Financial Institutions | Other Institutional Shareholders | Foreign Institutions and Natural Persons | Domestic Natural Persons | Total |
|----------------------------|------------------------|---------------------------|--|---|-----------------------------|------------|
| Number of Shareholders | 0 | 3 | 166 | 25 | 13,335 | 13,529 |
| Shares Held | 0 | 4,180,000 | 28,563,989 | 202,561 | 53,727,458 | 86,674,008 |
| Percentage of Ownership | 0.00% | 4.82% | 32.96% | 0.23% | 61.99% | 100.00% |

Note: First listed (over-the-counter) companies and emerging companies shall disclose the proportion of their shares held by Chinese capital: Chinese capital refers to the people, legal entities, organizations, and other institutions in mainland China or their companies invested in third regions as stipulated in Article 3 of the Regulations for the Permission of People to Invest in Taiwan.

(III) Shareholding Distribution Status

Shareholding Distribution Status

April 20, 2025

| Range of Shares | Number of Shareholders | Shares Held | Percentage of Ownership |
|---------------------|------------------------|-------------|----------------------------|
| 1 ~ 999 | 11,060 | 1,913,693 | 2.21% |
| 1,000 ~ 5,000 | 2,041 | 3,980,569 | 4.59% |
| 5,001 ~ 10,000 | 200 | 1,454,017 | 1.68% |
| 10,001 ~ 15,000 | 64 | 800,003 | 0.92% |
| 15,001 ~ 20,000 | 37 | 654,639 | 0.76% |
| 20,001 ~ 30,000 | 36 | 920,518 | 1.06% |
| 30,001 ~ 40,000 | 15 | 518,408 | 0.60% |
| 40,001 ~ 50,000 | 13 | 596,043 | 0.69% |
| 50,001 ~ 100,000 | 23 | 1,601,659 | 1.85% |
| 100,001 ~ 200,000 | 11 | 1,545,871 | 1.78% |
| 200,001 ~ 400,000 | 4 | 1,169,739 | 1.35% |
| 400,001 ~ 600,000 | 2 | 887,400 | 1.02% |
| 600,001 ~ 800,000 | 0 | 0 | 0.00% |
| 800,001 ~ 1,000,000 | 2 | 1,839,956 | 2.12% |
| Over 1,000,001 | 21 | 68,791,493 | 21 |
| Total | 13,529 | 86,674,008 | 13,529 |

(IV) List of Major Shareholders: Shareholders with 5% or more of shareholding or top ten shareholders

April 20, 2025

| Shareholding Name of Major Shareholders | Shares Held | Percentage of Ownership |
|--|-------------|----------------------------|
| Rivon Investment Co., Ltd. | 12,765,032 | 14.73% |
| Cheng Tian Investment Co., Ltd. | 9,711,652 | 11.21% |
| Kuo-Chen Chang | 6,570,616 | 7.58% |
| Shu-Yen Chang | 4,694,732 | 5.42% |
| XB Investments Inc. | 3,660,000 | 4.22% |
| Hsiu-Ching Chang | 2,970,421 | 3.43% |

| Name of Major Shareholders | Shareholding | Shares Held | Percentage of Ownership |
|--|--------------|-------------|-------------------------|
| Sheng-Chun Wang | | 2,752,236 | 3.18% |
| Sheng-Ru Wang | | 2,695,299 | 3.11% |
| Lian-Yuan Wang | | 2,541,828 | 2.93% |
| Special account for entrusted trust property of Sinopac Securities | | 2,080,000 | 2.40% |

(V) Dividend Policy and Its Implementation

1. The Company's dividend policy is designed to meet operational needs, enhance profitability, and maximize shareholders' equity while ensuring stable business development. Each year, no less than 20% of the distributable earnings shall be allocated as dividends, with cash dividends accounting for at least 20% of the total dividends distributed.
2. On February 25, 2025, the Board of Directors approved the appropriation of earnings for the fiscal year 2024, which includes a cash dividend of NT\$0.6 per share.

(VI) Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting: None.

(VII) Remuneration of Employees and Directors and Supervisors

1. The percentage or range of remuneration for employees and directors and supervisors as stated in the Company's Articles of Incorporation: If the Company makes a profit in a year, it shall contribute 1% to 3% of the remuneration for employees and less than 2% of the remuneration for directors and supervisors based on the balance before deducting the remuneration for employees and directors and supervisors from the pre-tax income.
2. The amount of compensation to employees and directors and supervisors is estimated based on the amount set forth in the Articles of Incorporation, taking into account the legal reserve and other factors, and is recognized as operating expenses for the current year. If the actual allotment amount is different from the estimated amount at the shareholders' meeting, the difference is recognized as profit or loss in the following year.
3. The Board of Directors approved the following information on the proposed allotment of employees' remuneration:
 - A. Allotment of cash and stock-based compensation to employees and compensation to directors and supervisors and the amount of differences, the reasons for the differences and the circumstances under which they were handled:

The Board of Directors resolved on February 25, 2025 to distribute cash

compensation to employees and remuneration to directors and supervisors, as compared to the amount estimated in 2023:

Employee compensation expense of NT\$0 thousand, difference of NT\$0

Remuneration to directors and supervisors NT\$0 thousand, difference NT\$0

- B. Proposed Allotment of Employee Stock-Based Compensation and Its Proportion of Net Income After Tax and Total Employee Compensation: The Company does not plan to distribute employee compensation in the form of shares; therefore, this item is not applicable.
 - C. The calculated earnings per share after considering the proposed compensation to employees, directors and supervisors: 0.16 per share.
4. The actual allotment of employees', directors', and supervisors' remuneration in the previous year (including the number of shares allotted, the amount, and the share price), and any differences between the actual allotment and the recognized remuneration (including the amount of the difference, the reasons, and how the differences were handled): None.

(VIII) Share Repurchases: None.

- II. Corporate Bonds: None.
- III. Preferred Shares: None.
- IV. Global Depository Receipts: None.
- V. Employee Stock Options: None.
- VI. New Restricted Employee Shares: None.
- VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.

VIII. Implementation of Capital Allocation Plans

(I) Description of Plans

For the period as of the quarter preceding the date of publication of the Annual Report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.

(II) Implementation: N/A.



Chapter 4

Operational Highlights

I. Business Activities

II. Analysis of Market and Production and Marketing Situation

III. Information on Employees for the Two Most Recent Fiscal Years and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

IV. Disbursements for Environmental Protection

V. Labor Relations

VI. Material Contract

Chapter 4 Operational Highlights

I. Business Activities

(I) Scope of Business

1. The main contents of the Company's current business and their operating weight:
 - A. The manufacturing and sales of "77 Chocolate" series products account for approximately 70% of our sales.
 - B. We manufacture and sell "Rivon Wedding Cake" and French bakery products, with a 30% share of sales.
2. The Company's current products include:
 - A. Chocolates: 77 Nougat, 77 Crisp Plus, 77 Noble Pie and Daguerreotype, Milano Tart, Ove's Chocolate, Chocolatier, Chocolate Flakes, Chocolate Spread and various gift boxes
 - B. Wedding cake and bakery: Rivon "Happy bouquet Rococo", "Wishing Wings" wedding cake gift box, French desserts such as dacquoise/cookies/almond pastry, moon cake, mid-autumn moon cake, festival gift box, etc.
 - C. OEM of all kinds of bakery products for cakes and buns.
3. New products planned for development:

The application of various functional materials, such as GABA, lactic acid bacteria, food fiber, immune system enhancement, bone strengthening, etc., can better highlight the characteristics of our products and meet the needs of market consumers. We are developing highly profitable organic products with no additives that are low in sugar but high in protein, plant heat, natural ingredients, innovation, and highlights to meet the demands of diversified consumer groups.

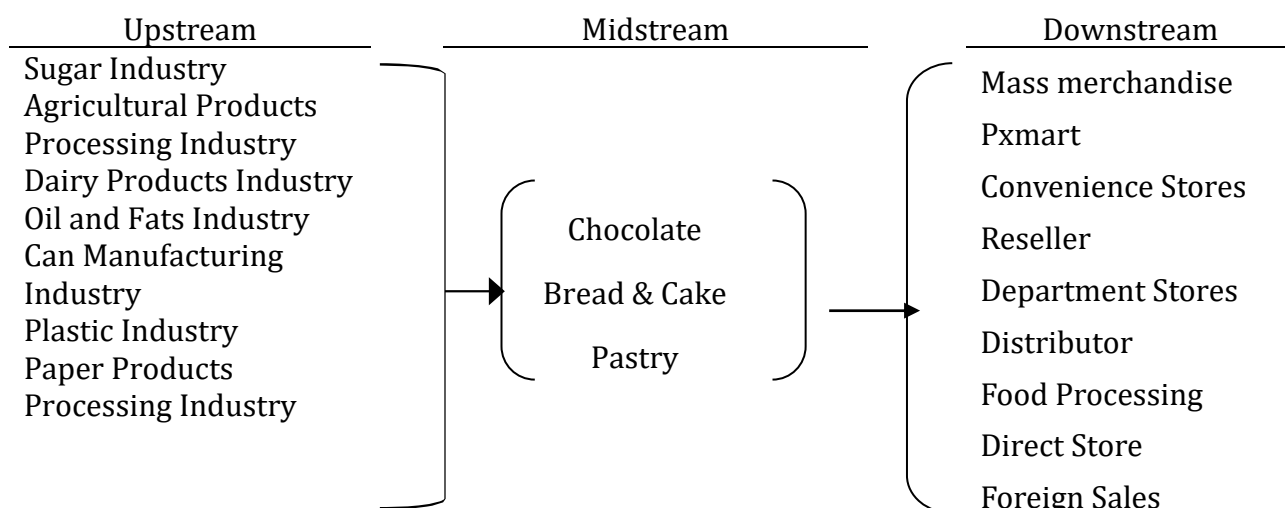
(II) Overview of the Industry

1. Current status and development of the industry

Globalization has brought about more diverse challenges in industry management issues such as labor, environmental protection, green energy, corporate governance, and social responsibility. Similarly, our company, operating in the food industry, has witnessed consumers becoming increasingly discerning about their diets as living standards improve. Chocolate products align well with modern consumers' pursuit of a quality lifestyle, offering significant market growth potential. Beyond engagement cakes, Rivon continues to expand its branded retail and festive product offerings, enriching the product mix available in its stores.

Regarding the company's long-term direction, with an emphasis on product quality, safety, and hygiene, future development will not only focus on expanding product categories and strengthening the brand, but also on creating differentiation and uniqueness from competitors. This approach will help establish product recognition, enhance product value, and secure a competitive business advantage.
2. Correlation between Upstream, Midstream, and Downstream of the Industry

Since last year, international raw material prices have risen from their lowest point, creating upward pressure on costs. The production process starts with upstream procurement of agricultural products, agro-processed goods, dairy products, oils and fats, cocoa powder, and other raw materials, which undergo processing, refining, and baking. These are then carefully produced and subjected to strict quality control to become products such as chocolate, pastries, and bread. These products are supplied to various channels, including domestic and international distributors, wholesalers, hypermarkets, convenience stores, and direct sales through company-operated stores. The related supply chain is illustrated as follows:



3. Various development trends and competition of products

With improved living standards and rising consumer awareness, the development of product categories is certainly important, but quality control is even more critical. Especially with technological advancements and the rapid evolution of consumer behaviors and business models, the management capabilities for both products and operations must keep pace with these changes.

Our company primarily serves the domestic market. In the chocolate segment, the main competitors are domestic manufacturers and import agents. Thanks to years of marketing efforts, the company has built strong brand recognition and a loyal customer base. In the pastry (wedding cake) market, our products are marketed under the “Rivon” brand, competing mainly with domestic wedding cake suppliers, while foreign competitors are relatively few and sporadic. Although the market share among brands fluctuates, traditional pastry shop orders continue to be released steadily. Our company has thus maintained a stable market position and will continue to explore market potential beyond the wedding cake sector.

(III) Overview of Technologies and R&D Work

We are dedicated to providing safe, hygienic, and high-quality food products that fulfill our customers’ needs. Our primary research and development focus includes biscuits, fine chocolates, premium pastries, and a diverse range of flavors.

Although food technology is rapidly evolving, consumers’ passion for delicious food remains unchanged. Therefore, our product development is centered on health and taste, with strict controls over hygiene and safety quality, continuous improvements in production efficiency, competitive pricing, and meeting consumer demands.

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

1. **Short-term plan:** Enhance research and development, create niche products, expand mass-market product categories, increase market coverage, and strengthen brand presence.
2. **Long-term plan:** Focus on unique and differentiated products, uphold a service-oriented business philosophy, and continuously innovate and enhance management capabilities.

II. Analysis of the Market and Production and Marketing Situation:

(I) Market Analysis

1. Major product sales regions

The Company's main product sales consist of 77 Chocolates, Rivon, and Croissant Bakery. The business structure and sales channels are as follows:

A. 77 Chocolate Series:

The company's sales are primarily domestic, covering major channels such as department stores, supermarkets, convenience stores, Pxmart, and distributors. Its sales network spans across the entire country, making it one of the leading chocolate manufacturers in Taiwan.

B. Rivon Series:

Our main domestic sales focus on engagement cakes, Mid-Autumn Festival mooncakes, cakes, and festive gift boxes. We operate 14 directly managed stores across the country, and in areas without directly managed stores, sales are handled through distributors.

C. The Croissant factory is located in Guanyin District, Taoyuan City, and primarily offers contract manufacturing services for bread, cakes, and bakery products.

2. Market Share and Supply and Demand in the Market and Possible Future Growth

Chocolate products mainly face competition from foreign brands, while the domestic pastry market is primarily contested among local wedding cake manufacturers. With increasing market globalization, products from around the world flood the market. However, since the early days, the Company has established independent R&D and production capabilities. Over 40 years of refinement and development have made our products widely loved by domestic consumers for their distinctive flavors and quality, differentiating them clearly from competitors.

As for pastries (wedding cakes), due to local festive customs and the perishable nature of these products, foreign competition is limited. With the evolving views on marriage, the demand for wedding cakes (and related customs) requires a blend of tradition and modernity. Additionally, expanding into different market segments—such as souvenirs, festivals,

group events, local specialties, and retail—can help boost revenue.

The Company operates mainly in the casual food sector, with a well-established foundation across research and development, manufacturing, branding, and distribution. Thanks to years of dedicated management, the Company has secured a niche market share ranging between 5% and 10% across various product categories. Moving forward, sustained efforts in product innovation and development will be crucial to driving further growth and expanding market presence.

3. Competitive Niches and Development Prospects: Favorable and Unfavorable Factors and Countermeasures

Favorable factors for assessing future development prospects include:

- A. The Company possesses a comprehensive business structure encompassing branding, distribution, research and development, and manufacturing, resulting in highly effective product launches.
- B. The Company enjoys extensive channel coverage.
- C. With independent R&D capabilities and process management systems compliant with FGMP, ISO 14001, ISO 22000, OHSAS 18001, and HACCP, the Company has a strong foundation for product extension and sales, and plans to further strengthen food safety risk management by obtaining FSSC certification in the future.

Unfavorable factors include:

- A. Market maturity – continuous innovation is required to enrich product lines (product mix, flavor extension, personalized products) to achieve market differentiation.
- B. Increased channel costs – need to deepen brand cultivation and enhance product differentiation to increase added value.
- C. Food safety issues – strengthen control at every stage, from raw material procurement and production to sales and distribution.
- D. Supply chain – guided by ESG management principles, deepen engagement in the supply chain through agricultural product contract farming, sharing, and mutual prosperity to build stable and reciprocal supplier relationships.

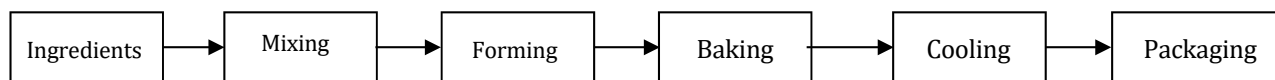
(II) Usage and Manufacturing Processes for Main Products

1. Important Applications of Main Products

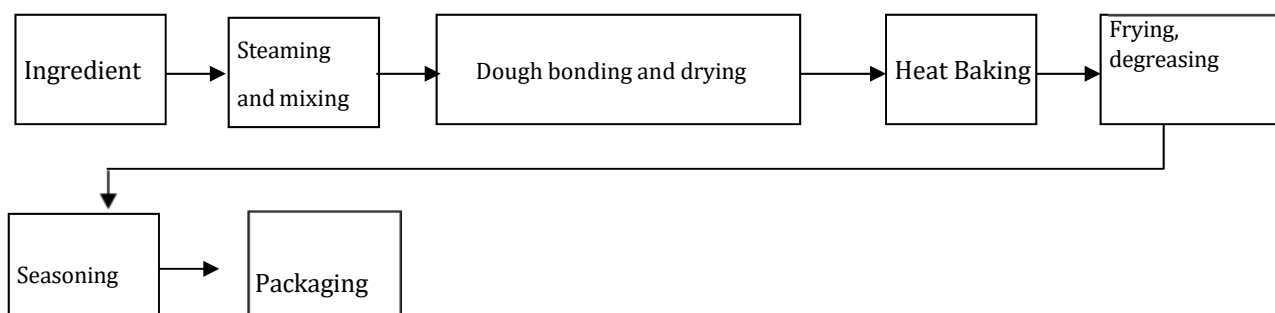
- A. 77 Nougat, Noble pie, Ove's Chocolate, and other chocolates: casual snacks, great gifts
- B. Chocolate for processing: supplying chocolate ices, pastry cakes, etc.
- C. Rivon Engagement Box: The best choice for a premium and sophisticated engagement box.
- D. Festive gift box: Souvenir, festive gift, seasonal goods.
- E. Croissant Bakery provides a cake baking OEM service.

2.

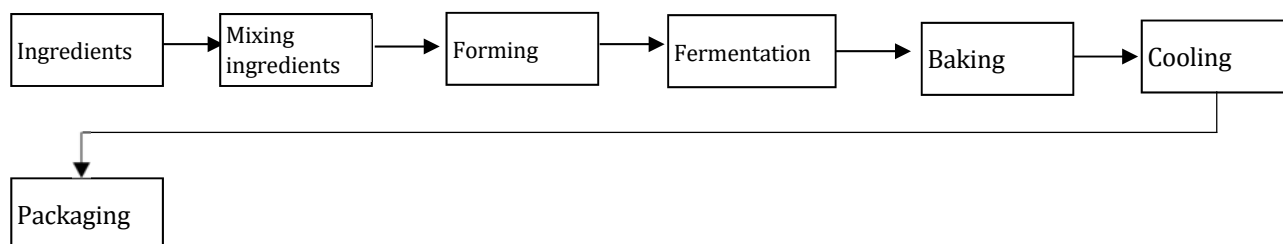
(1) Production process of major products



(2) Crunching process



(3) Bread and cake baking production process



(III) Supply of Major Raw Materials

The Company requires a wide variety of raw materials for production, primarily agricultural products (including processed goods) and general packaging materials (such as cartons, paper boxes, and plastic films). Except for peanuts, sugar, eggs, and packaging materials, which are mainly sourced domestically, other key ingredients like milk powder, cocoa powder, and cream are imported. The supply sources remain stable. However, the supply chain has been impacted by the pandemic and rising transportation costs, which have pressured profit margins. In response, the Company has adjusted its product mix and enhanced cost control measures to mitigate these adverse effects.

(IV) The names of customers who have accounted for more than 10% of the total purchases (sales) in any of the last two years, the amount and proportion of purchases (sales), and the reasons for the increase or decrease:

1. Purchases - There were no suppliers accounting for more than 10% of total purchases in the last two years.
2. Sales - Customers accounting for more than 10% of total sales in the last two years:

Unit: NT\$ thousand

| Item | 2024 | | | | 2023 | | | |
|------|--------------------------|-----------|--|---------------------------------------|--------------------------|-----------|--|------------------------------|
| | Name of customers | Amount | Proportion to Net Sales for the Year (%) | Relationship with the Issuer (Note 2) | Name of customer s | Amount | Proportion to Net Sales for the Year (%) | Relationship with the Issuer |
| 1 | Customer A Zhijia | 663,093 | 33% | 5 | Customer A Zhijia | 449,799 | 23% | 5 |
| 2 | Customer C Carrefour | 270,299 | 14% | 5 | Customer C Carrefour | 169,123 | 9% | 5 |
| 3 | Customer B UNI-President | 151,595 | 8% | 5 | Customer B UNI-President | 117,303 | 6% | 5 |
| | Others | 892,789 | 45% | 5 | Others | 1,193,728 | 62% | 5 |
| | Net sales | 1,977,776 | | | Net sales | 1,929,953 | 100% | |

Note 1.: List all customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the company is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name

Note 2.: 1. Subsidiaries 2. Other equity-method investees 3. Other related parties in substance 4. Major shareholders holding 10% or more of the shares 5. None

III. Employee

Information on Employees for the Two Most Recent Fiscal Years and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

March 31, 2025

| Year | | 2023 | 2024 | March 31, 2025 |
|--------------------------------------|-------------------|-------|-------|----------------|
| Number of Employees | Office workers | 387 | 412 | 399 |
| | Operators | 253 | 299 | 292 |
| | Temporary workers | 35 | 38 | 15 |
| | Total | 675 | 749 | 706 |
| Average Age | | 39.33 | 39.33 | 39.66 |
| Average Service Year | | 8.58 | 8.58 | 8.01 |
| Academic Background Distribution (%) | PhD | 0% | 0% | 0% |
| | Master's | 4% | 4% | 4% |
| | Bachelor's | 41% | 39% | 44% |
| | High school | 47% | 45% | 46% |
| | Below high school | 8% | 12% | 5% |

IV. Disbursements for Environmental Protection

Losses and penalties due to environmental pollution incidents in the most recent fiscal year and up to the date of the Annual Report publication: None.

Products sold by our company are not subject to the RoHS (Restriction of Hazardous Substances) Directive.

V. Labor Relations

(I) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests

Our company places great emphasis on employee welfare systems, career planning, and training, fostering harmonious labor relations. An Employee Welfare Committee is established, with monthly welfare funds allocated for organizing various benefit programs such as annual trips, holiday gifts, employee birthday celebrations, wedding and funeral medical subsidies, and various club activities. In compliance with the Labor Standards Act, the company has established an employee retirement plan, makes monthly contributions to the retirement fund, and has set up a supervisory committee.

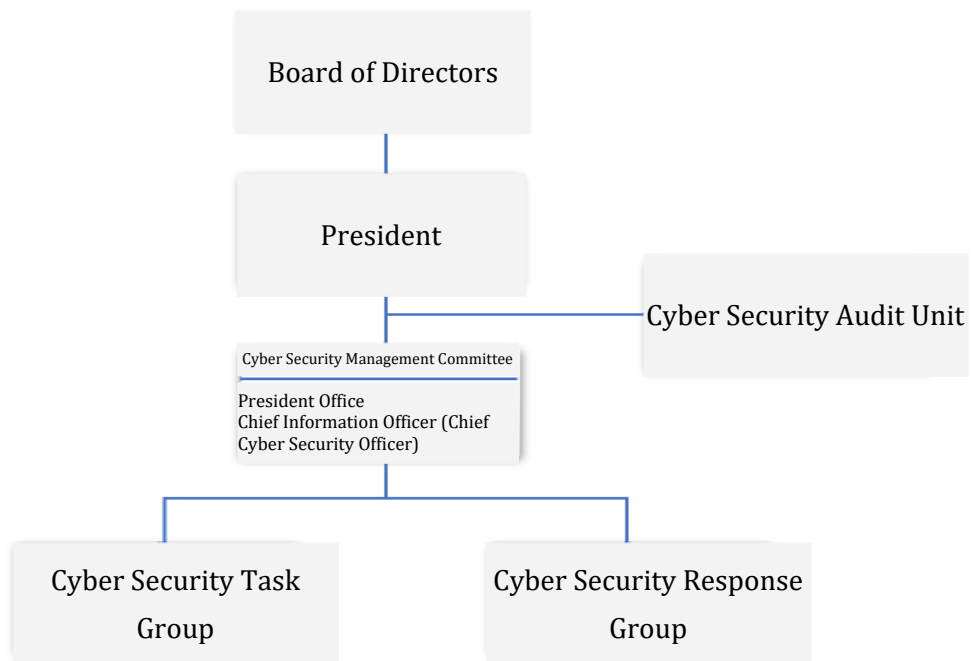
(II) Loss Resulting from Labor-management Relations in the Most Recent Fiscal Year and in the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

VI. Material Contract: None.

VII. Cyber security management:

(I) Information Security Policy and Organization

The Company has established an Information Security Management Team, led by the highest-ranking executive of the Information Technology Department as convener, and composed of network service members who execute the information security plan. The team is responsible for conducting external information risk assessments, assisting in resource allocation, establishing information security systems, supervising information security practices, and continuously strengthening awareness of information security. The information security organizational structure is shown in the following:



Hunya Food Co., Ltd. (hereinafter referred to as "the Company") has established an Information Security Policy to maintain overall information security, strengthen the management of various information assets, and ensure their confidentiality, integrity, and availability. The policy aims to establish a secure and trustworthy operational environment that safeguards data security, system integrity, equipment, and network security, thereby protecting the rights and interests of the Company's employees, relevant internal personnel, and external parties. This policy applies to all employees across all departments of the Company, outsourced vendors, third-party personnel involved in external information services (including cloud services), and all related information products. It is designed to prevent incidents of improper use, disclosure, alteration, or destruction of data caused by human error, malicious intent, or natural disasters, which could result in various risks and potential damages to the Company.

(II) Implementation of information security

Hunya Food has established an information security organization that implements a rigorous information security framework and a comprehensive management process. The head of the Information Technology Department regularly reports to the General Manager on the results of information security implementation, the status of policy enforcement, and future plans. This reporting covers four major areas.

1. Common Information Security Attacks and Threats in the Enterprise
2. Hunya Food Information Security Strategy
3. Raising awareness of information security among colleagues
4. Strengthen the information security infrastructure

The Company has established the objectives of its Information Security Policy to ensure the confidentiality, integrity, and availability of information.

1. **Availability:**

Ensure that all information assets provide timely and accurate services to meet users' needs.

2. **Integrity:**

Classify information assets according to their importance and provide appropriate protection to maintain their integrity.

3. **Confidentiality:**

Appropriately classify data confidentiality levels and implement corresponding regulations and protections based on these levels.

The Company follows the ISO27001 standard for information security. However, the Company has not obtained international certification for its information security policies and specific management programs, as per regulatory requirements. Nevertheless, the Company is committed to continuously strengthening information security measures and establishing collaborative defense plans. In addition, team members participate in annual professional development courses related to information security management to enhance their expertise and stay updated on relevant issues.

The Company's primary information equipment is housed in the server room of Everest Telecom, which is certified for compliance with the "Personal Information Protection Management System (PIMS) ISO 29100" and "Information Security Management System (ISMS) ISO 27001."

(III) Information Security Policy: Specific Management Plan and Implementation Status

1. Personnel Safety Management and Education & Training

Operations:

Continuously establish, promote, and enhance employee awareness of information security to improve overall security standards.

Implementation Status:

- (1) Periodically send information security bulletins via E-mail.
- (2) All new employees are required to undergo information security orientation.
- (3) Conduct annual information security awareness campaigns for company staff.
- (4) Conduct occasional social engineering email exercises.

2. Computer System Security Management

Operations:

Security management, change management, usage management, outsourcing management

Implementation Status:

- (1) All company computers are equipped with commercial antivirus software, and automatic updates are enabled.
- (2) The company's operating systems are required to remain up-to-date, with automatic updates activated.
- (3) Changes to critical information systems are updated following software management protocols.
- (4) Outsourced maintenance operations are conducted only after submitting an application form.

3. Network Security Management

Operations:

External connection management, internal connection management

Implementation Status:

- (1) Management of internet connections (firewall setup)
- (2) Company intranet segmented into different VLANs and network subnets

4. System Access Control

Operations:

System access policy, personnel change management, personnel identification management, remote access management

Implementation Status:

- (1) System access rights are set based on position and department.
- (2) Personnel changes and authorization modifications must be recorded according to the established process.
- (3) Employees working from home or in the field must always connect to the company via VPN software through a secure, encrypted channel.

5. System Development and Maintenance Security Management

Operations:

System development management, outsourcing vendor management, management during the commissioning period

Implementation Status:

- (1) Software development and modification, whether done in-house or outsourced, must follow the software project framework, retaining documentation and execution details.
- (2) External vendors performing maintenance must always use VPN software for encrypted connections.
- (3) Accounts used by outsourced vendors must be requested through a demand form and activated for a specified period.

6. Information Asset Security Management

Operations:

Information asset catalog, information security levels, data export management

- (1) Software inventory records are maintained, and hardware assets are subject to annual periodic inventory checks.
- (2) The security level of each information file is defined, and an appropriateness assessment for classification is carried out.
- (3) Information security processes record all specifications and content for exported data.

7. Planning and Management of Business Continuity Plans

Operations:

Emergency Response, Sustainability Plan

Implementation:

- (1) An emergency response and recovery plan has been established.
- (2) Annual disaster recovery drills are conducted to verify the effectiveness of emergency response measures.
- (3) Off-site backup is implemented.

The Company formulates management policies based on identified information security risks (including compliance standards, management procedures, and implementation), and develops specific management operations for implementation in accordance with the aforementioned policies. These operations cover areas such as security management, firewall management, user system access control, data modification request management, information system emergency response, information system file backup management, management of retired information equipment and handover procedures, and electronic file management. In addition to conducting annual external audits and semi-annual internal audits for information security inspections, the Audit Department will incorporate information security inspections into the annual audit plan. The department will also report to the Board of Directors on the implementation of information security risk management.

Hunya Foods conducted information security projects and executed relevant information security detection and upgrading work in 2024, to ensure that the important information of customers and the Company were completely protected and effectively managed. Relevant projects executed are listed as follows.

■ Upgrading of POS equipment

We completed the replacement of old POS devices and the upgrading of OS and POS software at all stores in the province/factory welfare stores/Republic of Chocolate, to ensure that the devices and software comply with the information security regulations and reduce the possibility of occurrence of information security incidents.

- **Information security vulnerability scanning**
Hunya patched and updated the vulnerabilities to address the risks found in the vulnerability scanning. 1 high-risk vulnerability was found in the initial scanning. After patching, a second scanning operation showed that the number of vulnerabilities was reduced to 0. The patching rate reached 100% and the information security risks were significantly eliminated.
- **Multi-Factor Authentication (MFA) introduced to VPN**
With respect to the VPN usage control of all colleagues of the Company as well as external consultants and vendors, Hunya has abandoned previous insecure practices of allowing access to the company network with just account names and passwords. Specifically, it has introduced an additional MFA mechanism based on verification to improve the security of VPN connection, substantially strengthen identity authentication and implement the principle of zero trust. As a result, the security of the information environment of Hunya has been further guaranteed.
- **System account and password management**
Hunya has strengthened the security control of “Public Cloud Platform Management Accounts”. The MFA mechanism has been introduced to the administrator account to ensure the security of system account and password.
- **Mail firewall upgrade**
We have completed the upgrading of the major version of the Company’s mail firewall, Openfind MailGates, and strengthened the capability to address various common email attacks, including Social Engineering, Spear Phishing, Business Email Compromise (BEC), APT attack and ransom software attack; furthermore, we can proactively recognize and remind colleagues to notice whether emails are sent from external sources or whether they are suspicious emails, thereby effectively defending against external information security attacks and threats.
- **Deployment of MDR endpoint detection and response system**
We have deployed an endpoint Managed Detection and Response (MDR) system which has integrated the capabilities of EDR and NDR. This system can effectively strengthen the Company’s capabilities to detect and process illegal activities like hacker intrusion, lateral movement within the enterprise and privilege escalation. At the same time, it has complied with the requirements of the government for strengthening the information security capabilities for endpoint detection and response of TWSE- and TPEx-listed companies.
- **Information security education and training and social engineering drills: Improving employees’ information security awareness and risk perception capability**
To improve all colleagues’ information security awareness and risk perception capability, Hunya has entrusted an external professional information security vendor to execute social engineering drills. In 2024, a total of 2 social engineering drills were conducted, with participants reaching 1,830 person-times. After implementing social engineering drills for the first time in 2022, Hunya has substantially increased information security education, training and advocacy and continually executed social engineering drills to enhance colleagues’ risk perception. With continual efforts made to strengthen colleagues’ information security awareness, compared to the false-trigger ratio in 2023, we reduced 77.8% of antivirus software block operations triggered by employees in 2024. This result shows Hunya’s determination in the internal information security, leading to a significant reduction of colleagues’ dangerous operating behaviors in the computer system.



Chapter 5

Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

- I. Financial Position**
- II. Financial Performance**
- III. Cash Flows**
- IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year**
- V. Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year**
- VI. Risk Analysis and Evaluation**
- VII. Other Material Matters**

Chapter 5 Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

- I. Financial position: Major changes in assets, liabilities and equity in the last two years and their effects

Consolidated Financial Statements

Unit: NT\$ thousand

| Item \ Year | December 31, 2024 | December 31, 2023 | Difference | | Remark |
|---|-------------------|-------------------|------------|---------|--------|
| | | | Amount | % | |
| Current Assets | 863,252 | 773,631 | 89,621 | 11.58% | - |
| Property, Plant, and Equipment | 2,124,404 | 1,838,907 | 285,497 | 15.53% | - |
| Other Assets | 1,114,726 | 1,216,435 | (101,709) | (8.36%) | - |
| Total Assets | 4,102,382 | 3,828,973 | 273,409 | 7.14% | - |
| Current Liabilities | 796,602 | 680,521 | 116,081 | 17.06% | - |
| Long term Liabilities | 751,320 | 737,193 | 14,127 | 1.92% | - |
| Total Liabilities | 1,547,922 | 1,417,714 | 130,208 | 9.18% | - |
| Capital Stock | 866,740 | 866,740 | 0 | -- | - |
| Capital Surplus | 34,205 | 34,205 | 0 | -- | - |
| Retained Earnings | 1,134,838 | 1,015,933 | 118,905 | 11.70% | - |
| Total Equity | 2,554,460 | 2,411,259 | 143,201 | 5.94% | - |
| Description: | | | | | |
| 1. The analysis is exempted as the change rate of increase or decrease is less than 20% and the amount is under NT\$10 million. | | | | | |

- II. Financial Performance: The main reasons for the significant changes in operating income, net operating profit, and pre-tax profit over the past two years, expected sales volume and its basis, potential impacts on the company's future financial performance, and corresponding response plans.

Consolidated Financial Statements

Unit: NT\$ thousand

| Item \ Year | 2024 | 2023 | Change, by Amount | Change, by Percentage |
|--|-----------|-----------|-------------------|-----------------------|
| Net Operating Revenue | 1,977,776 | 1,929,953 | 47,823 | 2.48% |
| Operating Costs | 1,468,607 | 1,392,477 | 76,130 | 5.47% |
| Gross Profit | 509,169 | 537,476 | (28,307) | (5.27%) |
| Operating Expenses | 561,950 | 524,282 | 37,668 | 7.18% |
| Operating Income (Loss) | (52,781) | 13,194 | (65,975) | (500.04%) |
| Non-operating Income and Expenditure | 28,079 | 22,009 | 6,070 | 27.58% |
| Income (loss) Before Tax | (24,702) | 35,203 | (59,905) | (170.17%) |
| Income Tax (Expense) Gain | 625 | (19,513) | 20,138 | (103.20%) |
| Net (Loss) Gain after Tax | (24,077) | 15,690 | (39,767) | (253.45%) |
| Description: | | | | |
| 1. In 2024, operating revenue grew as the Chinese New Year shipment peak was shifted to January, resulting in an increase. However, operating costs saw a significant rise due to the sharp increase in raw material prices, such as cocoa, butter, and oils. As a result, the gross profit amount declined despite the increase in operating revenue. | | | | |
| 2. The operating income was decreased compared to that in the same period last year due to the decline of the gross profit and the increase of new product development expenses. | | | | |
| 3. The non-operating income was similar to that in the previous year. | | | | |

- III. Cash flow: Analysis of cash flow changes in the latest year, plans to improve liquidity and analysis of cash flow in the coming year

- (I) The net cash inflows from operating activities amounted to NT\$ 3,500,000, which is a decrease of NT\$ 269,719,000 compared to NT\$ 273,219,000 in 2023. This decrease is primarily due to the shift of festivals, which caused accounts receivable to be collected in 2023.
- (II) The net cash outflow from investing activities was NT\$ 124,507,000, which increased by NT\$ 18,265,000 compared to the net outflow in the previous period. The Company invested in adding production lines and replacing old equipment to meet the long-term business development and product diversification needs. Additionally, the Company assessed its long-term and short-term capital positions and sold PharmaEssentia shares at a profit to maintain financial stability and ensure efficient utilization of funds.
- (III) The cash flow for the coming year is expected to be mainly based on net cash flow from own operating activities, in addition to the credit line granted by the bank as a reserve.

IV. Effect on Financial Operations of Any Major Capital Expenditures

| Capital Expenditure Items | Estimated Investment Amount | Impact on Financial Operations |
|--|-----------------------------|---|
| Replacement of Old Equipment | NT\$50,000,000 | Long-Term Corporate Development |
| Purchase of Laboratory and Testing Equipment | NT\$5,400,000 | Reduce production costs and improve performance, generate revenue from new products |
| Addition of Bread Production Line Equipment | NT\$75,000,000 | Long-term Corporate Development |
| Total | NT\$130,400,000 | |

V. Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year

The Company's investment in PharmaEssentia Corp. led to its listing on the TPEx in 2016, which has helped boost market activity and enhance business prospects. However, the Company remains focused on advancing the development of its own brand. In January 2022, the Company acquired 100% equity in Croissants Bakery Ltd., marking a strategic move to expand its fresh daily product offerings. This acquisition aims to address challenges such as the pronounced fluctuations in sales between seasonal peaks and off-peak periods, as well as imbalances in production capacity and workforce utilization. By integrating this acquisition, the Company seeks to create competitive advantages and enhance overall operational synergies.

VI. Risk Analysis and Evaluation Item

- (I) The effect of interest rate fluctuations, exchange rate changes, and inflation on the company's profit (loss) and the corresponding response measures.
 1. The domestic interest rate remains at a low level, which is favorable for the development of corporate investments.
 2. The foreign currency portion of the company's export revenue is primarily used for purchasing raw materials. The company employs a natural hedge to mitigate exchange rate risks, adjusts its foreign currency holdings as needed, and takes appropriate actions to minimize the impact of exchange rate fluctuations.
 3. The prices of raw materials such as dairy products, oils and fats, and agricultural products have risen due to the pandemic, which has increased the pressure on the cost of our products, though there is no significant risk involved.
- (II) Engaged in high-risk, highly leveraged investments, lending of funds to others, endorsement of guarantees or derivative transactions: None.

(III) Future research and development plans and estimated investment in research and development

We are developing medium to high-end chocolate products, souvenirs (French/handmade pastries), and fresh goods. In the export sector, we leverage our diverse product lines to cater to the needs and regulations of different trading regions, thereby driving a variety of export items and markets. We allocate 1-2% of our annual revenue to R&D, focusing on the development of new products, optimizing production efficiency, and integrating MES/WMS/NPD systems to streamline and smarten our production processes.

(IV) Effect on the Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to Be Taken in Response

As society continues to advance, corporate management, food safety, hygiene, labeling, and consumer protection laws and regulations are continuously being refined. The company has always upheld the principles of integrity and fair trade, carefully complying with relevant laws and regulations. This approach aims to enhance the quality of both the company's products and management, with no adverse impact on the company's financial performance or operations.

(V) Impact of Information System Impairment on the Company's Financial Operations and Response Measures

The company and its subsidiaries have established a high-availability server redundancy mechanism based on risk levels to ensure uninterrupted service. Backup data is synchronized to off-site storage, and regular emergency response drills are conducted to ensure the normal operation of information systems and data security. These measures help reduce the risk of data disruption or loss, while ensuring that the system recovery targets are met within the expected timeframe. The Company has established a corporate information security policy and related management practices to ensure the confidentiality, integrity and availability of internal information assets to meet the requirements of relevant laws and regulations. According to the risk level, we will continue to plan and build appropriate information security-related software and software resources and improve operational processes to reduce the risk of confidential information leakage.

For the year 2024 and up to the date of printing of the annual report, the Company has not had any information system impairment events that have had or may have a material adverse effect on the Company's business and operations, nor has it been involved in any legal cases or regulatory investigations in relation to information security events.

(VI) Effect on the Crisis Management of Changes in the Corporate Image, and Measures to Be Taken in Response

Our company primarily markets the brands "77 Chocolates" and "Rivon Wedding Cakes," operating with the principles of "honesty, innovation, quality, and service."

We uphold the highest quality standards in every product to build brand value. The newly introduced chocolate tourism factory is designed with sustainable management in mind, aiming to enhance brand visibility. This initiative not only generates new business but also positively impacts the company's image.

(VII) Expected benefits and possible risks of the merger and acquisition: None.

(VIII) Expected benefits and possible risks of plant expansion

The expansion of Building F, which will be used for new product lines, labor dormitories, and warehousing/logistics, is estimated to cost NT\$127,685,000. The addition of new product lines will help boost revenue and profitability, contributing to the long-term development and growth of the company.

(IX) Risks associated with concentrations of purchases or sales:

In the past two years, no individual suppliers accounted for more than 10% of the company's purchases, and the supply of goods has remained normal, with no risk of over-concentration. Due to the expansion of large-scale distribution channels, 3-4 customers have accounted for more than 10% of sales during this period; however, none of these customers has exceeded 30%, so there is no immediate risk of over-concentration.

(X) The impact, risk and response measures on the Company due to a significant transfer or change of shareholding of directors, supervisors or major shareholders holding more than 10% of the shares: None.

(XI) Effect of the change in operating right on the Company and risk: None.

(XII) Litigation or non-litigation events: None.

(XIII) Other important risks: None.

VII. Other Material Matters: None.



Chapter 6

Special Disclosure

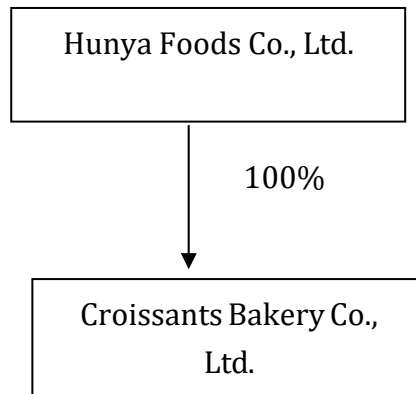
- I. Information on Affiliates**
- II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report**
- III. Other Supplementary Information**
- IV. Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities, Occurring during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report**

Chapter 6 Special Disclosure

I. Information on Affiliates

(I) Consolidated Business Report of Affiliates

1. Organizational chart of affiliates



2. Basic information of affiliates

Unit: NT\$ thousand

| Name of Affiliate | Date of Incorporation | Address | Paid-in Capital | Major Lines of Business or Products |
|-----------------------------|-----------------------|--|-----------------|--|
| Hunya Foods Co., Ltd. | 1976.6.14 | 20F.-6, No. 86, Sec. 1, Beixin Rd., Xindian Dist., New Taipei City | 866,740 | Manufacturing, processing, trading, importing, and exporting candy, chocolate, biscuits, mooncakes, pastries, bread, cakes, and other food products. |
| Croissants Bakery Co., Ltd. | 1989.1.31 | 20F.-6, No. 86, Sec. 1, Beixin Rd., Xindian Dist., New Taipei City | 102,000 | Manufacture and sale of pastries, bread, frozen dough, frozen cakes, and various types of frozen prepared foods. |

Note 1. All affiliates, regardless of size, shall be disclosed.

Note 2. If each affiliate has a factory and the sales value of the factory's products exceeds 10% of the controlling company's operating revenues, the name of the factory, the date of establishment, the address and the main items of products produced by the factory should be added.

Note 3. If the affiliate is a foreign company, the company name and address may be provided in English, the date of establishment may be expressed in the Western calendar, and the paid-in capital may be stated in foreign currency (with the exchange rate as of the reporting date included).

3. Where there is considered to be a controlled and subordinate relation, information of the same shareholders

Unit: NT\$ thousand; share; %

| Presumed cause | Name (Note 1) | Shareholding (Note 2) | | Date of Incorporation | Address | Paid-in Capital | Main Business Activities |
|----------------|---------------|-----------------------|-------------------------|-----------------------|---------|-----------------|--------------------------|
| | | Number of Shares | Percentage of Ownership | | | | |
| None | | | | | | | |

Note 1.: Where the shareholders in common are juristic persons, fill in the name of the juristic person; where the shareholders in common are natural persons, fill in the name of the natural person. Natural shareholders only fill in the reason for presumption, name and shareholding.

Note 2.: Shareholdings are included in the shareholder's shareholding information of the controlling company.

4. Business relationship description:

(1) Industry covered by the business of the overall affiliates:

- A. Manufacturing, processing, trading, import and export of candy, chocolate, biscuits, mooncakes, pastry, bakery and other food products.

5. Information on directors, supervisors, and presidents of affiliates

April 20, 2025

Unit: Share; %

| Name of Affiliate | Title | Name or Representative | Shareholding | |
|------------------------|----------------------|--|------------------|------------------------|
| | | | Number of Shares | Shareholding Ratio (%) |
| Hunya Foods Co., Ltd. | Chairperson | Cheng Tian Investment Co., Ltd. Representative: Yun-Chi Chang | 9,711,652 | 11.20 |
| | Director | Tong Mao Investment Co., Ltd. Representative: Sheng-Chun Wang | 114,926 | 0.13 |
| | Director | Rivon Investment Co., Ltd. Representative: Shu-Yen Chang | 12,765,032 | 14.72 |
| | Independent Director | Tsung-Pen Chang | 0 | - |
| | Independent Director | Yen-Chuan Lin | 0 | - |
| | Independent Director | Chun-Pei Liu | 0 | - |
| | Independent Director | Cheng-Chiu Yang | 0 | - |
| | | | | |
| Croissants Bakery Ltd. | Chairperson | Hunya Foods Co., Ltd. Representative: Yun-Chi Chang | - | 100 |

Note 1. If the affiliate is a foreign company, its position is listed as equivalent.

Note 2. If the investee company is a limited company, please fill in the number of shares and the percentage of shareholding; for others, please fill in the amount of capital and the percentage of capital contribution and specify.

Note 3. If the director or supervisor is a juristic person, the relevant information of the representative shall be disclosed.

(II) Operating status of affiliates

Unit: NT\$ thousand

| Name of Affiliate | Capital | Total Assets | Total Liabilities | Net Worth | Operating Revenue | Operating Income (Loss) | Profit or Loss (After Tax) | Earnings Per Share (NT\$) (After Tax) |
|------------------------|---------|--------------|-------------------|-----------|-------------------|-------------------------|----------------------------|---------------------------------------|
| Hunya Foods Co., Ltd. | 866,740 | 4,056,065 | 1,501,605 | 2,554,460 | 1,932,204 | (26,605) | (24,077) | (0.28) |
| Croissants Bakery Ltd. | 102,000 | 133,898 | 41,313 | 92,585 | 64,238 | (22,993) | (17,161) | |

Note 1.: All affiliates, regardless of size, shall be disclosed.

Note 2.: If the affiliate is a foreign company, the relevant figures should be presented in New Taiwan dollars using the exchange rate as of the reporting date.

(III) Consolidated Financial Statements of Affiliates: Please visit the website of MOPS (<https://mops.twse.com.tw/mops/#/web/home>).

(IV) Reports on Affiliations: None.

- II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.
- III. Holding or Disposal of Shares in the Company by Subsidiaries during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.
- IV. Other Supplementary: None.
- V. Situations Listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities, Occurring during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

Hunya Foods Co., Ltd.

Chairperson: Yun-Chi Chang



宏亞食品股份有限公司
HUNYA FOODS CO., LTD.

