

Stock Code: 6666

LUO LIH-FEN HOLDING CO., LTD.

2024 Annual Report

Company Website <http://www.luolihfen.com>

Market Observation Post System <http://mops.twse.com.tw>

Printed On April 22, 2025

I. Name, Job Title, Contact Telephone, and Email Address of the Spokesperson as well as the Deputy Spokesperson:

(I) Spokesperson:

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Title: Special Assistant of the President	Email: luke.wang@jiawenli.com

(II) Deputy Spokesperson:

Name: Liu Yamei	Tel: (02)8771-3126
Title: Special Assistant of the Chairman	Email: ir@jiawenli.com

II. Addresses and Telephone Numbers of the Headquarters, Branch Companies, and Factories:

(I) The Company

Name: Luo Lih-Fen Holding Co., Ltd.	website: www.luolihfen.com
	Tel: (86)596-6269-880

Address: Sertus Chambers P.O.Box 2547, CassiaCourt, CamanaBay, GrandCayman, CaymanIslands

(II) Taiwan Subsidiary

Name: Lever Guide Biotech Co., Ltd.	Tel: (886)2-8771-3126
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Name: Richer Biotechnology Co., Ltd.	Tel: (886)2-8771-3126
Address: 8 F., No. 219, Section 4, Zhongxiao East Road, Daan Dist., Taipei City	
Name: Taiwan Rui Qing He Co., Ltd.	Tel: (886)2-8712-3636
Address: 5-1F, No. 259, Section 3, Nanjing East Road, Songshan District, Taipei City	

(III) Hong Kong Subsidiary

Name: Luo Lih-Fen Group Limited	Tel: (86)596-6269-880
Address: Flat/Rm A20/F, Kiu Fu Commercial Bldg, 300 Lockhart Road, WanChai, HongKong.	

(IV) China Subsidiaries

Name: Juwenlee (Fujian) Cosmetics Co., Ltd.	Tel: (86)596-6269-880
Address: No. 21, Longxiang Rd., Zhangzhou Taiwanese Investment Zone, Fujian Province	
Name: Xiamen Luolifen Cosmetics Co., Ltd.	Tel: (86)596-6269-880
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Name: Xiamen Glingluo cosmetics Co., Ltd.	Tel: (86)596-6269-880
Address: Pavilion of Prince Teng Office 514-569, No. 619 Hubin South Road, Siming District, Xiamen City	
Name: Xiamen Sunlily Cosmetics Co., Ltd.	Tel: (86)596-6269-880
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Name: Huiwenli (Fujian) Enterprise Management Co., Ltd.	Tel: (86)596-6269-880
Address: No. 21-1, Longxiang Rd., Zhangzhou Taiwanese Investment Zone, Fujian Province	
Name: Zhangzhou Healthy Skin Enterprise Management Co., Ltd.	Tel: (86)596-6269-880
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Name: Zhangzhou Kangbaoli Biologic Technology Co., Ltd.	Tel: (86)596-6269-880
Address: No. 21-2, Longxiang Rd., Zhangzhou Taiwanese Investment Zone, Fujian Province	
Name: Lichuang (Fujian) Bio-Technology Co., Ltd.	Tel: (86)596-6269-880
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Name: Zhangzhou Kangqili Health Management Co., Ltd.	Tel: (86)596-6269-880
Address: No. 21-4, Longxiang Rd., Zhangzhou Taiwanese Investment Zone, Fujian Province	
Name: Xiamen Yimeili Enterprise Management Co., Ltd.	Tel: (86)596-6269-880
Address: No. 349, Jiahe Road, Siming District, Xiamen City	
Name: Xiamen Manfenli Enterprise Management Co., Ltd.	Tel: (86)596-6269-880
Address: Unit 105, No. 347, Jiahe Road, Siming District, Xiamen City	
Name: Xiamen Siming Realbio Plastic Surgery Clinic Co., Ltd.	Tel: (86)596-6269-880
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Name: Xiamen Manlifenni Beauty Co., Ltd.	Tel: (86)596-6269-880
Address: 2F-2, No. 349, Jiahe Road, Siming District, Xiamen City	
Name: Xiamen Liluoya Commerce Co., Ltd.	Tel: (86)596-6269-880
Address: Unit 107, No. 347, Jiahe Road, Siming District, Xiamen City	
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Name: Juliying (Xiamen) Health Technology Co., Ltd. Tel: (86)596-6269-880
Address: Unit 409, No. 4696 Xian Yue Road, Huli District, Xiamen City
Name: Xiamen Jialifenni Beauty Co., Ltd. Tel: (86)596-6269-880
Address: the 102 stores, No. 12, Hexiang West Road, Siming District, Xiamen City
Name: Xiamen Siming District Ruilifenni Medical Beauty Clinic Co., Ltd. Tel: (86)596-6269-880
Address: the 102 stores, No. 12, Hexiang West Road, Siming District, Xiamen City

III. Name, Address, Website, and Telephone of the Stock Transfer Institution:

Name: Yuanta Securities Co., Ltd., Shareholders Service Dept., website: www.yuanta.com.tw
Address: B1., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City Tel: (02)2586-5859

IV. Name, Address, Website, and Telephone of the Certified Public Accountant Who Attested the Latest Annual Financial Report:

CPA Names: Shih-Jung Weng, CPA and Fu-Ming Liao, CPA website: www.pwc.tw
Name of the Accounting Firm: PwC Taiwan Tel: (02)2729-6666
Address: 27 F., No. 333, Sec. 1, Keelung Rd., Taipei City

V. Name of the trading place where the overseas securities are listed for trading and the method to inquire about the overseas securities information: None

VI. Company Website: www.luolihfen.com

VII. Board of Directors List

Identity	Name	Nationality	Main Education Background
Chairman	Black Praise International Limited	Hong Kong	-
	Representative: Li-Fen Luo	R.O.C.	EMBA in Biotechnology, College of Management, Taipei Medical University Bachelor, Hong Kong Chinese Medicine Research Institute Hong Kong Chinese Medicine Physician, General Practitioner Director-general of Chinese International Beauty Association The 3rd Chairman of the China International Leaders Association of the ILF Foundation
Director	Talent Reach (HK) Limited	Hong Kong	-
	Representative: Huan-Wen Jao	R.O.C.	Bachelor of Electronic Engineering, National Defense University Chung Cheng Institute of Technology CEO of the Chinese International Beauty Association Vice President of the China Daily Chemical Industry Technology Innovation Alliance Vice President of the Taiwan Business Association of Zhangzhou Taiwan Investment Zone
Director	Shih-Chinn Ho	R.O.C.	Master of Business Administration, National Taiwan University Master of Financial Management, Golden Gate University 10th Chairman of the National Taiwan University EMBA Alumni Foundation 2020 Outstanding Alumni of Fu Jen Catholic University
Director	Li-Sheng Chu	R.O.C.	Ph.D. in Economics and Strategic Management, Asia University Assistant Professor of Asia University
Independent Director	Kuo-Cheng Wang	R.O.C.	Master of Business Administration, National Taiwan University Chairman/President of leas elephants
Independent Director	Yu-Che Wang	R.O.C.	Ph.D. in Business Education, University of Missouri-Columbia Master of Business Administration, University of Massachusetts Dartmouth, USA Researcher, National Policy Foundation Consultant, Hsinchu City Government
Independent Director	Yin-Chieh Hsu	R.O.C.	Master of Accounting, College of Management, National Taiwan University EMBA Bachelor of Law, National Taipei University President of HC & Partners
Independent Director	Su-Tien Yu	R.O.C.	Master of Journalism, Chinese Culture University Chairman and President of Live Marketing Co., Ltd.

VIII. Name, Job Title, Contact Telephone, and Email Address of the Agents in the ROC:

Name: Chih-Fu Wang Tel: (86)596-6269-880#6827
Title: President Special Assistant Email: luke.wang@jiawenli.com

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One. Letter to Shareholders

With China and the United States engaged in trade competition, the overall economic landscape and real estate industry have remained sluggish. This has, overall, led to a contraction in the end-user market for the year. While the Company experienced a slower-than-expected sales pace in the end-user market in 2024, it still achieved revenue growth close to expectations. Amid a downturn in the broader consumer market, the Company has taken early action to set up three well-structured sales channels—professional beauty salon channels, home care CS channels, and directly-operated healthcare and biocare beauty salons and franchise distribution channels along with flexible sales strategies and an online-offline integrated brand promotion model to adapt to the ever-changing market. Furthermore, supported by robust R&D capabilities (as of now, 62 patents obtained, including 25 invention patents) and competitive advantages gained through raw material development and continuous product innovation, the Company has managed to grow despite the unfavorable market environment. While many peer companies are facing performance declines, we have achieved upward momentum in our revenue performance. The 2024 operating results and an overview of our 2025 business plan are presented below:—

I. 2024 Operating Results

(I) Implementation of the business plan

In 2024, the Company's consolidated operating revenue reached NT\$1,126,524 thousand, growing by 16% over the NT\$971,050 thousand for the consolidated operating revenue in 2023. The 2024 net profit after tax reached NT\$86,987 thousand, growing by 2% over the net profit after tax in 2023, NT\$85,492 thousand.

In terms of sales region, the operating revenue earned in Mainland China totaled NT\$1,073,145 thousand, which accounted for 95% of the total operating revenue. Mainland China remains the largest market the Company continues to cultivate and the key area of focus for business expansion.

(II) Analysis of financial gains and losses and profitability

Regarding financial revenue and expenditures and financial structure, in 2024, the Company reported a debt ratio of 24%, current ratio of 219%, net profitability of 8%, and NT\$337,534 thousand in cash inflow from operating activities. These figures show that the Company has kept cash flows abundant and its financial structure robust.

(III) R&D overview

In 2024, the Company's collaborative project with Huaqiao University on "Development and Application of Synthesis Technology of Bio-based Carbon Quantum Dots" made progress. Studies have shown that both hibiscus taiwanensis carbon dots and narcissus carbon dots exhibit soothing and anti-wrinkle effects when applied in cosmetics. Breakthroughs have also been achieved in the research on plant microvesicles. An invention patent, titled "A Moisturizing Exosome-like Vesicle Composition Derived from Dendrobium Officinale and Its Applications", has been filed. This composition can be used as an active packaging material for deep penetration and targeted delivery. The Company continues to expand its capacity for in-house production of raw materials. The extensive use of self-produced raw materials will help differentiate products and reduce costs.

(IV) Budget implementation status

The Company did not disclose a financial forecast; however, the overall status of budget implementation is in line with the scope set by the Company.

II. Overview of 2025 Business Plan

(I) Operating policy

The Company has set "Evolution and Breakthrough" as its goal for the year 2025: to move beyond rigid ways of thinking, actively adapt to market changes, ride the waves of the times, and upgrade its digital-driven capabilities and super stores. While

stabilizing its inherent core strengths, the Company aims to blaze new trails and innovate, propelling the industry toward new directions and external expansion, strengthening the power of the third curve. In the digital era, we incorporate new ideas and integrate online and offline channels.

(II) Operational guidance and preparation

In 2025, the Company will leverage its existing competitive advantages and multi-channel sales framework to further advance operations that integrate online and offline channels. The new online model for product sales is expected to become another revenue driver for the Company.

The results for each region are described below:

1. Mainland China:

(1) Professional beauty salon channels: Convert traffic into sales, improving salon visit rates and increasing share of customer

In 2024, the Company launched the Luo Li-Fen topic matrix on online platforms such as Douyin and WeChat Channels. The public traffic generated from these platforms has gradually begun converting into private traffic and sales. In 2025, for the professional beauty salon channels, in addition to maintaining its existing strengths in offline salon sales, the Company will also roll out online sales initiatives, aiming to attract customers to visit offline salons, driving sales and contributing to an increase in the number of salons, salon visit rates, and share of in-store customer.

(2) Home care CS channels: Achieve revenue that exceeds the budget, exploring untapped markets and improving store inventory turnover

Despite the headwinds caused by the consumption downgrade, the home care CS channels have grown to include more than 20 distributors and over 1,200 stores since entering the market in 2024, with overall performance beating the budget. The channels are primarily focused on downstream markets in second- and third-tier cities, which represent significant untapped potential in Mainland China. Building on the existing markets, the Company plans to expand its presence in 2025 by increasing the number of distributors and stores in these untapped markets. Additionally, the Company will deploy more marketing staff in regions with established sales, while continuing to improve store inventory turnover.

(3) Directly-operated healthcare and biocare beauty salons and franchise distribution channels: Continue attracting high-end customers from Mainland China and Taiwan while launching two new medium-sized healthcare and biocare beauty salons

The flagship beauty salon in Xiamen, China, has achieved steady and sustained membership growth since its second year of operation, which started in 2024. By introducing the private custom brand "MallSkin", it continues to attract high-end customers from both Taiwan and Mainland China, driving consistent growth in revenue each month for the flagship beauty salon. The interior fit-out of a medium-sized, directly-operated healthcare and biocare beauty salon covering an area of 500 square meters is currently underway, with its opening scheduled for the second quarter of 2025. We plan to open at least two more medium-sized, directly-operated beauty salons within the year, which will not only accelerate the completion of our distribution channel framework but also contribute directly to revenue growth.

2. Taiwan: Continued growth in franchise numbers in Taiwan, with the addition of new flagship healthcare and biocare beauty salons

In 2024, the number of franchise beauty salons in Taiwan exceeded 30, and we expect to develop at least 10 more franchise beauty salons in 2025. Since the opening of the Directly-operated Rui Qing He Healthcare and Biocare Beauty Salon, its revenue and profit have both demonstrated steady performance. In 2025, we plan to repurpose and renovate the location previously used as the company office in Taiwan

to establish the Directly-operated Zhongxiao Healthcare and Biocare Beauty Salon. This new salon will replicate the proven successful model of the Directly-operated Rui Qing He Healthcare and Biocare Beauty Salon and is expected to further boost revenue and profit in Taiwan.

III. Future Development Strategy

- (I) Development and production of raw materials for healthcare beauty and biocare beauty: We have completed the construction of raw material extraction and biological fermentation workshops, enabling the production of at least 20 tons of the Company's raw materials annually. In 2024, upon approval, we obtained a production license for healthcare beauty products. Moving forward, we will continue to focus on the development, production, and sale of healthcare beauty products.
- (II) Simultaneous development of healthcare and biocare beauty salons in Taiwan and China: In Taiwan, the Company currently operates one healthcare and biocare beauty salon and plans to add another directly-operated healthcare and biocare beauty salon in 2025. The Xiamen flagship healthcare and biocare beauty salon, located in Fujian Province, China, has shown steady growth in revenue since it began operations. In 2025, we plan to add at least two more medium-sized, directly-operated healthcare and biocare beauty salons to establish a profitable model, laying the foundation for future directly-operated and franchise salons in Mainland China.
- (III) Upgrade of beauty salons and homecare CS channel operations: In 2025, we will continue to strengthen our online sales efforts by integrating e-commerce public resources with traditional offline private marketing models. Our goal is to establish a comprehensive new retail model for the beauty industry.

In the future, the Company will adopt a more active and positive approach to attain its ESG goals. We can only enhance core competitiveness and achieve steady growth with continuous innovative ideas and practices. The Company will actively intensify its sustainable governance culture and continue to promote the independence, diversity, and sustainable development functions of the Board of Directors to attain the following goals:

1. Appoint at least one female director and continue to increase the number of female directors in the future to a level greater than or equal to 1/3.
2. Increase the proportion of independent directors to at least 1/3, and the reduce the term of office of all independent directors to less than or equal to 3 terms after future elections.

We will also adhere to our motto of giving back to society and fulfill our corporate responsibility in all aspects such as green manufacturing, energy conservation and carbon reduction, ecological conservation, and long-term care for the elderly.

IV. The effect of external competition, the legal environment, and the overall business environment

(I) The effect of external competition and the overall business environment

According to the National Bureau of Statistics of China, the GDP of Mainland China in 2024 totaled RMB 134,908.4 billion and the growth rate was 5.0%. The total retail sales of consumer goods increased by 3.5% and retail sales of cosmetics amounted to RMB 435.7 billion, which was a decrease of 1.1% compared to 2023.

In 2024, international beauty companies underperformed in the China market compared to previous years. According to financial reports released by major international players for 2024, Shiseido reported a 2.4% year-on-year decline in sales during the first three quarters of the year. Amorepacific (owning brands such as Sulwhasoo and Laneige) disclosed in its third-quarter financial report for 2024 that sales in Greater China for the same period dropped by 34% year-on-year. L'Oréal Group's financial report as of September 30, 2024, showed overall sales growth of 6.0% like-for-like. However, sales in North Asia contracted by 3.0% like-for-like. In contrast to the results of international beauty companies, leading Chinese players demonstrated stronger growth in their 2024 performance during the same period. Proya recorded revenue of

RMB 6.966 billion in the first three quarters of 2024, representing a year-on-year increase of 32.72%. Shanghai Chicmax's financial report shows revenue of RMB 3.502 billion in the first half of 2024, up from RMB 1.587 billion during the same period in 2023. Profit for the same period rose to RMB 412 million, up from RMB 100 million in 2023, reflecting significant growth. According to MARUBI's financial report, the company achieved a year-on-year revenue growth of 27.07% in the first three quarters of 2024. (Source of data: China Business Journal)

According to China Business Journal: "Since 2024, sales of Chinese cosmetics have achieved stellar performance across both specific segments and overall, while international beauty brands have not performed as well overall. This result is attributed to consumer demands. In terms of products, beauty brands from China have pivoted their strategies toward areas such as Chinese herbal medicine and herbal-based products, which align perfectly with what consumers in China are seeking and have been well-received as a result. In terms of consumer demographics, international beauty brands primarily target individuals aged 40 and above, with a focus on the 45-50 age group. However, the primary consumer demographic today consists of those born after 1995 or even after 2000. The consumption characteristics of this generation have undergone tremendous changes compared to those of the previous generation." (Source of data: China Business Journal)

(II) The effect of the legal environment

China has established the "Safety and Technical Standards for Cosmetics", "Regulation on the Supervision and Administration of Cosmetics", "Measures for the Administration of the Registration and Recordation of Cosmetics", "Domestic Non-special Use Cosmetics Record Management Measures", "Regulations on the Management of Cosmetic Labels", "Inspecting Rules for Cosmetics", "Rules on the Implementation of Cosmetics Registration and Recordkeeping for Inspection", "Standards for Cosmetic Efficacy Claim Evaluation", "Technical Guidelines for Cosmetics Safety Evaluation", "Measures for the Supervision and Administration of Production and Distribution of Cosmetics", "Cosmetic Production Quality Management Regulations", and "Administrative Provisions on Cosmetic Labeling" to regulate the production and sales of beauty care and skin care products. Enterprises must apply for various legal and valid licenses and permits in order to engage in the production and sale of beauty care and skin care products in mainland China.

Luo Lih-Fen Holding Co., Ltd

Chairman Li-Fen Luo

General Manager Huan-Wen Jao

Chief Accountant Xiu-Qiong Zhang

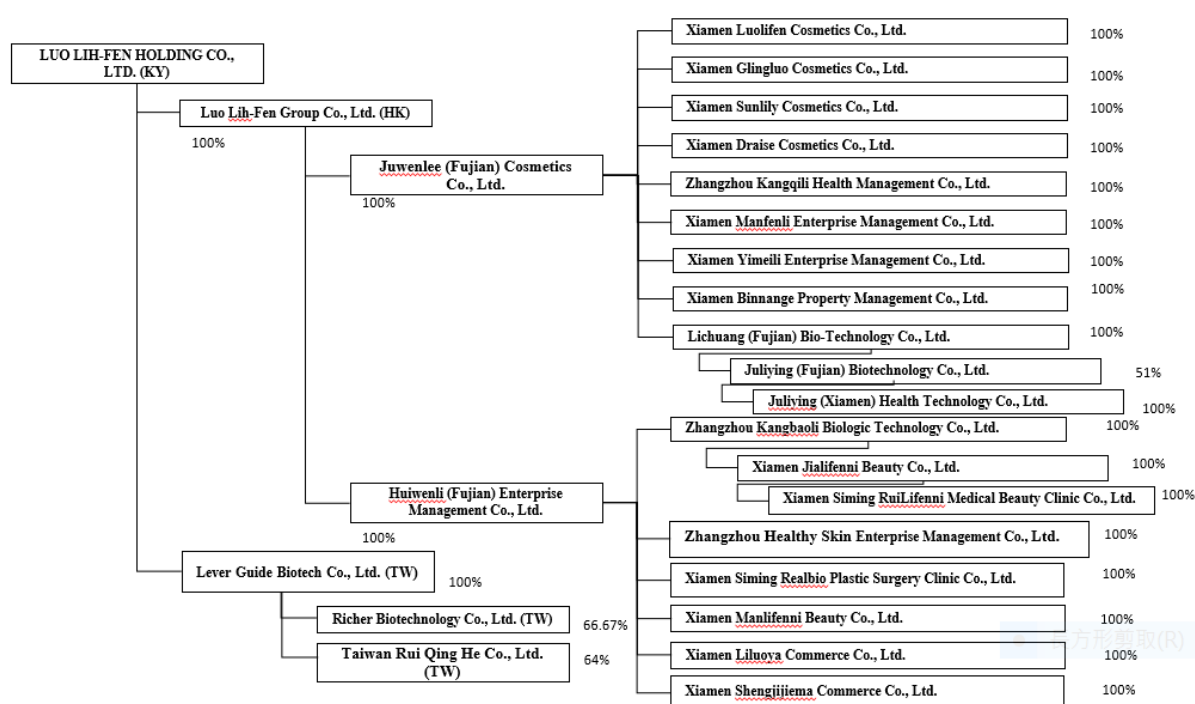
Two. Company Introduction

I. Company and Group Introduction

Luo Lih-Fen Holding Co., Ltd. (the "Company") was established in the Cayman Islands on September 21, 2016. It is the investment holding company for the organizational restructuring of the Group which was implemented for its application for listing its stocks in Taiwan. The Company and subsidiaries ("the Group") are primarily engaged in the research, development, production, and sales of raw materials and finished products of cosmetics and medical devices.

The Group is mainly engaged in the research, development, production, and sales of raw materials and finished products of cosmetics and medical devices as well as the operations and management of the healthcare and biocare beauty salons and the training of relevant personnel. The Group has a premium beauty and skin care product brand. In addition to household (home-based) products, professional care kits are also available, providing clients with a full range of beauty and skin care products as well as professional treatment options in terminal beauty salons.

II. Group Structure



III. Risk Items

Please refer to Chapter Six. Risk Assessment and Other Important Matters of the Annual Report.

Three. Corporate Governance Report

I. Information on the Company's Directors, Supervisors, President, Assistant Presidents, Deputy Assistant Presidents, and Supervisors of All the Company's Divisions and Branch Units

(I) Background of Directors and Supervisors

1. Basic Information

Date: April 22, 2025; Unit: Thousand Shares, %

Title	Nationality or Registration Location	Name	Gender Age	Date Elected	Term of Office	Date First Elected	Time Elected Shares Held		Current shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Chairman	Hong Kong	Black Praise International Limited	-	2023 05.31	3 years	2017 11.30	15,216	32.11	15,216	32.11	-	-	-	-	-	-	-	-	-	Note 5
	R.O.C.	Representative: Li-Fen Luo	Female Age 51-60				2,472	5.22	2,472	5.22	-	-	15,216 (Note 1)	32.11	EMBA in Biotechnology, College of Management, Taipei Medical University Bachelor, Hong Kong Chinese Medicine Research Institute Hong Kong Chinese Medicine Physician, General Practitioner Director-general of Chinese International Beauty Association The 3rd Chairman of the China International Leaders Association of the ILF Foundation	CEO of Luo Lih-Fen Holding Co., Ltd. Director of Black Praise International Limited Director of Allied Biotech Corporation Chairman of Ying'an Investment Co., Ltd. Chairman of Lever Guide Biotech Co., Ltd. Director of Richer Biotechnology Co., Ltd. Chairman of Board of Taiwan Rui Qing He Co., Ltd. Director and President of Xiamen Manfenli Enterprise Management Co., Ltd. Director and President of Xiamen Yimeili Enterprise Management Co., Ltd.	-	-	-	
Director	Hong Kong	Talent Reach (HK) Limited	-	2023 05.31	3 years	2016 12.29	5,406	11.41	5,406	11.41	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Huan-Wen Jao	Male Age 61-70				0.03	-	0.03	-	-	-	14,664 (Note 2)	30.94	Bachelor of Electronic Engineering, National Defense University Chung Cheng Institute of Technology CEO of the Chinese International Beauty Association Vice President of the China Daily Chemical Industry Technology Innovation Alliance	President of Luo Lih-Fen Holding Co., Ltd. Director of Luo Lih-Fen Group Co., Ltd. Executive Director of Juwenlee (Fujian) Cosmetics Co., Ltd. Executive Director and President of Zhangzhou Care-pro Biologic Technology Co., Ltd Executive Director of Huiwenli (Fujian) Enterprise Management Co., Ltd. Director of Kangbaoli International Co., Ltd. Executive Director and President of Zhangzhou Kangbaoli Biologic Technology Co., Ltd. Director of Forward Idea Investments Limited	-	-	-	

Title	Nationality or Registration Location	Name	Gender Age	Date Elected	Term of Office	Date First Elected	Time Elected Shares Held		Current shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
																Director of Talent Reach (HK) Limited Director of World Maker International Limited Director of Luo Lih-Fen Group Limited (Note 4)				
Director	R.O.C.	Shih-Chinn Ho	Male Age 51-60	2023 05.31	3 years	2017 11.30	128	0.27	128	0.27	-	-	332 (Note 3)	0.70	Master of Business Administration, National Taiwan University Master of Financial Management, Golden Gate University 10th Chairman of the National Taiwan University EMBA Alumni Foundation 2020 Outstanding Alumni of Fu Jen Catholic University	Chairman of Taiwan Land Investment Co., Ltd. Director of Trade-Van Information Services Co. Chairman of Trade-Van Information Services Co. Independent Director/Audit Committee Member/Remuneration Committee Member of Center Laboratories, Inc. Independent Director/Audit Committee Member/Remuneration Committee Member of Collins Co., Ltd. Independent Director/Audit Committee Member of Super Dragon Technology Co., Ltd. Director of Allied Biotech Corporation Director of Ever Supreme Bio Technology Director of Wisdom Investment Co., Ltd. Chairman of Richer Biotechnology Co., Ltd.	-	-	-	
Director	R.O.C.	Li-Sheng Chu	Male Age 51-60	2023 05.31	3 years	2023 05.31	-	-	-	-	-	-	-	-	Master of Business Administration, National Taiwan University Ph.D. in Economics and Strategic	Assistant Professor of Asia University Independent Director/Audit Committee Member/Remuneration Committee Member of Collins Co., Ltd. Independent Director/Audit Committee	-	-	-	

Title	Nationality or Registration Location	Name	Gender Age	Date Elected	Term of Office	Date First Elected	Time Elected Shares Held		Current shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
															Management, Asia University	Member/Remuneration Committee Member of Wellpool Co., Ltd. Supervisor of Le Louis Enterprise Co., Ltd. Supervisor of Le Louis Investment Consulting Co., Ltd.				
Independent Director	R.O.C.	Kuo-Cheng Wang	Male Age 61-70	2023 05.31	3 years	2020 06.03	-	-	-	-	-	-	-	-	Master of Business Administration, National Taiwan University Bachelor of Business Administration, National Taiwan University Chairman of the Board of les elephants General Manager of les elephants	Independent Director/Audit Committee Member/Remuneration Committee Member of Hon Hai Precision Industry Co., Ltd. Independent Director/Audit Committee Member/Remuneration Committee Member of Apex Medical Corp. Independent Director/ Audit Committee Member of HannStar Board Corp. Audit Committee member of Luo Lih-Fen Holding Co., Ltd.	-	-	-	
Independent Director	R.O.C.	Yu-Che Wang	Male Age 51-60	2023 05.31	3 years	2017 11.30	-	-	-	-	-	-	-	-	Ph.D. in Business Education, University of Missouri-Columbia Master of Business Administration, University of Massachusetts Dartmouth, USA USA Bachelor of Financial Management, University of Maryland, USA Researcher, National Policy Foundation Consultant, Hsinchu City	Associate Professor of Department of Global Business, Chinese Culture University Audit Committee Member/Remuneration Committee Member of Luo Lih-Fen Holding Co., Ltd. Chairman of Board, Taiwan Nanli Electric Co., Ltd. International Consultant of the Taiwan Institute of Economic Research	-	-	-	

Title	Nationality or Registration Location	Name	Gender Age	Date Elected	Term of Office	Date First Elected	Time Elected Shares Held		Current shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
														Government	Expert Judging Committee Member of MAPECT Expert Member of Public Construction Commission Director of Chung Hua University Director of World Senior High School Supervisor of Leadsun Wind and Light Energy Co., Ltd. Independent Director/Audit Committee Member/Remuneration Committee Member of TAIWANGGLASS Consultant, The Third Wednesday Club					
Independent Director	R.O.C.	Yin-Chieh Hsu	Male Age 41-50	2023 05.31	3 years	2017 11.30	-	-	-	-	-	-	-	-	Bachelor's degree in Law from National Taipei University, Master of Accounting, College of Management, National Taiwan University EMBA Mediator of Taiwan Taipei District Court, Mediator of Taiwan Changhua District Court, 5th and 6th term of legal consultant of Chinese Federation of Labour, Consultant of the Chinese Federation of Labor, Legal consultant of Taiwan Chamber of Commerce and Industry	President of HC & Partners, Audit Committee Member/Remuneration Committee Member of Luo Lih-Fen Holding Co., Ltd. Independent Director/Audit Committee Member/Remuneration Committee Member of ONANO Corp. Independent Director/Audit Committee Member/Remuneration Committee Member of Allied Biotech Corp. Director of EasyCard Corporation Supervisor of Liu Yu Cultural Creativity Co., Ltd.	-	-	-	

Title	Nationality or Registration Location	Name	Gender Age	Date Elected	Term of Office	Date First Elected	Time Elected Shares Held		Current shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
																Director of Leadsun Wind and Light Energy Co., Ltd.				
Independent Director	R.O.C.	Su-Tien Yu	Female Age 51-60	2023 05.31	3 years	2023 05.31	-	-	-	-	-	-	-	-	Master of Journalism, Chinese Culture University	Chairman and President of Live Marketing Co., Ltd.	-	-	-	

Note 1: Li-Fen Luo holds 15,216 thousand shares of the Company through Black Praise International Limited with a shareholding ratio of 32.11%.

Note 2: Huan-Wen Jao holds 7,536 thousand shares of the Company through Forward Idea Investments Limited with a shareholding ratio of 15.90%, 5,406 thousand shares through Talent Reach (HK) Limited with a shareholding ratio of 11.41%, and 1,722 thousand shares through World Maker International Limited with a shareholding ratio of 3.63%.

Note 3: Shih-Chinn Ho holds 332 thousand shares (0.7%) through Wisdom Investment Co., Ltd.

Note 4: To prevent the name of "Luo Li-Fen Group Limited" being registered by other companies, the President of this Company, Huan-Wen Jao, registered the Company in Hong Kong under his name and he also served as the Director in 2016. At present, Luo Li-Fen Group Limited has no substantive operations. It also pledged that if Luo Lih-Fen Holding Co., Ltd. is to register a company in Hong Kong under the aforesaid name, the original registration cost will be unconditionally transferred to Luo Lih-Fen Holding Co., Ltd.; and the Company may not engage in businesses currently associated with Luo Lih-Fen Holding Co., Ltd. and its subsidiaries.

Note 5: Where the Company's Chairman and President or equivalent (the supreme management) are the same person, spouses or relatives within 1st degree of kinship, please state the cause, rationality, necessity and responsive action: Ms. Li-Fen

Luo, as the founder of the Company, owns the professional knowledge and skills required by the industry with her experience in this industry for more than three decades. Meanwhile, Ms. Li-Fen Luo has the practical experience in corporate business management for many years. Therefore, the Company retains Ms. Luo to serve as the CEO responsible for the routine management and decision making of the Company. In order to strengthen the Company's corporate governance, the Company has appointed 4 independent directors at the shareholders' meetings on June 3, 2020. The number of independent directors accords with the Articles of Incorporation, which requires that there should be no less than 3 independent directors appointed.

2. Major Shareholders of Corporate Shareholders:

List of Major Shareholders

Date: April 22, 2025

Name of Institutional Shareholder	Major Shareholders of Corporate Shareholders
Black Praise International Limited Registration Location: Hong Kong *SinoPac is registered in the shareholder register as the Entrusted Custodian of Black Praise International Limited Investment Account.	Li-Fen Luo (100%)
Talent Reach (HK) Limited Registration Location: Hong Kong *SinoPac is registered in the shareholder register as the Entrusted Custodian of Talent Reach (HK) Limited Investment Account.	Huan-Wen Jao (100%)

3. The main shareholders if the main shareholder of the corporate shareholder is the corporation: None.

4. The information disclosure of professional qualification of the directors and supervisors and independence of the independent directors (the Company has not appointed a supervisor):

Name	Qualification	Professional qualification and experience	Independence status	Number of other public companies working part-time as an independent director for;
Black Praise International Limited Representative: Li-Fen Luo		Ms. Li-Fen Luo, as the founder of the Company, holds a Bachelor's degree from the Chinese Medical Research Institute and serves as a General Practitioner of Chinese Medicine in HK, owns the professional knowledge and skills required by the industry with her experience in this industry for more than three decades. Meanwhile, she has the practical experience in corporate business management for many years, and can provide the Company with professional opinions required for operations.	N/A.	-
Talent Reach (HK) Limited Representative: Huan-Wen Jao		Director Huan-Wen Jao, as the President of the Company, holds a Bachelor's degree from Chung-Cheng Institute of Technology, and owns the professional knowledge and skills required by the industry with his experience in this industry for more than three decades. Meanwhile, he has practical experience in corporate business management for many years and can provide the Company with the professional opinions required for operations.	N/A.	-
Shih-Chinn Ho		Director Shih-Chinn Ho holds a Master's degree in Business Management from National Taiwan University and a Master's degree in Financial Management from Golden Gate University and owns expertise required by commerce, finance, or related business for more than five years. Meanwhile, he has the practical experience in corporate business management for many years and can provide the Company with professional opinions required for operations.	N/A.	3
Li-Sheng Chu		Director Li-Sheng Chu holds a Bachelor's degree in Ph.D. in Economics and Strategic Management, Asia University. He	N/A.	2

Name \ Qualification	Professional qualification and experience	Independence status	Number of other public companies working part-time as an independent director for;
	currently serves as an Associate Professor at Department of Assistant Professor of Asia University. He has expertise required for commerce, finance, accounting, or related business for more than five years, and can provide the Company with professional opinions required for operations.		
Kuo-Cheng Wang	Independent Director Kuo-Cheng Wang holds a Master's degree in Business Administration from National Taiwan University. He has expertise required for commerce, finance, accounting, or related business for more than five years. Meanwhile, He has the practical experience in corporate business management for many years, and can provide the Company with professional opinions required for operations.	Independent Director Kuo-Cheng Wang has work experience required for commerce, finance, accounting, or related business. During the two years before being elected or during the term of office, he hasn't been or isn't an employee, director, or supervisor of the Company or any of its affiliates, neither he, his spouse or minor children has held or holds the Company's shares, and he isn't a spouse or a relative within the second degree of kinship to another director. Thus, he conforms to the independence requirements promulgated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3
Yu-Che Wang	Independent Director Yu-Che Wang holds a Bachelor's degree in Financial Management from University of Maryland, a Master's degree in Business Administration from University of Massachusetts Dartmouth, and a Ph.D. in Business Education from University of Missouri-Columbia. He currently serves as an Associate Professor at Department of Global Business, Chinese Culture University. He has expertise required for commerce, finance, accounting, or related business for more than five years, and can provide the Company with professional opinions required for operations.	Independent Director Yu-Che Wang has work experience required for commerce, finance, accounting, or related business. During the two years before being elected or during the term of office, he hasn't been or isn't an employee, director, or supervisor of the Company or any of its affiliates, neither he, his spouse or minor children has held or holds the Company's shares, and he isn't a spouse or a relative within the second degree of kinship to another director. Thus, he conforms to the independence requirements promulgated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1
Yin-Chieh Hsu	Independent Director Yin-Chieh Hsu holds a Bachelor's degree in Law from National Taipei University, and a Master's degree in Accounting from College of Management, National Taiwan University EMBA, and is a certified attorney audited by the Ministry of Justice. He has expertise required for commerce, legal affairs, or related business for more than five years. Meanwhile, he has the practical experience in corporate business management for many years, and can provide the Company with professional opinions required for operations.	Independent director Yin-Chieh Hsu has work experience required for commerce, legal affairs, or related business. During the two years before being elected or during the term of office, he hasn't been or isn't an employee, director, or supervisor of the Company or any of its affiliates, neither he, his spouse or minor children has held or holds the Company's shares, and he isn't a spouse or a relative within the second degree of kinship to another director. Thus, he conforms to the independence requirements promulgated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3
Su-Tien Yu	Independent Director Su-Tien Yu holds Master of Journalism, Chinese Culture University. She has expertise required for commerce, or related business for more than five years. Meanwhile, She has the practical experience in corporate business management for many years, and can provide the Company with professional opinions required for operations.	Independent Director Su-Tien Yu has work experience required for commerce or related business. During the two years before being elected or during the term of office, he hasn't been or isn't an employee, director, or supervisor of the Company or any of its affiliates, neither he, his spouse or minor children has held or holds the Company's shares, and he isn't a spouse or a relative within the second degree of kinship to another director. Thus, he conforms to the independence requirements promulgated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0

Note 1: Director Shih-Chinn Ho concurrently serves as an Independent Director at Center Laboratories, Inc., Collins Co., Ltd., and Super Dragon Technology Co., Ltd.

Note 2: Director Li-Sheng Chu concurrently serves as an Independent Director at Collins Co., Ltd and Wellpool Co., Ltd...

Note 3: Independent Director Kuo-Cheng Wang concurrently serves as an Independent Director at Hon Hai Precision Industry Co., Ltd., Apex Medical Corp., and HannStar Board Corp.

Note 4: Independent Director Yu-Che Wang concurrently serves as an Independent Director at TAIWANGGLASS.

Note 5: Independent Director Yin-Chieh Hsu concurrently serves as an Independent Director at Allied Biotech Corporation ONANO Corp., and Taiwan Baihe Industrial Co., Ltd.

5. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors:

The Company defines the diversity policy on the Board members in Article 20 of its Corporate Governance Best Practice Principles. Diversity shall be considered in the composition of board members. Directors who are also managers in the Company may not take up more than one-third of all seats. In addition, suitable diversity policies shall be stipulated reflective of the Company's operation status, operational pattern, and developmental needs, which includes, without limitation, the following two major aspects:

1. Basic requirements and values: Gender, age, nationality, and culture;
2. Professional knowledge and expertise: A professional background, professional skills, and industry experience.

The diversity management objectives of the Company's Board of Directors include:

1. Directors who are also managers of the Company shall not exceed one-third of the total number of directors.
2. The Company places a great emphasis on gender parity on the board. The target female representation is one-third or more.
3. The Board of Directors shall include members with professional backgrounds in industry, finance, and law to increase the diversity of professional knowledge and skills of the board.

The Company appoints 8 directors, of which there are only two directors who are also managers, including 2 female directors. Board members have expertise in operation, management, finance, auditing, economics, information, and distribution channels. Each member has years of practical experience in various fields, as well as extensive knowledge and expertise that conform to the Company's operational needs and can facilitate the Company's future business management, internal control, industrial integration, and sales expansion. The composition of the Company's Board complies with the diversity policy on the Board members that has been established, so the achievement is good.

The reason why the number of female Directors on the Company's Board of Directors accounts for less than one-third of the total is that we have not yet identified appropriate candidates. The Company is committed to actively seeking female Director candidates who meet our requirements as part of our efforts to improve gender diversity among Directors.

(2) Independence of the Board of Directors:

The Company has 8 Directors, 4 of whom are Independent Directors, accounting for half of all Directors. Independent Directors Kuo-Cheng Wang, Yu-Che Wang, Yin-Chieh Hsu and Su-Tien Yu respectively have work experience required for commerce, legal affairs, finance, accounting, or related business. During the two years before being elected or during the term of office, they haven't been or are not employees, directors, or supervisors of the Company or any of its affiliates, neither their spouses or minor children have held or hold the Company's shares, and they are not spouses or relatives within the second degree of kinship to another director. Thus, they conform to the independence requirements promulgated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

(II) Information of the President, Vice President, Associated Director, and Supervisor of the Various Units and Branches

Date: April 22, 2025; Unit: Thousand Shares, %

Title	Nationality	Name	Gender	Inauguration Date	Shares Held		Shares Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Concurrent positions at other companies	Any Other Managerial Officer Who is a Spouse or a Relative Within the Second Degree of Kinship of this Person			Remarks
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Chief Executive Officer	R.O.C.	Li-Fen Luo	Female	2018 01.16	2,472	5.22	-	-	15,216 (Note 1)	32.11	Bachelor, Hong Kong Chinese Medicine Research Institute Hong Kong Chinese Medicine Physician, General Practitioner Director-general of Chinese International Beauty Association The 3rd Chairman of the China International Leaders Association of the ILF Foundation	Representative of Institutional Director of Luo Lih-Fen Holding Co., Ltd. Director of Black Praise International Limited Director of Allied Biotech Corporation Chairman of Ying'an Investment Co., Ltd. Chairman of Lever Guide Biotech Co., Ltd. Director of Richer Biotechnology Co., Ltd. Chairman of Board of Taiwan Rui Qing He Co., Ltd. Director and President of Xiamen Manfenli Enterprise Management Co., Ltd. Director and President of Xiamen Yimeili Enterprise Management Co., Ltd.	-	-	-	Note 2
President	R.O.C.	Huan-Wen Jao	Male	2016 12.15	0.03	-	-	-	14,664 (Note 3)	30.94	Bachelor of Electronic Engineering, National Defense University Chung Cheng Institute of Technology CEO of the Chinese International Beauty Association Vice President of the China Daily Chemical Industry Technology Innovation Alliance	Representative of Institutional Director of Luo Lih-Fen Holding Co., Ltd. Director of Luo Lih-Fen Group Co., Ltd. Executive Director of Juwenlee (Fujian) Cosmetics Co., Ltd. Executive Director and President of Zhangzhou Carepro Biologic Technology Co., Ltd Executive Director of Huiwenli (Fujian) Enterprise Management Co., Ltd. Director of Kangbaoli International Co., Ltd. Executive Director and President of Zhangzhou Kangbaoli Biologic Technology Co., Ltd. Director of Forward Idea Investments Limited Director of Talent Reach (HK) Limited Director of World Maker International Limited Director of Luo Lih-Fen Group Limited (Note 4)	-	-	-	

Title	Nationality	Name	Gender	Inauguration Date	Shares Held		Shares Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Concurrent positions at other companies	Any Other Managerial Officer Who is a Spouse or a Relative Within the Second Degree of Kinship of this Person			Remarks
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Senior Deputy President	Mainland China	Jian-Ping Lin	Male	2007 03.20	-	-	-	-	-	-	Bachelor of Law, Xiamen University President of Fujian Daily Chemicals Chamber of Commerce Vice President of Zhangzhou Individual Private Enterprise Association Director of China Information Association For Traditional Chinese Medicine and Pharmacy, CIATCM Board Director of Detergent & Cosmetics Director of Fujian Province Information and Consumer Association Vice President of Henan FE Subsidiary Ent. Administrative Supervisor of Xiamen Yongshun Paper Co. Administrative Unit Manager for Xinyu (Fujian) Technology Co., Ltd. Management Unit Manager for Odeo Technology (Xiamen) Co., Ltd. Vice President of Zhangzhou City Medicine Association	President of Juwenlee (Fujian) Cosmetics Co., Ltd. Supervisor of Xiamen Luolifen Cosmetics Co., Ltd. Supervisor of Xiamen Draise Cosmetics Co., Ltd. President of Huiwenli (Fujian) Cosmetics Co., Ltd. Executive Director of LiChuang (FuJian) Bio-Technology Co., Ltd. Supervisor of Xiamen Yimeili Enterprise Management Co., Ltd. Supervisor of Xiamen Manfenli Enterprise Management Co., Ltd. Executive Director and President of Xiamen Liluoya Commerce Co., Ltd. Supervisor of Xiamen Shengjijiema Commerce Co., Ltd.	-	-	-	
Senior Vice President of Operations	Mainland China	Hung Chen	Female	2006 12.19	-	-	-	-	-	-	Marketing Department of Ningde Vocational and Technical College, Fujian Province Tsinghua University "Cosmetic Professional Manager Class" Xiamen University "Entrepreneur Excellence Management Training" Class Front Office Manager, Fujian Quanzhou Zhenshi Hotel Company	Senior Vice President of Business for Juwenlee (Fujian) Cosmetics Co., Ltd. Executive Director and President of Xiamen Luolifen Cosmetics Co., Ltd. Supervisor of Xiamen Glingluo cosmetics Co., Ltd. Executive Director and President of Xiamen Draise Cosmetics Co., Ltd. President of LiChuang (FuJian) Bio-Technology Co., Ltd. Executive Director and President of Xiamen Siming	-	-	-	

Title	Nationality	Name	Gender	Inauguration Date	Shares Held		Shares Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Concurrent positions at other companies	Any Other Managerial Officer Who is a Spouse or a Relative Within the Second Degree of Kinship of this Person			Remarks
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
												Realbio Plastic Surgery Clinic Co., Ltd. Supervisor of Xiamen Manlifenni Beauty Co., Ltd. Executive Director and President of Xiamen Binnange Property Management Co., Ltd. Executive Director and President of Xiamen Jialifenni Beauty Co., Ltd. Executive Director and President of Xiamen Siming RuiLifenni Medical Beauty Clinic Co., Ltd.				
Vice President of Business	Mainland China	Chao-Hsiang Chi	Male	2008 03.01	-	-	-	-	-	-	Xiamen University EMBA (Studying) Bachelors of Accounting, Zhejiang Gongshang University Planning, Harbin Broadcasting & TV Station Center	Vice President of Business for Juwenlee (Fujian) Cosmetics Co., Ltd. Executive Director and President of Zhangzhou Healthy Skin Enterprise Management Co., Ltd. Executive Director and President of Zhangzhou Kangqili Health Management Co., Ltd. Executive Director and President of Xiamen Glingluo cosmetics Co., Ltd. Supervisor of Xiamen Sunlily Cosmetics Co., Ltd. Supervisor of Xiamen Liluya Commerce Co., Ltd. Executive Director and President of Xiamen Shengjijima Commerce Co., Ltd. Executive Director of Juliying (Fujian) Biotechnology Co., Ltd. Executive Director of Juliying (Xiamen) Health Technology Co., Ltd.	-	-	-	
Special Assistant of the President	R.O.C.	Chih-Fu Wang	Male	2017 06.16	-	-	-	-	-	-	Bachelor of Accounting, National Taipei University Passed the R.O.C. Accountant College Entrance Examination CPA Partner of Quan Wei CPA Firm Special Assistant for the Chairman of Fu Chuan Steel Ltd.	Executive Director of Xiamen Fuqidana Enterprise Management Consulting Co. Supervisor of Ximen Luhe International Trade Co., Ltd	-	-	-	

Title	Nationality	Name	Gender	Inauguration Date	Shares Held		Shares Held by Spouses and/or Children of Minor Age		Shares Held Through Nominees		Main Experience (Education)	Concurrent positions at other companies	Any Other Managerial Officer Who is a Spouse or a Relative Within the Second Degree of Kinship of this Person			Remarks
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
											Board of Directors Secretary for Xiamen Quansheng Industrial Co. Assistant Manager of Deloitte Taiwan					
Finance Unit Vice President	Mainland China	Xiu-Qiong Zhang	Female	2016 12.15	-	-	-	-	-	-	Bachelors of Business Administration, Jimei University CFO Class, School of Management, Xiamen University National Advanced CPA Job Title Certificate National CTA Certificate Project Organizer of Xiamen Xinzhou Accounting Firm Limited Company Financial Officer of Xiamen Yongshun Paper Industry Development Co., Ltd.	Vice President of Finance of Juwenlee (Fujian) Cosmetics Co., Ltd.	-	-	-	
Audit Officer	R.O.C.	Yong Zhen Li (Note 5)	Female	2022 03.25	-	-	-	-	-	-	Department of Accountancy, National Cheng Kung University Audit Supervisor of Health & Life Co., Ltd. Underwriting consulting at KGI Securities Ernst & Young	-	-	-	-	
Audit Officer	R.O.C.	Liao Shuchi (Note 6)	Female	2025 03.20	-	-	-	-	-	-	Bachelor of Accounting, National Taipei University Administrative Manager of China Communications Corporation Underwriting consulting at Taiwan Securities Zhongxin United Accounting Firm	-	-	-	-	

Note 1: Li-Fen Luo holds 15,216 thousand shares of the Company through Black Praise International Limited with a shareholding ratio of 32.11%.

Note 2: Where the Company's Chairman and President or equivalent (the supreme management) are the same person, spouses or relatives within 1st degree of kinship, please state the cause, rationality, necessity and responsive action:

Ms. Li-Fen Luo, as the founder of the Company, owns the professional knowledge and skills required by the industry with her experience in this industry for more than three decades. Meanwhile, Ms. Li-Fen Luo has the practical experience in corporate business management for many years. Therefore, the Company retains Ms. Luo to serve as the CEO responsible for the routine management and decision making of the Company. In order to strengthen the Company's corporate governance, the Company has appointed 4 independent directors at the shareholders' meetings on June 3, 2020. The number of independent directors accords with the Articles of Incorporation, which requires that there should be no less than 3 independent directors appointed.

Note 3: Huan-Wen Jao holds 7,536 thousand shares of the Company through Forward Idea Investments Limited with a shareholding ratio of 15.90%, 5,406 thousand shares through Talent Reach (HK) Limited with a shareholding ratio of 11.41%, and 1,722 thousand shares through World Maker International Limited with a shareholding ratio of 3.63%.

Note 4: To prevent the name of "Luo Li-Fen Group Limited" being registered by other companies first in 2016, the President of this Company, Huan-Wen Jao, registered the Company in HK under his name and he also served as the Director. At present, Luo Li-Fen Group Limited has no substantive operations. It also pledged that if Luo Lih-Fen Holding Co., Ltd. Is to register a company in Hong Kong under the aforesaid name, the original registration cost will be unconditionally transferred to Luo Lih-Fen Holding Co., Ltd.; and the Company may not engage in businesses currently associated with Luo Lih-Fen Holding Co., Ltd. and its subsidiaries.

Note 5: Resigned on March 20, 2025.

Note 6: Newly appointed on March 20, 2025.

II. Remuneration Paid to Directors, Supervisors, President, and Vice President During the Most Recent Year (2022)

(I) Remuneration to Directors, Independent Directors, President, and Vice President

1. Remuneration to Directors and Independent Directors

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

Date: December 31, 2024; Unit: NT\$1,000																						
Title	Name	Renumeration of Directors								Total Amount of A, B, C, and D to Net Income After Tax (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Amount A, B, C, D, E, F, and G to Net Income After Tax (%)		Remuneration from investees other than subsidiaries, or parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Professional fees (D)				Wages, bonuses, and special allowances, etc. (E)		Severance pay and pension (F)		Employees' earnings (G)						
		The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement			
Director	Black Praise International Limited Legal Representative: Li-Fen Luo	-	-	-	-	1,800	1,800	100	100	1,900 2.35%	1,900 2.35%	8,270	11,268	-	291	-	-	-	-	10,170 12.59%	13,459 16.67%	-
	Talent Reach (HK) Limited Legal Representative: Huan-Wen Jao																					
	Shih-Chinn Ho																					
	Li-Sheng Chu																					
Independent Director	Kuo-Cheng Wang	2,520	2,520	-	-	-	-	100	100	2,620 3.25%	2,620 3.25%	-	-	-	-	-	-	-	-	2,620 3.25%	2,620 3.25%	-
	Yu-Che Wang																					
	Yin-Chieh Hsu																					
	Su-Tien Yu																					
Total		2,520	2,520	-	-	1,800	1,800	200	200	4,520 5.60%	4,520 5.60%	8,270	11,268	-	291	-	-	-	-	12,790 15.84%	16,079 19.92%	-

1. Please state the policies, systems, standards and results of remuneration to independent directors, and the relations between the remuneration and the job responsibility, risk and engagement hours borne by the independent directors: The remuneration to the Company's independent directors is paid in accordance with the Company's Regulations Governing Remuneration to Independent Directors, and authorized subject to the experience, full-time and concurrent positions and scope of job responsibilities of the independent directors. The independent directors' salary is paid at fixed amount and on a monthly basis. The attendance fees are authorized per the counts of actual attendance by each director.

2. In addition to those disclosed in the table above, the amount of remuneration for the services (such as acting as consultants for the parent company/all companies in the Financial Statements/non-employees of reinvestment business) provided Company's directors for last year: None.

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Directors			
	Summation of the First 4 Items (A+B+C+D)		Summation of the First 7 Items (A+B+C+D+E+F+G)	
	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement
Below NT\$1,000,000	Li-Fen Luo, Huan-Wen Jao, Shih-Chinn Ho, Li-Sheng Chu, , Kuo-Cheng Wang, Yu-Che Wang, Yin-Chieh Hsu, Su-Tien Yu	Li-Fen Luo, Huan-Wen Jao, Shih-Chinn Ho, Li-Sheng Chu, , Kuo-Cheng Wang, Yu-Che Wang, Yin-Chieh Hsu, Su-Tien Yu	Shih-Chinn Ho, Li-Sheng Chu, Kuo-Cheng Wang, Yu-Che Wang, Yin-Chieh Hsu, Su-Tien Yu	Shih-Chinn Ho, Li-Sheng Chu, Kuo-Cheng Wang, Yu-Che Wang, Yin-Chieh Hsu, Su-Tien Yu
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-	Huan-Wen Jao	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	Li-Fen Luo	Li-Fen Luo/Huan-Wen Jao
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	-	-	-	-
Grand Total	8People	8 People	8 People	8 People

2. Remuneration to Supervisor: Not applicable, because the Company has established the Audit Committee.

3. Remuneration to Presidents and Vice Presidents

Date: December 31, 2023; Unit: NT\$1,000

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances, etc. (C)		Employee remuneration (D)				Total Amount of A, B, C, and D to Net Income After Tax (%)		Remuneration from investees other than subsidiaries, or parent company
		The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company	All Companies in the Financial Statement	The Company		All Companies in the Financial Statement		The Company	All Companies in the Financial Statement	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
Chief Executive Officer	Li-Fen Luo	2,533	12,328	-	1,483	5,737	13,930	-	-	-	-	8,270 10.24%	27,741 34.36 %	-
President	Huan-Wen Jao													
Senior Deputy President	Jian-Ping Lin													
Senior Vice President of Operations	Hung Chen													
Vice President of Business	Chao-Hsiang Chi													
Special Assistant of the President	Chih-Fu Wang													
Vice President of Finance	Xiu-Qiong Zhang													

Range of Remuneration

Range of remuneration to presidents and vice presidents	Names of Presidents and Vice Presidents	
	The Company	All Companies in the Financial Statement
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Huan-Wen Jao	Chao-Hsiang Chi/Xiu-Qiong Zhang/Chih-Fu Wang
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	Huan-Wen Jao/ Jian-Ping Lin/Hung Chen
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Li-Fen Luo	Li-Fen Luo
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	-	-
Grand Total	2 People	7People

4.Name and distribution of the manager who assigned the employee's remuneration: None.

5. Respectively compare and specify the analysis results for the ratios of the net incomes for all of the total remuneration amounts paid by the Company and companies included in the consolidated financial statements to the Company's directors, supervisors, presidents, and vice presidents in the last two years to the net income after tax in the entity or separate financial reports; and specify the relevance between the payment remuneration policies, standards and combinations, remuneration setting procedures, operating performances, and future risks

- (1) Proportion of the total remuneration paid by the Company and companies included in the consolidated financial statements to the Company's Directors, Supervisors, Presidents and Vice Presidents to the net income after tax in the entity or separate financial report for the most recent two years.

Unit: NT\$1,000

Items \ YEAR	2023		2024	
	The Company	Consolidated Statement	The Company	Consolidated Statement
Total Remuneration of Directors	12,839	16,093	12,790	16,079
Total Remuneration to Directors to Net Income after Tax (%)	14.55%	18.24%	15.84%	19.92%
Total Remuneration to Presidents and Vice Presidents	8,244	27,813	8,270	27,741
Total Remuneration to Presidents and Vice President to Net Income after Tax (%)	9.34%	31.52%	10.24%	34.36%

- (2) Remuneration policies, standards and packages, procedures for determining remuneration and its connection with business performance and future risk exposure.

The Company has established the Remuneration Committee, which is composed of all independent directors. The Remuneration Committee is responsible for setting and regularly reviewing the policies, systems, standards, and structures for performance evaluation and compensation for directors and managers. The remuneration to directors and managers are now determined after regular assessment and reference to the typical pay levels adopted by peer companies.

The remuneration structure can be classified as "fixed" or "variable". A reasonable structure for fixed remuneration is determined with reference to industry standards to ensure that the remuneration paid by the Company satisfies laws and affords to attract excellent talents. Variable remuneration is related to company performance. Variable remunerations include the following: Performance bonuses, year-end bonuses, and employee bonuses distributed from earnings. The amount of variable remuneration paid is determined with reference to "distribution base" and "performance weight", taking into comprehensive consideration the company's financial performance, the quality and performance of company operations, and future risks, as well as personal performance appraisal results, spent hours, responsibilities, fulfillment of personal targets, other duty performance, and remuneration paid by the Company to the equivalent position in the recent years. Meanwhile, the connection of personal performance with business performance and future risk exposure is assessed in terms of the fulfillment of the Company's short-term and long-term business targets, and the Company's financial position. The remuneration shall be determined in the following manners:

- I. Ensure that the remuneration paid by the Company satisfies laws and affords to attract excellent talents.
- II. The performance appraisal on and remuneration shall be considered based on the typical pay levels adopted by peer companies, and in consideration of personal performance appraisal results, and the connection of personal performance with business performance and future risk exposure is assessed in terms of the fulfillment of the Company's short-term and long-term business targets, and the Company's financial position.
- III. Not to lead directors and managers to engage in any activities beyond the Company's risk acceptance for pursuing remuneration.

- IV. Take the industrial characteristics and Company's business nature into account when determining the proportion of short-term performance remuneration to directors and senior management and time to pay certain variable remuneration.
- V. The rationality of the contents and amount of remuneration to directors and managers shall be taken into account. The resolution on remuneration to directors and managers shall not materially deviate from the financial performance. In the case of significant declination of earnings or long-term loss, the remuneration shall not be higher than that in the previous year.

III. Company Corporate Governance Operational Status

(I) Board of Directors Operational Status:

In the most recent year (2024), the Board of Directors has convened 5 meetings. From 2025 until the date of publication of the annual report, the Board of Directors has convened 1 meetings. Therefore, there were already 6 meetings (A) convened in total. The Company's director presence (attendance) at the meetings is stated as following:

Title	Name	Actual presence (attendance) counts B	Number of Attendances by Proxy	Actual presence (attendance) rate (%) [B/A]	Remarks
Chairman	Black Praise International Limited Representative: Li-Fen Luo	6	0	100%	
Director	Talent Reach (HK) Limited Representative: Huan-Wen Jao	6	0	100%	
Director	Shih-Chinn Ho	6	0	100%	
Director	Li-Sheng Chu	6	0	100%	
Independent Director	Kuo-Cheng Wang	6	0	100%	
Independent Director	Yu-Che Wang	6	0	100%	
Independent Director	Yin-Chieh Hsu	6	0	100%	
Independent Director	Su-Tien Yu	6	0	100%	

Other Noteworthy Matters:

I. If the Board of Director operations have any of the following conditions; the date, period, and the proposal contents of the independent directors as well as the Company's handling of the independent directors' opinions must be specified:

(I) Matters specified in Article 14-3 of Taiwan's Securities and Exchange Act:

1. Motions reported/ratified/passed at the 5th meeting of the Board of Directors of 4rd term on March 11 2024:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Greenhouse gas inventory and verification schedule report.
- (3) Motion to report the renewed liability insurance for the Company's directors and managers.
- (4) Motion to assess the competence and independence of the Company's attesting CPA
- (5) Motion for the appointment and remuneration of the Company's financial report CPA
- (6) 2023 Business Report and Financial Statements.
- (7) 2023 Distribution of Earnings.
- (8) 2023 Employee and Director Remuneration Distribution.
- (9) 2023 "Statement on Internal Control System"
- (10) Motion to amend the "Parliamentary Rules for Board of Directors Meeting"
- (11) Motion to amend the "Audit Committee Organizational Rules"
- (12) Motion to accept the written proposal submitted by shareholders holding one percent or more of the Company's shares, or the period for accepting the nomination of director candidates and place designated for accepting the roster of director candidates nominated.
- (13) Motion to convene the Company's 2024 general shareholders' meeting.

Said motions were approved by all attending directors unanimously.

2. Motions reported/ratified/passed at the 6th meeting of the Board of Directors of 4rd term on May 10 2024:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Motion to Investment case report of reinvested company
- (3) Greenhouse gas inventory and verification schedule report.
- (4) Motion to report the Q1 2024 consolidated financial statements of the Company.

Said motions were approved by all attending directors unanimously.

3. Motions reported/ratified/passed at the 7th meeting of the Board of Directors of 4rd term on August 20 2024:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Motion to report the Subsidiary earnings repatriation report
- (3) Motion to report the Investment case report of reinvested company
- (4) Greenhouse gas inventory and verification schedule report.
- (5) Motion to report the Q2 2024 consolidated financial statements of the Company.
- (6) Motion for the Subsidiary capital reduction and capital increase case
- (7) Motion to he Develop operating standards related to financial transactions between related parties.

Said motions were approved by all attending directors unanimously.

4. Motions reported/ratified/passed at the 8th meeting of the Board of Directors of 4rd term on November 08 2024:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Greenhouse gas inventory and verification schedule report.
- (3) Qualification examination report of the Company's independent directors during their term of office
- (4) Motion to report the Q3 2024 consolidated financial statements of the Company.
- (5) Amendment of the internal control system
- (6) Motion for the Company's 2025 audit plan
- (7) Motion for the case of changing stock agency
- (8) Motion to amend the Company's "Articles of Incorporation"
- (9) Motion for the case of capital increase through subsidiary surplus transfer
- (10) Motion for the Subsidiary capital loan case
- (11) Motion for the bank account opening through our company

Said motions were approved by all attending directors unanimously.

5. Motions reported/ratified/passed at the 9th meeting of the Board of Directors of 4rd term on December 27 2024:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Greenhouse gas inventory and verification schedule report.
- (3) Motion to report communication with stakeholders.
- (4) Motion to present the Business Integrity Report.
- (5) Motion to report the operating status of the risk management policy.
- (6) Motion to report the 2022 Board Performance Evaluation.
- (7) Motion to report the intellectual property management plans and implementation status.
- (8) Motion to report the operating status of the cyber security risk management.
- (9) Information on insider trading prevention is provided to employees.
- (10) Motion to review the policies systems for the performance evaluation and salary compensation of the Company
- (11) Motion for the year-end bonus to the Company's managers
- (12) Motion for the Company's 2024 annual operating plan and budget
- (13) Motion to amend the "Parliamentary Rules for Board of Directors Meeting"
- (14) Proposal for the advance approval for the certifying CPA, the CPA firm, and its affiliate to provide non-audit services to the Company and subsidiaries of the Company.

Said motions were approved by all attending directors unanimously.

6. Motions reported/ratified/passed at the 10th meeting of the Board of Directors of 4rd term on March 14 2025:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Greenhouse gas inventory and verification schedule report.
- (3) Motion to report the renewed liability insurance for the Company's directors and managers.
- (4) Motion to assess the competence and independence of the Company's attesting CPA
- (5) Motion for the appointment and remuneration of the Company's financial report CPA
- (6) 2024 Business Report and Financial Statements.
- (7) 2024 Distribution of Earnings.
- (8) 2024 Employee and Director Remuneration Distribution.
- (9) 2024 "Statement on Internal Control System"
- (10) Motion to accept the written proposal submitted by shareholders holding one percent or more of the Company's shares and the period for accepting and place designated for accepting the nomination.
- (11) Motion to convene the Company's 2025 general shareholders' meeting.

Said motions were approved by all attending directors unanimously.

- (II) Aside from the above matters, other resolutions adopted by the Board of Directors to which an Independent Director has a dissenting or qualified opinion that is on record or stated in a written statement: None.

II. Recusals of directors due to conflicts of interests (clearly state the director's name, contents of the motion and resolution thereof, reason for recusal and actual voting counts)

Board of Directors Meeting Date	Name of the Director Abstained	Motion Content	Reason for Conflict of Interest Abstention	Voting Participation Status
March 11, 2024	Directors Li-Fen Luo, Director Huan-Wen Jao, Director Shih-Chinn Ho, Director Li-Sheng Chu	2023 Employee and Director Remuneration Distribution.	Directors Li-Fen Luo, Director Huan-Wen Jao, Director Shih-Chinn Ho and Director Li-Sheng Chu who are stakeholders in the motion for 2023 Employee and Director Remuneration Distribution.	As stakeholders in the motion, the directors recused themselves from discussion and voting on the termination of Director Remuneration Distribution, after listening to the explanation about conflict of interest. The discussion and voting were held by the acting chairperson, independent director Kuo-Cheng Wang.
December 27, 2024	Directors Li-Fen Luo and Director Huan-Wen Jao	Motion for the year-end bonus to the Company's managers in 2024.	Ms. Li-Fen Luo is the CEO of the Company and Mr. Huan-Wen Jao is the President of the Company, who are stakeholders in the motion for managers' year-end bonuses.	As stakeholders in the motion, directors who are also managers of the Company recused themselves from discussion and voting on the motion pursuant to laws, after listening to the explanation about conflict of interest. The discussion and voting were held by the acting chairperson, independent director Kuo-Cheng Wang.
March 14, 2025	Directors Li-Fen Luo, Director Huan-Wen Jao, Director Shih-Chinn Ho, Director Li-Sheng Chu	2024 Employee and Director Remuneration Distribution.	Directors Li-Fen Luo, Director Huan-Wen Jao, Director Shih-Chinn Ho and Director Li-Sheng Chu who are stakeholders in the motion for 2024 Employee and Director Remuneration Distribution.	As stakeholders in the motion, the directors recused themselves from discussion and voting on the termination of Director Remuneration Distribution, after listening to the explanation about conflict of interest. The discussion and voting were held by the acting chairperson, independent director Kuo-Cheng Wang.

III. Status of self (or peer) assessment by the Board of Directors

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Method of evaluation (Note 4)	Evaluation content (Note 5)
performed once per year	2024.01.01-2024.12.31	the performance of the board as a whole, the individual directors, and the functional committees.	internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members	<p>(1) Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.</p> <p>(2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.</p> <p>(3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.</p>

Evaluation Results

The Board of Directors elected 8 directors (including 4 independent directors). Given the Company's board diversification policy, directors with expertise in industry, finance, information, laws, and channel management have been elected. With respect to the

planning of directors' continuing education, the Company voluntarily hires a professional agency to provide continuing education courses for directors onsite at the Company. Directors may elect to attend these courses depending on their education progress for the year. In August 2024, arrangements were made for directors to attend continuing education courses offered by Taiwan Corporate Governance Association. All directors have met the annual continuing education requirements for directors and kept abreast of any information related to corporate governance.

The Company has set up two functional committees, which are composed of independent directors: Audit Committee and Remuneration Committee. The Audit Committee effectively evaluates and oversees internal control system and risk management operations, periodically tracks and monitors the company's accounting systems, financial position and financial reports, and audit reports. The Audit Committee maintains effective communication and constant contact with the Company's CPAs. The Remuneration Committee regularly reviews the performance of directors and managers, the relationship between their performance and remuneration, and whether their remuneration is reasonable. The management team proposes appropriate motions to each functional committee. The functional committees are able to provide recommendations in a timely, professional, and objective manner and present them to the Board of Directors for decision-making.

In 2024, the Company has convened a total of 5 board meetings. The total attendance for directors should have been 40 counts; actual attendance was 40 counts in total, for a total attendance rate of 100%. Directors' attendance at board meetings is considered fair. Directors (including independent directors) engage in positive communication and interaction with the management team, chief audit officer, and independent auditors. The Company requires the management team to carry out and keep track of corporate governance-related regulations, internal control system, and operating performance. The Company's management team submits appropriate motions to the Board of Directors for discussion. Before a board meeting, the team is able to furnish Board members with appropriate information that serves as the basis for making decisions, and also documents issues that are of concern to directors and recommendations, as appropriate. Any director or manager who is required to recuse himself from related motions as stakeholder does recuse himself from the motions. The Board of Directors ensures the supervision of the internal control system and risk management situations that likely involve the proposed motions. For motions approved by the Board of Directors (including but are not limited to annual plans and budgets), the management team is able to implement the motions as proposed, and regularly keeps track of and provides report on relevant progresses.

Upon evaluation, the entire Board of Directors (and functional committees) is functioning effectively.

IV. Measures undertaken during the current year and in the most recent year in order to strengthen the functions of the Board of Directors and assessment of their implementation

Goal 1: Enhance information transparency

The Company's operations are transparent and focus on shareholders' equity. Important motions will be announced on the Market Observation Post System (MOPS) immediately after each Board of Directors meeting. The Company is capable of preparing the financial reports independently. PwC Taiwan is retained to (review/audit) certify the financial reports (quarterly/annually). The Company also discloses the relevant information via MOPS pursuant to laws. Additionally, the Company's official website also has the investor and stakeholder areas that disclose relevant business information for review by shareholders and stakeholders.

Goal 2: Diversify board composition and structure for better and stronger board managerial functions

The Company defines the diversity policy on the Board members in Article 20 of its Corporate Governance Best Practice Principles. The Company currently appoints 8 directors, including 3 female directors. Board members have expertise in operation, management, finance, auditing, economics, and information. Each member has years of practical experience in various fields, as well as extensive knowledge and expertise that conform to the Company's operational needs and can facilitate the Company's future business management, internal control, and industrial integration. Further, the Company has 4 independent directors form the Audit Committee and Remuneration Committee, respectively. Mr. Wang Guocheng serves as the convener of the Audit Committee and Remuneration Committee.

Goal 3: Encourage directors to continue their education

On August 20, 2024, the Company has arranged Taiwan Corporate Governance Association to provide its directors with the continuing education courses on tax laws, and enterprise employee remuneration strategy topics. The Company's directors engaged in continuing education in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", thus satisfying the continuing education requirements for directors.

Goal 4: Increase directors' participation in company operation and improve the decision-making quality of the Board of Directors

The Company directors' attendance at the Board of Directors meetings are considered fair, and so are the communication and interaction between the Board of Directors and the management team, audit officer and independent auditors. Meanwhile, the management team is asked to practice the corporate governance-related regulations, internal control system, and execution and follow-up of operating performance. Any director or manager who is required to recuse himself from related motions as stakeholder does recuse himself from the motions.

(II) Audit Committee Operation Status:

The Company's Audit Committee is composed entirely of independent directors, whose task focus in the most recent year (2024) included overseeing the company's internal control implementation status, status of regulatory compliance, whether the company's financial statements are presented fairly, and the independence and performance of independent auditors. In the recent years up to the date of publication of the annual report, the

Company's Audit Committee has held a total of 6 (A) meetings, of which 5 were held in 2024 and 1 in 2025. The attendance of the 4 independent directors is as follows:

Title	Name	Attendance in person (B)	Number of Attendances by Proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Kuo-Cheng Wang	6	0	100%	
Independent Director	Yu-Che Wang	6	0	100%	
Independent Director	Yin-Chieh Hsu	6	0	100%	
Independent Director	Su-Tien Yu	6	0	100%	

Other Noteworthy Matters:

I. When one of the following situations occurred to the operations of the Audit Committee; state the date, period, and proposal contents of the Audit Committee meeting, objections, reservations, or significant suggestions by the Independent Directors, as well as the resolutions by the Audit Committee and the Company's actions in response to the opinions of the Audit Committee:

(I) Matters specified in Article 14-5 of Taiwan's Securities and Exchange Act:

The Company established the Audit Committee on December 20, 2017. The operating status of the Audit Committee in the recent years up to the date of publication of the annual report is as follows:

1. The 4th meeting of the Audit Committee of 3rd term on March 11, 2024 passed the following:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Motion to assess the competence and independence of the Company's attesting CPA
- (3) Motion for the appointment and remuneration of the Company's financial report CPA
- (4) 2023 Business Report and Financial Statements.
- (5) 2023 Distribution of Earnings.
- (6) 2023 Audit Committee Inspection Report.
- (7) 2023 "Statement on Internal Control System"
- (8) Motion to amend the "Parliamentary Rules for Board of Directors Meeting
- (9) Motion to amend the "Audit Committee Organizational Rules"

Said motions were approved by all attending Committee member unanimously.

2. The 5th meeting of the Audit Committee of 3rd term on May 10, 2024 passed the following:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
 - (2) Motion to Investment case report of reinvested company
 - (3) Motion to report the Q1 2024 consolidated financial statements of the Company.
- Said motions were approved by all attending Committee member unanimously.

3. The 6th meeting of the Audit Committee of 3rd term on August 20, 2024 passed the following:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
 - (2) Motion to report the Subsidiary earnings repatriation report
 - (3) Motion to report the Investment case report of reinvested company
 - (4) Motion to report the Q2 2024 consolidated financial statements of the Company.
 - (5) Motion for the Subsidiary capital reduction and capital increase case
 - (6) Motion to he Develop operating standards related to financial transactions between related parties.
- Said motions were approved by all attending Committee member unanimously.

4. The 7th meeting of the Audit Committee of 3rd term on November 8, 2024 passed the following:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
 - (2) Motion to report the Q3 2024 consolidated financial statements of the Company.
 - (3) Amendment of the internal control system
 - (4) Motion for the Company's 2025 audit plan
 - (5) Motion to amend the Company's "Articles of Incorporation"
 - (6) Motion for the case of capital increase through subsidiary surplus transfer
 - (7) Motion for the Subsidiary capital loan case
- Said motions were approved by all attending Committee member unanimously.

5. The 8th meeting of the Audit Committee of 3rd term on December 27, 2024 passed the following:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Motion for the Company's 2024 annual operating plan and budget
- (3) Motion to amend the "Parliamentary Rules for Board of Directors Meeting"

- (4) Proposal for the advance approval for the certifying CPA, the CPA firm, and its affiliate to provide non-audit services to the Company and subsidiaries of the Company.

Said motions were approved by all attending Committee member unanimously.

6. The 9th meeting of the Audit Committee of 3rd term on March 14, 2025 passed the following:

- (1) Motion to report the recent acquisition and disposal of assets and the recent provision of endorsement and guarantee.
- (2) Motion to assess the competence and independence of the Company's attesting CPA
- (3) Motion for the appointment and remuneration of the Company's financial report CPA
- (4) 2024 Business Report and Financial Statements.
- (5) 2024 Distribution of Earnings.
- (6) 2024 Audit Committee Inspection Report.
- (7) 2024 "Statement on Internal Control System"

Said motions were approved by all attending Committee member unanimously.

- (II) Resolutions passed by two-thirds of all directors but without approval of the Audit Committee except for the preceding item: None.

- II. Any independent directors who had to excuse themselves to prevent conflicts of interest (clearly state the independent director's name, contents of the motion and resolution thereof, reason for recusal and actual voting counts)

Date	Name of Independent Director	Motion Content	Reason for Conflict of Interest Abstention	Voting Participation Status
NA	NA	NA	NA	NA

- III. Communication between independent directors and internal audit officers as well as CPAs on the Company's finance and business

The Company's internal audit officers send the internal audit report to the independent directors periodically, in order to report the execution of the internal audit and audit results. Additionally, the Company's Audit Committee consists of the whole independent directors. The internal audit officers will report the audit results to the Audit Committee periodically, including the key inspection opinion on execution of the audit plan, internal operations, internal auditors' training and internal/external audits, and status of improvement thereof. CPAs will report to the independent directors on the Company's financial position, overall operations and internal audit on a quarterly basis, and communicate with the independent directors about the effect to the account entries by important adjusting journal entries or amendments to laws and regulations, if any. Communication between independent directors and internal audit officers in 2022

Meeting Date/Term	Scope of Communication	Communication Results and Response
2023/03/11 4th meeting of the Audit Committee of 3rd term	1. Reports on the internal audit progress. 2. 2023 "Statement on Internal Control System".	No objection. The Audit Committee' Statement on Internal Control System has been submitted to the Board of Directors for approval, and announced and reported as scheduled.
2024/05/10 5th meeting of the Audit Committee of 3rd term	1. Reports on the internal audit progress.	No objection.
2024/08/20 6th meeting of the Audit Committee of 3rd term	1. Reports on the internal audit progress.	No objection.
2024/11/08 7th meeting of the Audit Committee of 3rd term	1. Reports on the internal audit progress. 2. 2025 audit plan.	No objection. The audit plan approved by the Audit Committee has been submitted to the Board of Directors for approval. Relevant audits will be carried out in 2024 as planned.
2024/12/27 8th meeting of the Audit Committee of 3rd term	1. Reports on the internal audit progress.	No objection.

Communication between independent directors and CPAs in 2024

Meeting Date/Term	Scope of Communication	Communication Results
2023/03/11 4th meeting of the Audit Committee of 3rd term	<ol style="list-style-type: none"> 1. Explain the material adjustment on the audit on financial statements and income of 2023. 2. Discuss and communicate about the questions raised by independent directors toward the financial statements. 3. Communicate about the Key Audit Matters (KAM) in the audit report 	The annual financial report was approved by the Audit Committee, submitted to the Board of Directors and shareholders' meeting for approval, and announced and reported as scheduled.
2024/05/10 5th meeting of the Audit Committee of 3rd term	<ol style="list-style-type: none"> 1. Explain the material adjustments to the review report on Q1 2024 financial statements. 2. Discuss and communicate about the questions raised by independent directors toward the financial statements. 	The financial report was approved by the Audit Committee, and submitted to the Board of Directors for approval, and announced and reported as scheduled.
2024/08/20 6th meeting of the Audit Committee of 3rd term	<ol style="list-style-type: none"> 1. Explain the material adjustments to the audit report on Q2 2024 financial statements. 2. Discuss and communicate about the questions raised by independent directors toward the financial statements. 3. Communicate about the Key Audit Matters (KAM) in the audit report 	The financial report was approved by the Audit Committee, and submitted to the Board of Directors for approval, and announced and reported as scheduled.
2024/11/08 7th meeting of the Audit Committee of 3rd term	<ol style="list-style-type: none"> 1. Explain the material adjustments to the review report on Q3 2024 financial statements. 2. Discuss and communicate about the questions raised by independent directors toward the financial statements. 	The financial report was approved by the Audit Committee, and submitted to the Board of Directors for approval, and announced and reported as scheduled.

(III) Corporate Governance Operation Status and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Corporate Governance Operation Status and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation Item	Operation Scenario			Reason for the Corporate Governance Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
I. Has the Company formulated and disclosed its "Corporate Governance Best Practice Principles" pursuant to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established a "Corporate Governance Best Practice Principles" and disclosed it on the company's website.	No major difference.
II. Company Shareholding Structure and Shareholders' Equity				
(I) Has the Company established an internal operating procedure to address shareholders' recommendations, doubts, and disputes, as well as litigation matters, and implemented the procedure?	✓		(I) The Company's "Corporate Governance Best Practice Principles" has established the relevant provision, and provided an ad litem agent and non-ad litem agent, spokesperson and deputy spokesperson dedicated to handle shareholders' recommendations, doubts and disputes, as well as litigation matters.	No major difference.
(II) Does the Company have a list of the major shareholders and ultimate controllers of major shareholders with actual control?	✓		(II) The Company periodically follows up on a monthly basis, and discloses pursuant to laws, the information about the shareholdings by directors, managers, and shareholders holding over 10% of the shares based on the information provided by the shareholder services agent. Therefore, the Company has controlled a list of the major shareholders and ultimate controllers of major shareholders with actual control.	No major difference.
(III) Has the Company established and implemented a risk control and firewall mechanism between affiliates?	✓		(III) The Company established regulations such as the "Operating Regulations Governing Supervision of Subsidiaries" and the "Operating Regulations Governing Transactions with Related Parties" which govern the purchase and sales. The Company's "Operating Procedure for Acquisition or Disposal of Assets (Including Derivatives)" also states that if the Company or its subsidiary engages in transactions with related parties and the	No major difference.

Evaluation Item	Operation Scenario			Reason for the Corporate Governance Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
(IV) Does the Company have internal regulations that prohibit Company insiders from buying or selling securities using unpublished market information?	✓		<p>transaction amount exceeds 10% of the Company's total assets, the Company shall firstly submit the information required for related-party transactions to the shareholders' meeting for approval before signing the contract and making payments. However, this requirement does not apply to transactions between the Company and its parent company or subsidiary company, or between the subsidiaries. The Company and affiliates maintain independent business and financial operations. Related material transactions are filed to the Board of Directors for approval in accordance with regulations, and filed to the shareholders' meeting for approval or report in order to establish and execute the appropriate risk control mechanisms and firewalls.</p> <p>(IV) The Company has adopted the "Regulations Governing Prevention of Insider Trading" and "Operating Procedures for Handling Internal Material Information" to prohibit the Company insiders from buying or selling securities using unpublished market information. In response to the policy promoted by the competent authority, the Company will provide directors and managers with the "TWSE Listed Companies' Insider Equity Trading Q&A Promotional Manual" and information about insider trading prevention courses and presentations from time to time, and send emails that provide information on common violations committed by insiders. In addition, at least a theme-based communication session related to "Insider Trading Prevention" and "Ethical Management" was held annually. 2 communication sessions with 28 attendants were completed in 2024, and the accumulated training hours were 28 hours. In addition, the Board of Directors conduct insider trading prevention publicity for all directors on December 27, 2024.</p>	No major difference.

Evaluation Item	Operation Scenario			Reason for the Corporate Governance Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
III. Composition and Duties of the Board of Directors				
(I) Has the board of directors devised and implemented a plan for a more diverse composition of the board with concrete management goals?	✓		(I) The Company defines the diversity policy on the Board members in Article 20 of its Corporate Governance Best Practice Principles. The diversity management objectives of the Company's Board of Directors include: 1. Directors who are also managers of the Company shall not exceed one-third of the total number of directors. 2. The target female representation is one-third or more. 3. The Board of Directors shall include members with professional backgrounds in industry, finance, and law. The Company appoints 8 directors, of which there are only two directors who are also managers, including 2 female directors. Board members have expertise in operation, management, finance, auditing, economics, information, and distribution channels. Each member has years of practical experience in various fields, as well as extensive knowledge and expertise that conform to the Company's operational needs and can facilitate the Company's future business management, internal control, industrial integration, and sales expansion. For diversified composition of the Board of Directors, please refer to the following assessment on diversity policy on the Board of Directors.	No major difference.
(II) In addition to establishing the Remuneration Committee and Audit Committee pursuant to the law, has the Company voluntarily set up other types of functional committees?		✓	(II) The Company currently has no need to set up other functional committees, and will evaluate the need to establish such committees in the future.	To be established as needed.
(III) Has the Company established the regulations governing performance evaluation on Board of Directors and the evaluation method, and conducted the performance evaluation periodically each year, and submitted the performance evaluation results to the Board of Directors, and taken it as the reference for remuneration to individual directors and nomination?	✓		(III) The Company has Regulations Governing Performance Appraisal on Board of Directors in place. Performance appraisal on the Board of Directors and functional committees is conducted once every year. The evaluation results were reported to the Board of Directors on December 27, 2024 and disclosed on the Corporate Governance section of the Company's website. The evaluation results also serve as a reference for the distribution of remuneration to directors and	No major difference.

Evaluation Item	Operation Scenario			Reason for the Corporate Governance Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
(IV) Has the Company regularly assessed the independence of the independent auditors?	✓		<p>nomination.</p> <p>(IV) The Company has adopted the "Regulations Governing Appraisal on Independence and Performance of Independent Auditors" and conducted the assessment on independence and competence of independent auditors periodically, including term of office, employment relationship, accounting audit, and interaction with the Company's directors and management, and access to the independent auditor's statement on independence and "Audit Quality Indicators (AQIs)" of certified accountants, submitted the results to the Audit Committee and Board of Directors. The Company has confirmed that except for costs associated with certification and taxation, the CPAs did not have any other financial interests or business interactions with the Company and the CPAs and their family members did not violate the requirements of independence. We also referenced AQI information and confirmed that the CPA and the CPA firm's audit experience is outperforms the industry average and the number of hours of training is close to the industry average. The Company's appraisal results for the most recent year were resolved and passed by the Audit Committee and Board of Directors meeting on March 14, 2025.</p>	No major difference.
IV. Whether the TWSE/TPEX listed company assigns the adequate number of competent corporate governance officers, and appoints the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, providing directors/supervisors with the information needed to perform their duties, helping directors/supervisors with compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, etc.)?	✓		The Company has appointed the chief corporate governance officer responsible for the corporate governance affairs, including providing directors with the information needed to perform their duties, helping directors with compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, etc.	No major difference.

Evaluation Item	Operation Scenario			Reason for the Corporate Governance Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
V. Does the Company establish a communication channel for the stakeholders (including but not limited to, shareholders, employees, customers and suppliers), set the stakeholder section on the Company's website, and respond to the stakeholders regarding their concerns over corporate social responsibilities?	✓		The Company has established a spokesperson and deputy spokesperson system. The relevant contact information is disclosed on the MOPS. The Company's website provides the stakeholder section via which the stakeholders may express the issues concerned by them. By the function of an issue, the Company delegates dedicated (concurrent) unit to maintain fair communication with stakeholders. In 2022, the Company's response to CSR issues that are crucial to stakeholders, and the status of communication with stakeholders have been reported to the Board of Directors on December 27, 2024 and disclosed on the Stakeholder section of the Company's website.	No major difference.
VI. Does the Company have commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company has commissioned the professional shareholder services agent, "Yuanta Securities Co., Ltd.", to handle the shareholder services on behalf of the Company.	No major difference.
VII. Information Disclosure (I) Has the Company established a website to disclose financial business and corporate governance information?	✓		(I) The Company established a corporate website to fully disclose financial business and corporate governance information.	No major difference.
(II) Has the Company adopted other information disclosure methods (if an English website has been established, has a dedicated person been appointed to collect and disclose the Company's information, execute the spokesperson system, or place the legal person briefing process in the Company website)?	✓		(II) The Company has a corresponding dedicated unit responsible for the collection and disclosure of the various information of the Company. The Company has set up spokespersons and agency spokespersons as required.	No major difference.
(III) Whether the Company announces and reports the annual financial report within two months at the end of each fiscal year, and the financial report for Q1, Q2 and Q3 and monthly operation overview before the prescribed time limit?		✓	(III) The Company announces and reports the annual financial report within the statutory time limit, and the financial report for Q1, Q2 and Q3 and monthly operation overview before the prescribed time limit.	No major difference.

Evaluation Item	Operation Scenario			Reason for the Corporate Governance Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
VIII. Does the Company have other important information that can facilitate understanding towards the Company's corporate governance (including, but not limited to, employee rights, employee care, investor relations, supplier relationships, stakeholder rights, director and supervisor training status, risk management policies and metrics implementation status, customer policy implementation status, and director and supervisor insurance purchase status by the Company)?	✓		<p>(I) The Company has a harmonious labor relationship, and has protected the legitimate rights and interests of employees according to the labor laws of each operating location. The Company has neither experienced major labor disputes nor been punished by the competent authorities for major labor problems or major labor law violations.</p> <p>(II) The Company provides reasonable salary remuneration, cultural and recreational activities, and preferential purchase prices to employees. The employers and employees have established a good mutual trust relationship.</p> <p>(III) The Company has established a corporate website and spokesperson system in order to ensure the relevant financial business information and major information is reported via MOPS and in a timely manner to protect the rights of investors.</p> <p>(IV) The Company has operated in good faith, conducted fair transactions with suppliers, and clearly provided that suppliers are strictly prohibited from bribery.</p> <p>(V) Stakeholders can communicate and make suggestions through the channels provided by the Company in order to safeguard their legitimate rights and interests.</p> <p>(VI) The Company voluntarily retains the professional institution to offer the continuing education courses for directors at the Company's premises the members of the Company's Board of Directors have completed the training hours according to the regulations and kept concerning the corporate governance-related information.</p> <p>(VII) The Company uses its best efforts to encourage managers to attend the corporate governance-related courses, and organizes the</p>	No major difference.

Evaluation Item	Operation Scenario			Reason for the Corporate Governance Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
			<p>corporate governance courses and communication meetings from time to time.</p> <p>(VIII) The Company attaches great importance to the customer's rights and interests, and set the customer complaint mailbox which is handled by the dedicated personnel.</p> <p>(IX) The Company has established the relevant regulations on director liability insurance in the "Corporate Governance Best Practice Principles," and purchased liability insurance for directors and managers.</p> <p>(X) The Company has established risk management policies and procedures, which have been approved by the Board of Directors on August 10, 2020. The scope of risk management, organizational structure, and operating status of the 2022 risk management policy were presented to the Board of Directors on December 27, 2024 and disclosed on the Corporate Governance section of the Company's website.</p>	
<p>IX. Please specify the Company's measures to improve the items listed in the corporate governance review result by the Taiwan Stock Exchange Corporate Governance Center and the improvement plans for items yet to be improved. (Not required for non-evaluated companies): The Company continues to optimize corporate governance and relevant information disclosure: In recent years, the Company has optimized its corporate governance by strengthening ethical awareness, and presented results to the Board of Directors. The Company optimized its information disclosure by including information on board diversification, the operating status of functional committees, and R&D statuses. Furthermore, the Company has improved the disclosure of relevant information in annual reports and on its Chinese and English websites. In future, the Company will continue to enhance corporate governance and relevant information disclosure.</p>				

Assessment on Diversity Policy on the Board of Directors

Board members	Gender	Concurrently serving as the Company's manager	Seniority as independent director		Industrial experience						Abilities required by composition of the Board of Directors							
			No more than 9 years	Over 9 years	Biotech and Medical Treatment	Channel marketing	Finance	IT	Law	Academic Research	Make Judgment About Operations	Financial And Accounting Analysis	Business Management	Crisis Management	Industrial Knowledge	International Market	Leadership	Ability To Make Decision
Li-Fen Luo	Female	✓	-	-	✓	✓					◎	○	◎	◎	Bio	◎	◎	◎
Huan-Wen Jao	Male	✓	-	-	✓	✓					◎	○	◎	◎	Bio	◎	◎	◎
Shih-Chinn Ho	Male	-	-	-	✓		✓				◎	◎	◎	◎	Bio	◎	◎	◎
Li-Sheng Chu	Male	-	-	-		✓	✓			✓	○	◎	◎	◎	Finance	◎	○	◎
Kuo-Cheng Wang	Male	-	✓	-		✓	✓				◎	◎	◎	◎	Finance	◎	◎	◎
Yin-Chieh Hsu	Male	-	✓	-					✓		○	○	◎	◎	Finance	○	◎	◎
Yu-Che Wang	Male	-	✓	-			✓			✓	○	◎	◎	◎	Law	◎	○	◎
Su-Tien Yu	Female	-	✓	-		✓					○	○	◎	◎	media	○	◎	◎

Note: "◎" refers to the possession of the professional ability, while "○" refers to the possession of the ability in part.

(IV) Composition, Duties, and Operation of the Remuneration Committee

1. Remuneration Committee Member Information

Identity (Note 1)	Qualification	Professional qualification and experience	Conform to independence status	Number of positions as an Independent Director in other public companies
	Name			
Independent Director	Kuo-Cheng Wang	Independent Director Kuo-Cheng Wang holds a Master's degree in Business Administration from National Taiwan University. He has expertise required for commerce, finance, accounting, or related business for more than five years. Meanwhile, He has the practical experience in corporate business management for many years, and can provide the Company with professional opinions required for operations.	Independent Director Kuo-Cheng Wang has work experience required for commerce, finance, accounting, or related business. During the two years before being elected or during the term of office, he hasn't been or isn't an employee, director, or supervisor of the Company or any of its affiliates, neither he, his spouse or minor children has held or holds the Company's shares, and he isn't a spouse or a relative within the second degree of kinship to another director. Thus, he conforms to the independence requirements promulgated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	2
Independent Director	Yu-Che Wang	Independent Director Yu-Che Wang holds a Bachelor's degree in Financial Management from University of Maryland, a Master's degree in Business Administration from University of Massachusetts Dartmouth, and a Ph.D. in Business Education from University of Missouri-Columbia. He currently serves as an Associate Professor at Department of Global Business, Chinese Culture University. He has expertise required for commerce, finance, accounting, or related business for more than five years, and can provide the Company with professional opinions required for operations.	Independent Director Yu-Che Wang has work experience required for commerce, finance, accounting, or related business. During the two years before being elected or during the term of office, he hasn't been or isn't an employee, director, or supervisor of the Company or any of its affiliates, neither he, his spouse or minor children has held or holds the Company's shares, and he isn't a spouse or a relative within the second degree of kinship to another director. Thus, he conforms to the independence requirements promulgated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1
Independent Director	Yin-Chieh Hsu	Independent Director Yin-Chieh Hsu holds a Bachelor's degree in Law from National Taipei University and a Master's degree in Accounting from College of Management, National Taiwan University EMBA, and is a certified attorney audited by the Ministry of Justice. He has expertise required for commerce, legal affairs, or related business for more than five years. Meanwhile, he has the practical experience in corporate business management for many years, and can provide the Company with professional opinions required for operations.	Independent director Yin-Chieh Hsu has work experience required for commerce, legal affairs, or related business. During the two years before being elected or during the term of office, he hasn't been or isn't an employee, director, or supervisor of the Company or any of its affiliates, neither he, his spouse or minor children has held or holds the Company's shares, and he isn't a spouse or a relative within the second degree of kinship to another director. Thus, he conforms to the independence requirements promulgated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3

Note 1: Please fill-in as a director, independent director, or other.

Note 2: Remuneration Committee Member Kuo-Cheng Wang concurrently serves as a Remuneration Committee member at Hon Hai Precision Industry Co., Ltd. and Apex Medical Corp.,.

Note 3: Remuneration Committee Member Yu-Che Wang concurrently serves as a Remuneration Committee member at TAIWANGGLASS.

Note 4: Remuneration Committee Member Yin-Chieh Hsu concurrently serves as the remuneration committee member of Allied Biotech Corp. , ONANO Corp. and Taiwan Baihe Industrial Co., Ltd.

2. Duties of the Salary Remuneration Committee

The Company's Remuneration Committee faithfully fulfills the following functions and powers with the duty of a good manager according to procedures, and submits recommendations to the Board of Directors for discussion:

- I. Regularly review the organization procedures of the Remuneration Committee and propose amendment recommendations.
- II. Formulate and regularly review the standard, annual and long-term performance targets about the performance appraisal on the Company's directors and managers, and the policies, systems, standards, and structure for the remuneration, and disclose the performance appraisal standards in the annual report.
- III. Regularly assess the performance target achievements of the Company's directors and managers, and set the contents and amount of their individual remuneration based on the evaluation results generated according to the performance appraisal standards, connection with performance, and reasonableness.

3. Salary Remuneration Committee Operating Status Information

(1) The Company's Remuneration Committee consists of 3 members.

(2) Duration of service: from May 31, 2023 to May 30, 2026.

(3) From the most recent year (2024) to the publication date of this Annual Report, the Company's Remuneration Committee has held a total of 3 meetings (A), of which 2 were held in 2024 and 1 in 2025, the attendance status of the Committee Members is as follows:

	Name	Attendance in person (B)	Number of Attendances by Proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Kuo-Cheng Wang	3	0	100%	
Committee member	Yu-Che Wang	3	0	100%	
Committee member	Yin-Chieh Hsu	3	0	100%	

Other Noteworthy Matters:

- I. If the Board of Directors does not adopt or amend the recommendations of the Compensation and Remuneration Committee, it shall state the date and time of the Board of Directors meeting, the content of the proposal, the results of the resolution of the Audit Committee, and how the Company handles the opinions of the Audit Committee (if the salary adopted by the Board of Directors is better than the recommendations of the Salary and Remuneration Committee, clarify the status and cause of the difference): None.
- II. For resolution(s) made by the Remuneration Committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: No member has voiced opposing or qualified opinions against the resolutions made by the Remuneration Committee for the most recent year. Information concerning the resolution made by the Remuneration Committee and the Company's handling thereof:

Meeting Date/Term	Motion Content	Resolution	Handling of the opinion
2024/03/11 2th meeting of 3nd term	(1) 2023 Employee and Director Remuneration Distribution.	(1) The motion was approved all attending Committee members unanimously.	(1) The motion was presented to the Board of Directors and passed as proposed.
2024/12/27 3th meeting of 3nd term	(1) Motion to review the policies systems for the performance evaluation and salary compensation of the Company. (2) Motion for the year-end bonus to the Company's managers in 2024.	(1) The motion was approved all attending Committee members unanimously. (2) The motion was approved all attending Committee members unanimously.	(1) The motion was presented to the Board of Directors and passed as proposed. (2) The motion was presented to the Board of Directors and passed as proposed.
2025/03/14 4th meeting of 3nd term	(1) 2024 Employee and Director Remuneration Distribution.	(1) The motion was approved all attending Committee members unanimously.	(1) The motion was presented to the Board of Directors and passed as proposed.

(V) Implementation Status of Promoting Sustainable Development: Systems and measures executed for environmental protection, community participation, social contribution, social services, social welfare, consumer rights, human rights, safety and health, and other social responsibility activities as well as the implementation status.

Reason for differences between the implementation status of promoting sustainable development and the Sustainable Development Best Practice

Principles for TWSE/TPEX Listed Companies

Evaluation Item	Implementation Status			Reason for the Sustainable Development Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
I. Has the Company established a governance structure to promote sustainable development, and established a unit dedicated to (concurrently engaged in) promoting sustainable development under supervision by the high-rank management authorized by the Board of Directors, and has the Board of Directors supervised the implementation?	✓		The President's Office of the Group is responsible for promoting sustainable development tasks of the Company. With reference to the significant effects or issues expected to be generated by the environment, society, and corporate governance on investors and other stakeholders, the Group's President's Office directs the related risk assessments and adopt response measures. The results were reported to the Board of Directors on December 27, 2024. In addition to ensuring the accuracy of information disclosure for sustainable development, the Board of Directors may review the implementation results and propose recommendations for improvement to ensure the sustainable development of the Company.	No major difference.
II. Whether the Company conducts the risk assessment on the environment, society and corporate governance issues concerning the Company's operations in accordance with the materiality principle, and adopt related risk management policies or strategies? (Note 1)	✓		The Company conducts the risk assessment on the environment, society and corporate governance issues concerning the Company's operations in accordance with the materiality principle. The scope of the assessment is the main subsidiary company Juwenlee. The Company has obtained ISO 14001 Environmental Management System certification and also meets ISO 45001 requirements. With reference to the significant effects (issues) expected to be generated by the environment, society, and corporate governance on investors and other stakeholders, the Company has established risk management policies and procedures, which have been adopted by the Board of Directors on August 10, 2020. The Group's President's Office was appointed to direct the related risk assessments and adopt response measures. Internally, the Company has established reporting and communication systems to ensure that response strategies are communicated precisely and implementation status is kept abreast in a timely manner. If necessary, related personnel will be arranged to form a dedicated task force responsible for formulating and adopting response	No major difference.

Evaluation Item	Implementation Status			Reason for the Sustainable Development Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
			strategies. The Company's report on the implementation status of its risk management policy in 2024 has been disclosed on the Corporate Governance section of the Company's website and has been reported to the Board of Directors on December 27, 2024.	
III. Environmental issues				
(I) Has the Company established an appropriate environmental management system according to the specific nature of the industry?	✓		(I) The Company has obtained ISO 14001 Environmental Management System certification (the certification is valid till February 23, 2028). The production unit of the Company has passed the local environmental impact assessment, commissioned professional recycling institutions to handle waste, discharged domestic pollution according to regulations, and complied with the relevant laws and regulations.	No major difference.
(II) Has the Company endeavored to maximize the use of resources and utilize renewable materials that have the least environmental impact?	✓		(II) The company is committed to improving the efficiency of energy use. When purchasing equipment, we opt for equipment with low energy consumption and implement economic operation principles as much as possible in daily use. The Company has received the GB/T 23331-2020 / ISO50001: 2018 Energy Management System certification (valid until June 21, 2027) for the Company's energy consumption management. In terms of using recycled materials with low impact on the environment, the Company's research and development of materials focus on locally available plant extracts. We choose biodegradable products for internal and external packaging materials and gradually simplify the design of packaging boxes to reduce excessive packaging.	
(III) Whether the Company assesses the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and takes responsive measures related to climate issues?	✓		(III) The Company follows relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business activities. Every year, the Company's managers assess the effects of climate changes and global warming on the market trends, and also seek environmentally friendly ingredients and materials for new product formulas and packaging materials. Environmental awareness is	

Evaluation Item	Implementation Status			Reason for the Sustainable Development Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
(IV) Whether the Company gathers the statistics about the annual greenhouse gas emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of other waste goods?	✓		<p>raised on a daily basis, which is why the concept of sustainability and environmental protection has been integrated into the Company's corporate culture.</p> <p>(IV) The Company has obtained ISO 14001 Environmental Management System certification (the certification is valid till February 23, 2028). The Company adopts the environmental protection-related management policies and discloses such on the Corporate Governance section of the Company's website, and practices various environmental protection and remediation actions, in line with the local governments' policies applicable within the jurisdictions where the subsidiaries are located. The Company primarily engages in R&D, production and sale of skin care products, and the exhaust emissions from the manufacturing process of skin care products are few. Considering the nature of the industry the Company is in, the Company implements environmental protection policies in its routine operations and production processes. For example, the Company controls its water consumption (15,610 tons consumed in 2023 and 14,748 tons in 2024); controls its wastage (exclusive of paper, 6,866,67 kgs in 2023 and 8,885,68 kgs in 2024), selects product containers and packaging materials made of eco-friendly materials; and ensures that compliant suppliers dispose of wastes generated in the production process safely and in an eco-friendly manner. In addition, the Company irregularly commissions a third party to test whether the Company's wastewater and noise levels meet applicable environmental protection regulations and standards. In June 2023, Xiamen Jianhuan Inspection Technology Co., Ltd. performed a test and the test result was the wastewater conformed to all legal emission concentration standards. Meanwhile, the Company promotes the energy conservation and carbon reduction actively, and the office premises is installed with the environmental protection slogans to practice the awareness toward energy</p>	

Evaluation Item	Implementation Status			Reason for the Sustainable Development Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
			conservation and carbon reduction in the employees' routine operations.	
IV. Social issues				
(I) Whether the Company establishes the related management policies and procedures in accordance with the relevant laws and international human rights conventions?	✓		(I) The Company agrees with and supports the UN Universal Declaration of Human Rights, International Labor Convention, and other international human rights conventions. The Company' Board of Directors has approved Human Rights Policy to implement a human resources employment policy that does not have differential treatments based on gender, race, social class, age, marriage, and family status. The Company strives to achieve equality and fairness in employment, hiring conditions, salary, benefits, training, assessment, and promotion opportunities. The Company's related information is disclosed on the company's website.	No major difference.
(II) Whether the Company adopts and implements reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflects the operating performance or results to the remuneration to employees adequately?	✓		(II) The Company's remuneration system conforms to the industry standards, and the Company has conducted regular employee performance appraisal as basis for future salary adjustment and promotion. The Company has established a staff reward and punishment system with clear reward and punishment standards.	
(III) Whether the Company provides the existence of a safe and healthy work environment; regular safety and health training to employees?	✓		(III) The Company has displayed clear fire and safety escape routes at various locations, regularly inspected the fire-fighting facilities, dispatched common medicine and first aid supplies, and regularly promoted safety and health precautionary items. The Company provides safe and healthy workplace with ISO 45001 (Validity from March 01, 2023 to February 28, 2026). The company has no fire incidents in 2024.	
(IV) Whether the Company establishes some effective career development training plan for employees?	✓		(IV) The Company has clear ranking levels whereby excellent employees are gradually promoted according to their performance. Functional related posts are filled via departmental transfers or the transfer mechanism within the group to give employees room to grow. (V) The Company's important subsidiary, JUWENLEE, has obtained	

Evaluation Item	Implementation Status			Reason for the Sustainable Development Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
(V) Whether the Company complies with the related laws and international practices with respect to customers' health and safety, customers' privacy, marketing and labeling for its products and services, and adopts related consumers or customer protection policy and complaining procedures?	✓		cosmetics production quality, environment, and occupational health system certifications such as ISO 9001, ISO 14001, and ISO ISO45001. The Company also renews the related certifications periodically. For example, the Company renewed the ISO 14001 certification until 2/23/2028, the ISO 9001 certification is valid until 7/5/2026, and ISO 45001 certification is valid until 2/28/2026. The Company has established R&D, procurement, production, services, and other relevant internal control circuit protocols, followed the specifications accordingly, and obtained certifications of information security management system (valid until 02/21/2027) and intellectual property management system (valid until 11/14/2027), all of which reasonably assured transparency and safety of product and service information. Any consumer rights violation can be handled by the dedicated customer service unit through the customer service hotline. Meanwhile, the Company establishes the periodic review, feedback and related procedure optimization mechanisms.	
(VI) Does the Company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.	✓		(VI) Article 28 of the "Corporate Governance Best Practice Principles" established by the Company provides the assessment requirements related to environmental and social impacts that procurement have on supplier communities. These requirements will strengthen cooperation with suppliers and encourage suppliers to collectively enhance corporate social responsibility. The Company has a "Suppliers' Management Policy" in place and prioritizes cooperation with suppliers that have national or international certifications, such as ISO9001, ISO 14001, ISO45001, etc. The Policy requires the procurement unit to check whether a supplier has violated environmental protection and safety rules, and include environmental protection and safety issues in supplier performance appraisal. If a supplier has caused a major environmental or social impact, the Company will stop its partnership in due course.	
V. Whether the Company prepares the report disclosing the		✓	The Company has not yet compiled a CSR report. Notwithstanding, the	2025 annual

Evaluation Item	Implementation Status			Reason for the Sustainable Development Practice Differences Compared to TWSE/TPEX Listed Companies
	Yes	No	Brief Description	
Company's non-financial information, such as sustainability report, based on the guidelines or directions for preparation of reports applicable internationally? Whether said report has been assured or guaranteed by a collaborating certification unit?			Company's CSR related information is fully disclosed in its Annual Reports and on its corporate website.	compilation
VI. If the Company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: The Company has established the "Code of Practice on Corporate Social Responsibility" and continued to implement according to the relevant regulations.				
VII. Other important information on the implementation of promoting sustainable development: The Company's CSR related information is disclosed on its corporate website from time to time, subject to the implementation and communication status.				

Note 1: The materiality principle applies when the issues about environment, society and corporate governance render material effects to the Company's investors and other stakeholders.

Climate Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate Related Information

Item	Implementation status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> <p>3. Describe the financial impact of extreme weather events and transformative actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</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>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.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>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.</p> <p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</p>	<p>1. The Company follows relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business activities. Every year, the Company's managers assess the effects of climate changes and global warming on the market trends, and also seek environmentally friendly ingredients and materials for new product formulas and packaging materials. Environmental awareness is raised on a daily basis, which is why the concept of sustainability and environmental protection has been integrated into the Company's corporate culture.</p> <p>2. At present, the impact of climate risks and opportunities on the Company's business, strategy and finance remains small and has not yet been assessed.</p> <p>3. At present, the impact of extreme weather events and transformation actions on the Company's finances remains small and has not yet been assessed.</p> <p>4. At present, the impact of climate risks on the Company remains small and has not yet been assessed.</p> <p>5. At present, the Company has not used scenario analysis to assess its resilience to climate change risks.</p> <p>6. At present, the Company has no transformation plan to manage climate-related risks.</p> <p>7. The Company does not currently use internal carbon pricing as a tool for planning.</p> <p>8. At present, the Company has not set climate-related targets.</p> <p>9. The Company has a paid-in capital of less than NT\$5 billion and is required to apply for greenhouse gas inventory in the third phase (i.e., complete the inventory by 2026 and completed the verification by 2028). This requirement is therefore not applicable.</p>

(VI) The Company's Ethical Operation Fulfillment Status and Measures Adopted

Fulfillment of ethical corporate management, and deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof

Evaluation Item	Operation Scenario			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Brief Description	
I. Establish Ethical Operation Policies and Programs				
(I) Whether the Company adopts the ethical management policy approved by the Board of Directors, and expressly states the ethical corporate management policy and rules, and its fulfillment by the Board of Directors and senior management in its Articles of Incorporation and public files, and discloses it on the Company's website?	✓		(I) The Company has established the "Code of Ethical Operation" and the "Ethical Operating Procedures and Behavior Guideline". They have passed the Board of Directors resolution and serve as the Company's integrity management policy and operational guidelines. Meanwhile, the Board of Directors passed the adoption of the "Regulations Governing Handling of Whistle-Blowing Against Misconduct and Immoral or Unethical Conduct" to enhance the practicing of ethical corporate management. Said principles are all disclosed on the Company's website. The Company's Board of Directors and senior management issue the statement on compliance with the ethical management policy, and use their best efforts to practice the undertaking about ethical management in the Company's routine operations.	No major difference.
(II) Whether the Company establishes the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopts the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies"?	✓		(II) The "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" adopted by the Company already cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and clearly stipulated the various handling, punishment and incentive, appeal, and recording operation procedures for violations of ethical management. Meanwhile, the Company's Board of Directors has passed the "Regulations Governing Handling of Whistle-Blowing Against Misconduct and Immoral or Unethical Conduct". Any bribery or anti-bribery	

Evaluation Item	Operation Scenario			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Brief Description	
(III) Whether the Company expressly states the SOP, guidelines and reward and disciplinary & complaining systems in the unethical and the conduct prevention program, implements the same precisely, reviews amendments to said program?	✓		incidents can be reported, and informers will be rewarded and violators will be punished. In addition, the Secretariat Office under the Board of Directors monitors relevant implementation status and reports to the Board of Directors periodically. Related systems have been effectively adopted. (III) In its "Procedures for Ethical Management and Guidelines for Conduct", the Company has identified business activities that are more likely to involve unethical behavior risks, and the relevant operating rules have been established. The Internal Audit Office would conduct review on them and make amendments thereto periodically. In addition, employees must sign a confidentiality agreement on the first day of reporting to work to allow the Company issue corresponding dispositions in the case of violation of the relevant terms of the contract.	
II. Implementation of ethical management (I) Whether the Company assesses a trading counterpart's ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	✓		(I) The Company has collected as much credit status and industry reputation related information regarding its trading counterparts as possible before trading with them. Meanwhile, the Company's trading contracts would also expressly state the ethical conduct clauses.	No major difference.
(II) Whether the Company establishes a unit dedicated to promoting ethical corporate management under supervision by the Board of Directors who shall be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and reporting the status thereof to the Board of Directors periodically (at least for once per year)?	✓		(II) The Secretariat Office of the Company's Board of Directors is the unit dedicated to promoting ethical corporate management and is responsible for assessing violations of ethical management. The 2024 Business Integrity Report has been submitted to the Board of Directors on December 27, 2024 and disclosed on the Corporate Governance section of the Company's website.	

Evaluation Item	Operation Scenario			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Brief Description	
(III) Has the Company established a policy to prevent conflicts of interest, provided a proper complaint reporting channel, and implemented accordingly?	✓		(III) The Company's "Procedures for Ethical Management and Guidelines for Conduct" has provided the conflict of interest avoidance provisions to prevent employees from violating the Company's ethical principles. If an employee violates the relevant regulations, the relevant investigation unit and decision-making supervisors shall provide opportunities for the accused to make a full statement before the Company makes a formal disciplinary decision.	
(IV) Whether the Company fulfills the ethical management by establishing an effective accounting system and internal control system, and has an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoints a CPA to conduct the audits?	✓		(IV) The Company has established relevant internal control system to eliminate as much as possible the opportunities that may entice employees to make mistakes, and its auditing unit has conducted necessary inspections on a regular basis.	
(V) Whether the Company organizes internal/external education training program for ethical management periodically?	✓		(V) The Company has reminded employees of the importance of ethical practices during daily operations, and employees will be publicly praised for refusing to accept bribes from transaction counterparties in order to reinforce their sense of honor. The Company has posted notices in each meeting room to strictly forbid manufacturers from exercising kickbacks. The concept of ethical operations has become the basic culture of the Company. In addition, at least a theme-based communication session related to "Insider Trading Prevention" and "Ethical Management" was held annually. 2 communication sessions with 28 attendants were completed in 2024, and the accumulated training hours were 28 hours.	
III. Status of the Company's whistle-blowing system				
(I) Whether the Company has defined a specific whistleblowing and reward system, and established some convenient whistleblowing	✓		(I) The Company has formulated the "Illegal, Unethical, or Dishonest Behavior Reporting and Handling Method" and	No major difference.

Evaluation Item	Operation Scenario			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Brief Description	
channel, and assigned competent dedicated personnel to deal with the situation?			provided a reporting channel on the Company's website. The Board of Directors' Secretariat Office is responsible for deploying relevant personnel to conduct the necessary evidence collection and investigation for the cases reported.	
(II) Whether the Company defines the standard operating procedure, follow-up measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of complaints as accepted?	✓		(II) The Company shall primarily focus on evidence collection. If the dedicated unit accepting the whistleblowing finds any material violations or the potential impairment on the Company, it shall report the same to independent directors in writing (or in an electronic form) immediately. If necessary, it may report the same to the police and criminal investigation entities for investigation. The information collected by the Company shall only be used to facilitate the police investigation. The relevant information shall be kept by the dedicated unit in a strictly confidential manner. Meanwhile, the relevant measures to protect the whistleblower shall be in place.	
(III) Whether the Company has adopted any measures to prevent the whistleblowers from being abused after the whistleblowing?	✓		(III) The Company has disclosed its whistleblower protection policy on its corporate website and in its "Ethical Corporate Management Best Practice Principles".	
IV. Strengthening Information Disclosure (I) Whether the Company has disclosed the Ethical Management Principles and effect of implementation thereof on its website and Market Observation Post System?	✓		The Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" are disclosed on the corporate website, and kept updated thereon.	No major difference.
V. If the Company has drafted its own business integrity code in accordance with the "Code of Business Integrity for TWSE/GTSM Listed Companies," please clarify any differences between the actual operations and the code: None.				

Evaluation Item	Operation Scenario			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Brief Description	
VI. Other important information to facilitate better understanding of the Company's ethical management practices: To enhance managers' adoption of ethical corporate management, the Group's President guides all managers of the Company to collectively promote an ethical culture within the company and to lead employees toward a stable corporate development. (I) The Company has formulated guidelines for ethical corporate management, which cover provisions prescribed in the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and made amendments in accordance with relevant laws and regulations of the competent authority. (II) The Company actively implements its ethical corporate management policies, including the following: Establishing rules relevant to recusal of conflicting interests and various internal control rules to eliminate as much as possible the opportunities that may entice employees to make mistakes. The auditing unit regularly conducts necessary inspections and found no significant deficiencies. Every year, at least one event is organized to raise awareness on "Insider Trading Prevention" and "Ethical Management". Posters are provided on the Corporate Governance section of the company website for access by insiders and quasi-insiders. From time to time, information on insider trading prevention is provided to employees in support of government initiatives. For example, the Secretariat Office of the Company's Board of Directors occasionally sends emails that provide information on "common violations committed by insiders".				

(VII) Other important information that is sufficient to enhance the understanding of the corporate governance operations may be disclosed altogether

None.

(VIII) Internal Control System Implementation Status

1. Statement on Internal Control

Luo Lih-Fen Holding Co., Ltd.
Statement on Internal Control System

Date: March 14, 2025

This Statement of Internal Control System is issued based on the self-assessment results of the Company for the period January 1 to December 31, 2024.

- I. The Company is fully aware that the establishment, implementation and maintenance of its internal control system is the responsibility of the Board of Directors and managerial officers. In this regard the Company has already established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of reporting, and compliance with applicable laws and regulations.
- II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change and impact the effectiveness of the internal control system. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring. Each element further contains several items. For more information on the abovementioned items, please refer to the Regulations.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as of December 31, 2024 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
- VI. This Statement is an integral part of the Company's Annual Report and Prospectus, and will be made public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was passed by the board of directors in their meeting held on March 14, 2025, with none of the 8 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Luo Lih-Fen Holding Co., Ltd.

Chairman: Li-Fen Luo

President: Huan-Wen Jao



2. The external auditor's report issued by the CPA commissioned to conduct an internal control audit, if any: None.

(IX) Important Resolution of the Board of Directors as of the Date of Publication of the Annual Report

1. Shareholders' Meeting Motion Summary

Date	Session	Important Resolution Items	Implementation Status
June 19, 2024	General Shareholders' Meeting	<ol style="list-style-type: none"> 1. Motion to acknowledge the Company's 2023 business report and financial statements 2. Motion to acknowledge the Company's 2023 distribution of earnings 3. Amendment to motion to pass the Company's "Operating Procedures for Loaning Funds to Others" 	<p>(1) Acknowledged and approved</p> <p>(2) The motion was acknowledged and approved and implemented as proposed</p> <p>(3) Amendments to the Operating Procedures for Loaning Funds to Others, which were approved at the shareholders' meetings, have been completed</p> <p>Explanation: The motions to amendments approved at the shareholders' meeting have been executed successfully</p> <p>The Company's 2023 distribution of allocable earnings was NT\$175,870 thousand. The common stock cash dividends per share was NT\$1.3. The distributed earnings totaled NT\$61,604 thousand accordingly. The ex-dividend date was August 02, 2024. The cash dividends have been paid on August 28, 2024.</p>

2. Important Resolutions by Board of Directors

Date	Session	Important Resolution Items
March 11, 2024	5th meeting of the Board of Directors of the 4th term	<ol style="list-style-type: none"> (1) Motion to assess the competence and independence of the Company's attesting CPA (2) Motion for the appointment and remuneration of the Company's financial report CPA (3) 2023 Business Report and Financial Statements. (4) 2023 Distribution of Earnings. (5) 2023 Employee and Director Remuneration Distribution. (6) 2023 "Statement on Internal Control System" (7) Motion to amend the "Parliamentary Rules for Board of Directors Meeting" (8) Motion to amend the "Audit Committee Organizational Rules" (9) Motion to accept the written proposal submitted by shareholders holding one percent or more of the Company's shares, or the period for accepting the nomination of director candidates and place designated for accepting the roster of director candidates nominated. (10) Motion to convene the Company's 2024 general shareholders' meeting.
May 10, 2024	6th meeting of the Board of Directors of the 4th term	<ol style="list-style-type: none"> (1) Motion to pass the Q1 2024 consolidated financial statements of the Company
August 20, 2024	7th meeting of the Board of Directors of the 4th term	<ol style="list-style-type: none"> (1) Motion to report the Q2 2024 consolidated financial statements of the Company. (2) Motion for the Subsidiary capital reduction and capital increase case (3) Motion to develop operating standards related to financial transactions between related parties.
November 08, 2024	8th meeting of the Board of Directors of the 4th term	<ol style="list-style-type: none"> (1) Motion to report the Q3 2024 consolidated financial statements of the Company. (2) Amendment of the internal control system (3) Motion for the Company's 2025 audit plan (4) Motion for the case of changing stock agency (5) Motion to amend the Company's "Articles of Incorporation" (6) Motion for the case of capital increase through subsidiary surplus transfer (7) Motion for the Subsidiary capital loan case (8) Motion for the bank account opening through our company

Date	Session	Important Resolution Items
December 27, 2024	9th meeting of the Board of Directors of the 4rd term	(1) Motion to review the policies systems for the performance evaluation and salary compensation of the Company (2) Motion for the year-end bonus to the Company's managers (3) Motion for the Company's 2024 annual operating plan and budget (4) Motion to amend the "Parliamentary Rules for Board of Directors Meeting" (5) Motion for bank credit through a subsidiary and the company's endorsement guarantee case (6) Proposal for the advance approval for the certifying CPA, the CPA firm, and its affiliate to provide non-audit services to the Company and subsidiaries of the Company.
March 14, 2025	10th meeting of the Board of Directors of the 4rd term	(1) Motion to assess the competence and independence of the Company's attesting CPA (2) Motion for the appointment and remuneration of the Company's financial report CPA (3) 2024 Business Report and Financial Statements. (4) 2024 Distribution of Earnings. (5) 2024 Employee and Director Remuneration Distribution. (6) 2024 "Statement on Internal Control System" (7) Motion to accept the written proposal submitted by shareholders holding one percent or more of the Company's shares and the period for accepting and place designated for accepting the nomination. (8) Motion to convene the Company's 2025 general shareholders' meeting.

- (X) **The main contents of important resolutions passed by the Board of Directors regarding in which directors have voiced differing opinions on the record or in writing, during the most recent year and up to the date of publication of the annual report:** None.

IV. Attesting CPA Public Expense Information

Unit: NT\$1,000

CPA Firm Name	CPA Name	CPA Audit Period	Audit Expense	Non-Audit Expense	Total	Remarks
PwC Taiwan	Chin-Chang Chen	2024/1/1~2024/12/31	3,885	215	4,100	
	Ming-Fu Liao	2024/1/1~2024/12/31				

- (I) **Change of CPA firm and the audit fees for the year of the change less than that of the previous year, and the amount of audit fees before and after the change, and reasons of the change:** None.
- (II) **In the case of any reduction in audit fees by more than 10% compared to the previous year, please state the amount, the percentage and reason of such variation:** None.

V. Information on change/replacement of CPA

None.

VI. Disclosure of any of the Company's Chairman, President, or managers responsible for financial or accounting affairs being employed by the auditor's firm or any of its affiliated company in the last year, including their names, position, and the periods during which they were employed by the auditor's firm or any of its affiliated company

None.

VII. Equity transfer and equity pledge modification scenario of directors, supervisors, managers and shareholders holding more than 10% of the shares for the last year until the publication date of the Annual Report

(I) Changes in equity of Director, Supervisor, Manager, and Major Shareholder

Unit: shares

Title	Name	2024		As of April 22, 2025	
		Increase (Decrease) in the Number of Shares Held	Increase (Decrease) in the Number of Shares Pledged	Increase (Decrease) in the Number of Shares Held	Increase (Decrease) in the Number of Shares Pledged
Chairman	Black Praise International Limited	-	-	-	-
	Representative: Li-Fen Luo	-	-	-	-
Director	Talent Reach (HK) Limited	-	-	-	-
	Representative: Huan-Wen Jao	-	-	-	-
Director	Shih-Chinn Ho	-	-	-	-
Director	Li-Sheng Chu				
Independent Director	Kuo-Cheng Wang	-	-	-	-
Independent Director	Yu-Che Wang	-	-	-	-
Independent Director	Yin-Chieh Hsu	-	-	-	-
Independent Director	Su-Tien Yu				
Chief Executive Officer	Li-Fen Luo	-	-	-	-
President	Huan-Wen Jao	-	-	-	-
Senior Deputy President	Jian-Ping Lin	-	-	-	-
Senior Vice President of Operations	Hung Chen	-	-	-	-
Vice President of Business	Chao-Hsiang Chi	-	-	-	-
Special Assistant of the President	Chih-Fu Wang	-	-	-	-
Vice President of Finance	Xiu-Qiong Zhang	-	-	-	-
Audit Officer	Yong Zhen Li(note1)	-	-	-	-
Audit Officer	Liao Shuchi (note2)				
Major Shareholders	Black Praise International Limited	-	-	-	-
	Representative: Li-Fen Luo	-	-	-	-
Major Shareholders	Talent Reach (HK) Limited	(89,000)	-	(24,000)	-
	Representative: Huan-Wen Jao	-	-	-	-
Major Shareholders	Forward Idea Investments Limited	-	-	-	-
	Representative: Huan-Wen Jao	-	-	-	-

note1: Resigned on March 20, 2025.

note 2: Newly appointed on March 20, 2025.

(II) Information about the counterpart of transfer of shares by directors, supervisors, managers, and shareholders holding more than 10 percent of outstanding shares that is a related party: None.

(III) Information about the counterpart of pledge of shares by directors, supervisors, managers, and shareholders holding more than 10 percent of outstanding shares that is a related party: None.

VIII. Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another.

Date: April 22, 2025; Unit: Thousand Shares

Name	Personal Shares Held		Shares Held by Spouses and/or Children of Minor Age		Total Shares held via Another Party's Name		Title and Name of Shareholders Holding top 10 of the Shares Who are Related to Each Other or are Spouses or Second Degree Relatives		Remarks
	Number of Shares	Holding ratio (%)	Number of Shares	Holding ratio (%)	Number of Shares	Holding ratio (%)	Title(Name)	Relationship	
SinoPac is the Entrusted Custodian of Black Praise International Limited Account (Black Praise International Limited Representative: Li-Fen Luo)	15,216	32.11	-	-	-	-	(1) LUO, LI-FEN (2) SinoPac is the Entrusted Custodian of Perfect Honesty International Limited Investment Account	(1) Same Person as the Representative (2) A relative within 2nd degree of kinship with the Representative	None
SinoPac is the Entrusted Custodian of Forward Idea Investments Limited Investment Account (Forward Idea Investments Limited Representative: Huan-Wen Jao)	7,536	15.90	-	-	-	-	(1) SinoPac is the Entrusted Custodian of Talent Reach (HK) Limited Investment Account (2) SinoPac is the Entrusted Custodian of World Maker International Limited Investment Account (3) SinoPac is the Entrusted Custodian of Full Surplus Investments Limited Investment Account	(1) Same Person as Representative (2) Same Person as Representative (3) A relative within 1st degree of kinship with the Representative	None
SinoPac is the Entrusted Custodian of Talent Reach (HK) Limited Investment Account (Talent Reach (HK) Limited Representative: Huan-Wen Jao)	5,406	11.41	-	-	-	-	(1) SinoPac is the Entrusted Custodian of Forward Idea Investments Limited Investment Account (2) SinoPac is the Entrusted Custodian of World Maker International Limited Investment Account (3) SinoPac is the Entrusted Custodian of Full Surplus Investments Limited Investment Account	(1) Same Person as Representative (2) Same Person as Representative (3) A relative within 1st degree of kinship with the Representative	None
LUO, LI-FEN	2,472	5.22	-	-	15,216 (Note 1)	32.11	(1) SinoPac is the Entrusted Custodian of Black Praise International Limited Account (2) SinoPac is the Entrusted Custodian of Perfect Honesty International Limited Investment Account	(1) Same Person as Representative (2) A relative within 2nd degree of kinship with the Representative	None
SinoPac is the Entrusted Custodian of Fang Tai International Co., Ltd. Investment Account (Fang Tai International Co., Ltd.)	1,876	3.96	-	-	-	-	-	-	None
SinoPac is the Entrusted Custodian of World Maker International Limited Investment Account (World Maker International Limited Representative: Huan-Wen Jao)	1,722	3.63	-	-	-	-	(1) SinoPac is the Entrusted Custodian of Forward Idea Investments Limited Investment Account (2) SinoPac is the Entrusted Custodian of Talent Reach (HK) Limited Investment Account (3) SinoPac is the Entrusted Custodian of Full Surplus Investments Limited Investment Account	(1) Same Person as Representative (2) Same Person as Representative (3) A relative within 1st degree of kinship with the Representative	None

SinoPac is the Entrusted Custodian of Perfect Honesty International Limited Investment Account (Perfect Honesty International Limited)	1,575	3.32	-	-	-	-	(1) SinoPac is the Entrusted Custodian of Black Praise International Limited Account (2) LUO, LI-FEN	(1) A relative within 2nd degree of kinship with the Representative (2) A relative within 2nd degree of kinship with the Representative	None
SinoPac is the Entrusted Custodian of Full Surplus Investments Limited Investment Account (Full Surplus Investments Limited)	1,270	2.68	-	-	-	-	(1) SinoPac is the Entrusted Custodian of Forward Idea Investments Limited Investment Account (2) SinoPac is the Entrusted Custodian of Talent Reach (HK) Limited Investment Account (3) SinoPac is the Entrusted Custodian of World Maker International Limited Investment Account	(1) A relative within 1st degree of kinship with the Representative (2) A relative within 1st degree of kinship with the Representative (3) A relative within 1st degree of kinship with the Representative	None
SinoPac is the Entrusted Custodian of Wisdom Investment Co., Ltd Investment Account (Wisdom Investment Co., Ltd Representative: Shih-Chinn Ho)	332	0.70	-	-	-	-	-	-	None
Zhunsheng Innovation Investment Co., Ltd.	324	0.68	-	-	-	-	-	-	None

Note 1: Li-Fen Luo holds 15,216 thousand shares of the Company through Black Praise International Limited with a shareholding ratio of 32.11%

IX. Number of Shares Held by the Company or the Company's Directors, Supervisors, or Managers as Well as the Number of Shares Held by the Company for the Reinvestment Businesses That it Directly or Indirectly Controls, and Combined to Calculate the Comprehensive Shareholding Ratio

Date: December 31, 2024 Unit: Thousand Shares; %

Reinvestments Businesses	This Company's Investments		Investment by directors and managers or by directly or indirectly controlled enterprises		Comprehensive Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Luo Lih-Fen Group Co., Ltd.	1,600	100	-	-	1,600	100
Luo Lih-Fen Enterprise Limited	Note 2	Note 2	-	-	Note 2	Note 2
Lever Guide Biotech Co., Ltd. (TW)	14,500	100	-	-	14,500	100
Richer Biotechnology Co., Ltd.	1,200	66.67	-	-	1,200	66.67
Taiwan Rui Qing He Co., Ltd.	1,504	64	-	-	1,504	64
Ya Zhan Co., Ltd.	600	30	-	-	600	30
Juwenlee (Fujian) Cosmetics Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Luolifen Cosmetics Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Glingluo cosmetics Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Sunlily Cosmetics Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Draise Cosmetics Co., Ltd.	Note 1	100	-	-	Note 1	100
Lichuang (Fujian) Bio-Technology Co., Ltd.	Note 1	100	-	-	Note 1	100
Zhangzhou Kangqili Health Management Co., Ltd.	Note 1	100	-	-	Note 1	100
Huiwenli (Fujian) Enterprise Management Co., Ltd.	Note 1	100	-	-	Note 1	100

Zhangzhou Kangbaoli Biologic Technology Co., Ltd.	Note 1	100	-	-	Note 1	100
Zhangzhou Healthy Skin Enterprise Management Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Yimeili Enterprise Management Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Manfenli Enterprise Management Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Siming Realbio Plastic Surgery Clinic Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Manlifenni Beauty Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Liluoya Commerce Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Shengjijima Commerce Co., Ltd.	Note 1	100	-	-	Note 1	100
Xiamen Binnange Property Management Co., Ltd.	Note 1	100	-	-	Note 1	100
Juliying (Fujian) Biotechnology Co., Ltd.	Note 1	51	-	-	Note 1	51
Fujian Zhangzhou Weimei Cosmetics Co., Ltd.	Note 1	30	-	-	Note 1	30
Xiamen Jialifenni Beauty Co., Ltd.	Note 1	100	-	-	Note 1	100
Juliying (Xiamen) Health Technology Co., Ltd.	Note 1	51	-	-	Note 1	51
Xiamen Siming District Ruilifenni Medical Beauty Clinic Co., Ltd.	Note 1	100	-	-	Note 1	100

Note 1: A limited company without share division.

Note 2: The company was liquidated on 2024.04.09

Four. Capital Overview

I. Capital and Shares

(I) Sources of Capital Stock

1. Capital Formation Process

Date: April 22, 2025; Unit: Share; Dollar

Year Month	Price at Issuance	Authorized Capital		Paid in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital Stock	Offset Share Capital Via Properties Other Than Cash	Others
September 2016	USD1	5	USD 5	5	USD 5	Share Capital Establishment	-	-
December 2016	USD1	2,000,000	USD 2,000,000	5	USD 5	Increase in Authorized Capital	-	-
October 2017	USD1	2,000,000	USD 2,000,000	1,378,650	USD 1,378,650	Cash capital increase 1,378,645 shares	-	-
November 2017	USD50	2,000,000	USD 2,000,000	1,476,150	USD 1,476,150	Cash capital increase 97,500 shares	-	-
December 2017	USD100	2,000,000	USD 2,000,000	1,650,000	USD 1,650,000	Cash capital increase 173,850 shares	-	-
December 2017	NTD10	100,000,000	NTD 1,000,000,000	4,950,000	NTD 49,500,000	Convert Denomination to NTD and Increase the Authorized Capital	-	-
December 2017	NTD10	100,000,000	NTD 1,000,000,000	33,000,000	NTD 330,000,000	Capital surplus transferred to capital 28,050,000 shares	-	-
May 2018	NTD10	100,000,000	NTD 1,000,000,000	38,280,000	NTD 382,800,000	Earnings transferred to capital 5,280,000 shares	-	-
November 2018	NTD105	100,000,000	NTD 1,000,000,000	43,080,000	NTD 430,800,000	Cash capital increase 4,800,000 shares	-	Note 1
August 2019	NTD10	100,000,000	NTD 1,000,000,000	47,388,000	NTD 473,880,000	Earnings transferred to capital 4,308,000 shares	-	Note 2

Note 1: In collaboration with the public underwriting for cash replenishment and issuing 4,800,000 shares of common stock prior to its IPO, the Company received the approval from TWSE via Letter under Tai-Zhen-Shang-2-Zi No.1071703289 dated October 2, 2018 from TWSE declaring the effective registration.

Note 2: The motion to issue new shares through capitalization of earnings was approved at the shareholders' meeting dated June 18, 2019. The application form for listing of new shares issued through capital increase by foreign issuer was approved by TWSE on August 5, 2019.

2. Type of Shares:

Date: April 22, 2025; Unit: shares

Type of Shares:	Authorized Capital			Remarks
	Outstanding Capital Stock (Note)	Unissued Shares	Total	
Registered Regular Shares	47,388,000	52,612,000	100,000,000	-

3. Information Relating to the Shelf Registration System:

(II) List of Major Shareholders**Name of, Number of Shares Held by, and Shareholding Ratio of, Shareholders with a Shareholding Ratio of Over 5% or Ranking Top 10 Shareholders**

April 22, 2025; Unit: shares

Major Shareholder Name	Share	Number of Shares	Shareholding Ratio
SinoPac is the Entrusted Custodian of Black Praise International Limited Account (Black Praise International Limited Representative: Li-Fen Luo)		15,216	32.11
SinoPac is the Entrusted Custodian of Forward Idea Investments Limited Investment Account (Forward Idea Investments Limited Representative: Huan-Wen Jao)		7,536	15.90
SinoPac is the Entrusted Custodian of Talent Reach (HK) Limited Investment Account (Talent Reach (HK) Limited Representative: Huan-Wen Jao)		5,406	11.41
LUO, LI-FEN		2,472	5.22
SinoPac is the Entrusted Custodian of Fang Tai International Co., Ltd. Investment Account (Fang Tai International Co., Ltd.)		1,876	3.96
SinoPac is the Entrusted Custodian of World Maker International Limited Investment Account (World Maker International Limited Representative: Huan-Wen Jao)		1,722	3.63
SinoPac is the Entrusted Custodian of Perfect Honesty International Limited Investment Account (Perfect Honesty International Limited)		1,575	3.32
SinoPac is the Entrusted Custodian of Full Surplus Investments Limited Investment Account (Full Surplus Investments Limited)		1,270	2.68
SinoPac is the Entrusted Custodian of Wisdom Investment Co., Ltd Investment Account (Wisdom Investment Co., Ltd Representative: Shih-Chinn Ho)		332	0.70
Zhunsheng Innovation Investment Co., Ltd.		324	0.68

(III) Company's Dividend Policy and Execution Status

1. Company Dividend Policy

According to Article 100 of the Company's Articles of Association, the Company's dividend policy is as follows:

- (1) As the Company is in the growing stage, the dividend/bonuses of the Company may be distributed in the form of cash dividends/bonuses and/or stock dividends/bonuses. The Company shall take into consideration the Company's capital expenditures, future expansion plans, financial structure, funds requirement, and other plans for sustainable development needs in assessing the number of dividends/bonuses the Company wishes to distribute.
- (2) During the Relevant Period, subject to the Cayman Islands Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute not less than one percent (1%) of the profits for such year to the Employees as the Employees' compensation in the form of shares and/or in cash and may distribute not more than three percent (3%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company (including adjusted undistributed profits) shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. A report of such distribution of Employee and Directors' compensation shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. The "profit" referred to in this Paragraph means the pre-tax profits before subtracting the remuneration distributed to the employees and directors.
- (3) During the Relevant Period, subject to the Cayman Islands Law, the Applicable Listing Rules and these Articles and except as otherwise provided by the rights attaching to any Shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the Statutory Reserve of the remaining profits in accordance with the Applicable Listing Rules (provided that the setting aside of the Statutory Reserve does not apply if the aggregate amount of the Statutory Reserve amounts to the Company's total paid-in capital), and setting aside the Special Reserve (if any), the Company may distribute not less than ten percent (10%) of the remaining balance (including the amounts reversed from the Special Reserve), plus accumulated undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an Ordinary Resolution passed at an annual general meeting of the Company duly convened and held in accordance with these Articles to the Members as dividends/bonuses in proportion to the number of Shares held by them respectively pursuant to these Articles, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to Members.
- (4) During the Relevant Period, unless otherwise resolved by the general meeting of the Company, the Employees and Directors' compensations and dividends, bonuses or other forms of distributions payable to the Members shall be declared in NTD.
- (5) The Board may deduct from the dividends, bonuses or any other amount payable to the Member in respect of the Share any amount (if any) due by such Member to the Company on account of calls or otherwise in relation to the Share.
- (6) Any dividend, bonus or other monies payable on or in respect of the Share may be paid by wire transfer to the bank account nominated by the Member or by cheque or warrant sent through a post to the registered address of the Member, or to such Person and to such address as the holder may nominate in writing. In the case of joint Members, any of them may give a valid receipt for the dividend, bonus or other monies payable on or in respect of the Share.
- (7) Subject to the Cayman Islands Law and the Applicable Listing Rules, any Special Reserve may be reversed to undistributed profits of the Company.

2. Implementation Status

The 2024 annual surplus distribution proposal of the Company was approved by the Board of Directors on March 14, 2025; which proposed to distribute the dividends recognized by the Shareholders' Meeting on June 20, 2025 as follows:

Unit: NT\$

Summary	Total
Distributable earnings:	
Undistributed profits at the beginning of the period	\$ 114,265,242
Plus: Net profit after tax for the year	80,734,086
Minus: Allocation to legal reserve	(8,073,409)
Plus: Allocation to special reserve (Note)	54,413,000
Total distributable earnings	241,338,919
Distribution items:	
Cash dividend (NT\$2 per share)	(94,776,000)
Retained earnings after distribution	\$ 146,562,919

Note: Pursuant to Letter No. Financial-Supervisory-Securities-Corporate-1010012865, the Company reversed special reserve from other net additions from shareholders' equity generated by exchange differences resulting from translating the financial statements in foreign operations.

3. Expected significant changes in the dividend policy: None.

(IV) Effects That the Stock Dividends Proposed by the Shareholders' Meeting Have on the Company's Business Performance and Earnings per Share:

The Company did not disclose the financial forecast for the current year, and therefore this is not applicable.

(V) Remuneration to Employee and Directors/Supervisors

1. The percentages or ranges with respect to remuneration to employees and directors/supervisors as set forth in the Company's Articles of Incorporation:

According to Article 100 of the Company's Articles of Incorporation:

During the Relevant Period, subject to the Cayman Islands Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute not less than one percent (1%) of the profits for such year to the Employees as the Employees' compensation in the form of shares and/or in cash and may distribute not more than three percent (3%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company (including adjusted undistributed profits) shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. A report of such distribution of Employee and Directors' compensation shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. The "profit" referred to in this Paragraph means the pre-tax profits before subtracting the remuneration distributed to the employees and directors.

2. The basis for estimating the amount of remuneration to employees and directors/supervisors shall take into account the number of shares to be distributed as stock bonuses, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure for the current period:

The remuneration for the Company's employees and directors shall be estimated based on the amount that may be allocated according to the Company's Articles of Incorporation. If the estimated expenses in this period are different from those of the Shareholders' Meeting resolution, it shall be considered as change

in accounting estimates, and the account shall be adjusted during the annual Shareholders' Meeting resolution.

The remuneration to employees and directors for this period has been estimated in accordance with the Company's Articles of Association. They passed the Board of Directors resolution on March 14, 2025 without any discrepancy, which will be reported to the shareholders' meeting in due course.

3. Board of Directors Resolution Status on Remuneration Distribution:

The remuneration to employees and directors for this period has been estimated in accordance with the Company's Articles of Association. In 2024, the remuneration to employees was NT\$1,500,000, and the remuneration to directors/supervisors was NT\$1,800,000, accounting for 1.78% and 2.14% of the profits audited by a CPA in 2024, respectively, to be distributed entirely in cash as listed. The status of the aforesaid distribution was approved by the Remuneration Committee on March 14, 2025 without any discrepancy and is waiting for the Board of Directors to report to the shareholders.

(1) Employee remuneration paid in cash or stock distribution as well as the remuneration amount for directors and supervisors. If the annual estimated amount is different than the recognized amount, the difference, cause, and handling status must be disclosed: None.

(2) Proposed distribution of remuneration to employees in the form of stock bonus as a percentage to net profit after tax plus the total remuneration to employees in the entity or separate financial statement for the current period: N/A.

4. Shareholders' meeting report status and results on remuneration distribution:

The remuneration to employees and directors for this period has been estimated in accordance with the Company's Articles of Association. They passed the Board of Directors resolution on March 14, 2024 without any discrepancy, which will be reported to the shareholders' meeting in due course.

5. The actual distribution of remuneration to employees and directors for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price of the shares distributed), and, if there is any discrepancy between the actual distribution and the estimated remuneration to employees and directors, additionally the discrepancy, cause, and how it is treated: None.

(VI) **Repurchase of the Company's shares:** None.

II. Instance of corporate bonds

None.

III. Instance of preferred stock

None.

IV. Issuance of Overseas Depository Receipts

None.

V. Issuance of Employee Stock Option Plan

None.

VI. Information about new restricted employee shares

None.

VII. Information about new shares issued upon merger and acquisition or acquisition of another company's shares

None.

VIII. Capital Application Plan Implementation Status

None.

Five. Overview of Operations

I. Business Contents

(I) Scope of Business

1. Major Business Contents Operated by the Company:

The Company is mainly engaged in the research, development, production, and sales of raw materials and finished products of cosmetics and medical devices as well as the operations and management of the healthcare and biocare beauty salons and the training of relevant personnel. The Company boasts three well-structured sales channels:

- (1) Traditional distributor channel: They include the three major facial product brands "GLINGLUO, SUNLILY, and DRAISE". We sell products to consumers through distributors and their salons. We will focus on increasing the number of stores, customer visits, and the share of in-store customers, and continue to target the mid-to-high-end customer base to achieve stable growth.
- (2) Home care CS channels: Due to the consumption downgrade, mid- to low-end cosmetics in the home care product line were launched for a consumer market with a declining middle class. The market planning for these channels is led by our brand, EasyBio.
- (3) Directly-operated healthcare and biocare beauty salons and franchise distribution channels: The "Realbio" salon incorporates lifestyle beauty and healthcare beauty. The directly-operated healthcare and biocare beauty salons in Taiwan and China have commenced operations and we will continue to set up salons in both Taiwan and China in 2025. The high-end tailor-made facial product brand "MallSkin" and women's intimate care brands "QIECOME" and "Ubeauty" mainly target beauty salon customers in the upper tier of the pyramid and cooperate with healthcare and biocare beauty salons' directly operated and franchise chain channels to jointly enter the healthcare beauty and general health market.

We will also expand into omni-channel sales based on the technological advancements in the cosmetics industry and the Internet. The Company has adhered to the "Belief in Professionalism, Commitment to Beauty" corporate spirit and the "Integrity, Trust, and Sustainable Management" business philosophy. It has won favor and trust from the majority of Asian women via high quality services and good reputations.

2. Business Proportion:

Unit: NT\$1,000

Key Items \ YEAR	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
Beauty Care Products	842,676	97.36	904,628	93.16	1,034,702	91.85
Others	22,830	2.64	66,422	6.84	91,822	8.15
Total	865,506	100.00	971,050	100.00	1,126,524	100.00

3. Current Product and Service Items

Product Type	Product Description
Beauty Care Products	Washing, hydration, essence, cream mask, facial kit, eye kit, health preservation kit, oral health preservation food and beauty care instrument.
Other Incomes	Consulting business revenue, service revenue.

4. New Products (Services) Planned to be Developed

- (1) Development of a skincare product portfolio based on carbon dots and plant microvesicles.
- (2) Research on cosmetics that integrate herbs from southern Fujian.
- (3) Development of cosmetics inspired by Baosheng culture. Baosheng culture is a folk culture centered around Baosheng Dadi, Wu Ben, a renowned doctor from the Northern Song Dynasty. This culture incorporates rich resources, including a wealth of medical knowledge.

(II) Industry overview

1. Industry status and development

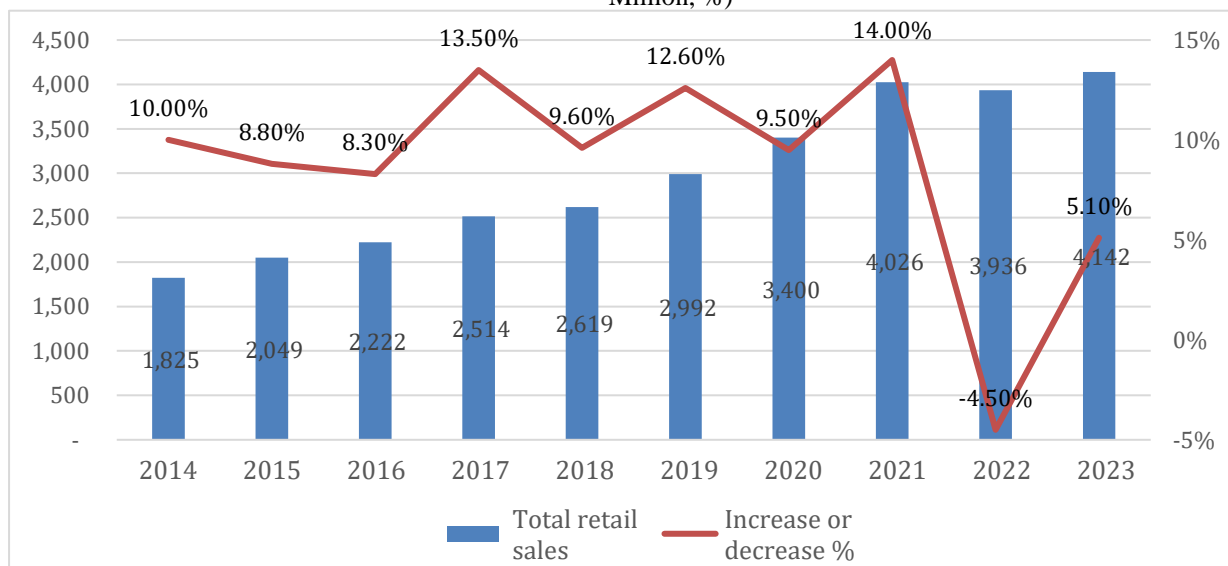
(1) Overview of China's cosmetics market

According to data from the National Bureau of Statistics of China, the total cosmetics retail sales in China have generally maintained growth from 2015 to 2021. In 2019, the total retail sales of cosmetics

were RMB 299.2 billion. In 2020, the total retail sales of cosmetics were RMB 340 billion. In 2021, the total retail sales of cosmetics exceeded RMB 400 billion for the first time and reached RMB 402.6 billion.

In 2022, due to the impact of the epidemic, inflation, and other factors, offline stores closed and online sales topped out. Upstream and downstream companies were under immense pressure and the total retail sales of cosmetics in 2022 fell by 4.5% year-on-year to RMB 393.6 billion. It was the first decline in total cosmetics retail sales in the past 10 years. In 2023, the lifting of epidemic control and improvements of various conditions led to a small-scale recovery in the cosmetics industry.

Figure 1: Change in China's cosmetics market scale from 2014 to 2023 (Unit: RMB¥ 100 Million, %)



Source of data: National Bureau of Statistics of China, compiled by the Company

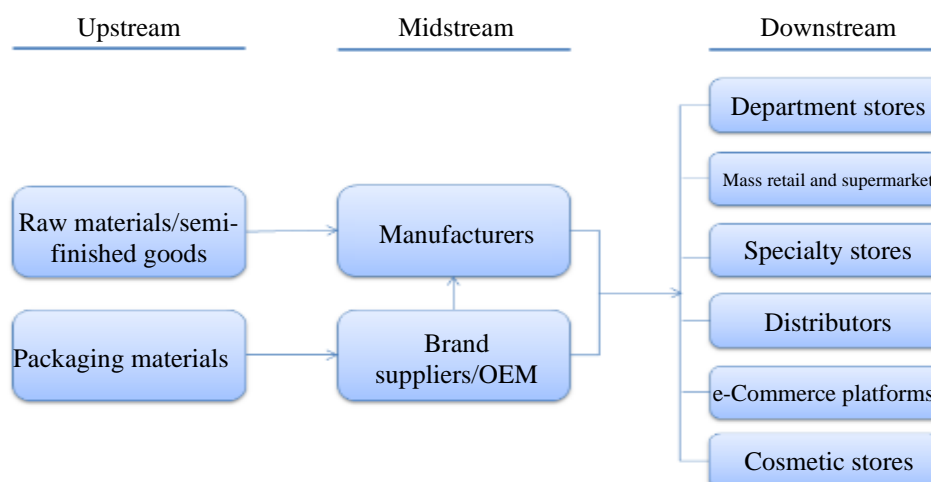
(2) China market overview and development

According to the National Bureau of Statistics of China, the GDP of Mainland China in 2024 totaled RMB 134,908.4 billion and the growth rate was 5.0%. The total retail sales of consumer goods increased by 3.5% and retail sales of cosmetics amounted to RMB 435.7 billion, which was a decrease of 1.1% compared to 2023. In 2024, the total retail sales of consumer goods grew by 3.7% year-on-year. However, compared to the national GDP growth rate of 5%, the cosmetics market performed less optimistically. In 2024, the market experienced only the second year-on-year decline in the retail sales of cosmetics among enterprises above the designated size in the past decade (2014–2024).

From 2014 to 2021, the total retail sales of cosmetics in China showed consistent growth, with the growth rate remaining above 8%. Notably, in 2015, 2020, and 2021, the retail sales of cosmetics reached milestones of RMB 200 billion, RMB 300 billion, and RMB 400 billion, respectively. In 2021, the total retail sales of cosmetics amounted to RMB 402.6 billion, representing a year-on-year increase of 14%—the largest growth rate in a decade. However, in 2022, due to headwinds such as the pandemic and inflation, the year-on-year growth rate dropped to -4.5%, marking the first negative growth in nearly 10 years. The market experienced a mild recovery in 2023, with a year-on-year growth rate of 5.1%. Despite this rebound, the cosmetics industry faced its second decline in 2024. That said, in terms of absolute value, the retail sales of cosmetics in 2024 still achieved a 10-year high of RMB 435.7 billion, exceeding the performance of all previous years. This reflects a notable trend and outlook: “record-high absolute value, declining year-on-year growth, and a growing market capacity accompanied by a ‘reshuffling’ of enterprises and intensifying ‘competition’.” (Source of data: Lanjing Finance)

2. Association between upstream, midstream, and downstream industry participants

At present, this Company primarily engages in the R&D, manufacturing, and sales of facial beauty care products. The correlation between the upstream, midstream, and downstream is shown in the figure below:



The Company's products are made of self-developed key raw materials or raw materials and packing materials purchased from markets in Mainland China. Our products are manufactured according to formula ratio, inspected, packaged, and then sold to beauty salons across Mainland China through distributors. Our products are also sold directly to consumers through mini-programs for retail shoppers comprising distributors and physical stores and through direct selling stores on major e-commerce platforms (e.g., TaoBao, Tmall, and JD.Com). Therefore, the Company is midstream and downstream to cosmetic and skincare industries.

Because the Company frequently interacts with major upstream suppliers and downstream distributors, as well as e-commerce platforms, it is able to keep abreast of market trends, meet consumer demands, continue to introduce competitive products, and increase market competitiveness.

3. Various Development Trends for Products:

(1) Natural Raw Material Source Changes and Conceptual Upgrade

As consumer demands continue to change and global climate changes are become more apparent; people are paying more attention to nature related subjects such as environmental protection, organic life style, and health conditioning. As such, cosmetic care product consumers also hope that the raw materials for such products are purchased and produced locally in addition to being naturally plant based. To enable consumers to have more confidence in the safety of our products, we hope to produce safe, non-allergenic, pure, and effective raw materials via technological methods in the future, and apply them to the skin care products being used.

The Company has a number of patents that use natural botanical ingredients as raw materials in combination with extraction techniques to extract active ingredients. This extraction technology not only is friendly to the environment, the green environmental protection technology also does not produce any residual organic solvents. It can also effectively protect the functional ingredients from being destroyed during the extraction process, which is in line with the market trends.

(2) Cosmetics and Skin Care Products Related Laws and Regulations Have Tightened and Supervision Has Become Stricter

According to the IEK report, the cosmetics and skin care industry is recognized as one of the largest and most highly profitable industries worldwide mainly due to the high demand of cosmetics and skin care products from consumers throughout the world. Skin care products are the most demanding items in the market, and the market scale has continued to grow steadily. However, because cosmetic products will directly come into contact with the human body and their marketing regulations are relatively less strict than those for drugs and foods, different countries have continued to formulate pre-marketing regulations and standards for cosmetic products. In addition to the implementation of the cosmetics filing system, starting in 2017 the China Food and Drug Administration also requires cosmetics manufacturers to obtain the "Cosmetics Manufacturing License" before engaging in manufacturing. It also emphasized strengthening supervision and other measures in the future. Therefore, brands and enterprises with sufficient enterprise strength that strictly abide by the law will become the future driving force of the cosmetics industry in Mainland China. They also benefit from the vast number of consumers by establishing the basis to ensure abundant cosmetic and skin care product selection choices.

The products of the Company are registered and filed in accordance with the relevant laws and regulations before reaching the market. The Company has obtained the aforesaid Cosmetics Manufacturing License from the China Food and Drug Administration. In addition to the strict quality

control, our production plants have also obtained the ISO22716 cosmetics certification, which shows that the Company has maintained good standards in terms of personnel health training for production line and plant equipment sanitary control.

(3) Customized Goods That Further Meet the Consumer Demands

According to the Hong Kong Trade Development Council's description of the cosmetics market in Mainland China, consumers' consumption concepts have undergone major changes with continuously strengthened autonomy. Consumers no longer rely mainly on advertisement guidance, but have started to rely on a variety of consideration references through many channels in order to select their own cosmetic products. The consumers have learned about their own bodies from a large amount of online information in order to best understand their skin and other physical conditions. They also realized that everyone is different, so the demand for personalized cosmetic products is increasing.

The Company's main business model involves selling to distributors who then sell to terminal consumers through their beauty salon channels. The Company cooperates with schools and business entities every year to recruit talented professionals for dealers and beauty salons. The Company has organized a number of training courses for terminal beauty salon owners and beauticians. The goal is to help them to improve their professional knowledge and care practices so they can provide appropriate services to satisfy the individual conditions and needs of consumers.

4. Competition Status

The Company's products are primarily facial beauty care products. With the advancement of technology and the continuous improvement of economic standards, skin care products are no longer a luxury demand. The use of skin care products has turned into a part of the daily life for most people and inspired people to pursue a higher level of beauty. Therefore, medical cosmetic technologies that cater to different needs for different parts of the body are born. Although medical cosmetic surgeries can satisfy whitening and tightening effects for consumer within a short period of time, some surgical costs are expensive and the corresponding risks are higher. In addition, after medical cosmetic surgeries, people must still rely on basic maintenance in order to maintain the effects. This Company has the ability to develop products and has obtained many patents, so it cannot be completely replaced.

With China and the United States engaged in trade competition, the overall economic landscape and real estate industry have remained sluggish. This has, overall, led to a contraction in the end-user market for the year. While the Company experienced a slower-than-expected sales pace in the end-user market in 2024, it still achieved revenue growth close to expectations. Amid a downturn in the broader consumer market, the Company has taken early action to set up three well-structured sales channels—professional beauty salon channels, home care CS channels, and directly-operated healthcare and biocare beauty salons and franchise distribution channels—along with flexible sales strategies and an online-offline integrated brand promotion model to adapt to the ever-changing market.

In summary, the risks of the Company's products, sales channels, and industry-related functions being replaced are limited.

(III) Technology and R&D Status

1. R&D Expenses Invested in the Latest Year and as of the Date of Publication of the Annual Report

Unit: NT\$1,000

Items	2024	2025 to Date of Publication
R&D Costs	51,984	(Note)
Consolidated Net Operating Income	1,126,524	(Note)
R&D Costs as a Percentage of Consolidated Revenue (%)	4.61%	(Note)

Note: The financial statement for Q1 of 2024 has not yet been announced prior to the date of publication of the annual report.

2. Successfully developed technology or product during the most recent year and up to the date of publication of the annual report

Items	Year	Specific R&D Results	Product Description	Main Functions and Benefits:
1	2022	A preparation of (plant) exosomes and	Exosomes are very small vesicles with lipid bilayers about 30-150 nm in diameter that is secreted by most cells of organisms.	GLINGLUO Skin Brightening Essence, GLINGLUO Moisturizing

		research and applications	It is present in all body fluids and it carries and transmits important signal molecules to form a brand-new intercellular information transmission system that affects the physiological state of cells. The project cultivated plant cells by means of fermentation and isolated the plant cell exosomes from the fermentation solution. It investigates the effects of plant cell exosomes and used them in cosmetics.	Essence, GLINGLUO Energy Cream, etc.
2	2022	Evaluate the soothing effects of cosmetics with in vitro cell tests and human trials	Soothing is one of the main functions of cosmetics. It relieves skin irritation (inflammation, etc.) caused by chemicals. The efficacy of the soothing effect of cosmetics can be verified by through laboratory operations, but there is no standard methodology. The development of this project utilizes the cellular models and human trial methodologies of the platform to evaluate related products under development and support new product development.	It tests the efficacy of cosmetics for use in product efficacy specifications
3	2022	Evaluate the anti-wrinkle/lifting effects of cosmetics with in vitro cell tests and human trials	Anti-wrinkle/lifting is one of the main functions of cosmetics. It uses active ingredients in cosmetics to induce skin fibroblasts and increases the secretion of collagen. The efficacy of the anti-wrinkle/lifting effect of cosmetics can be verified by through laboratory operations and human trial, but there is no standard methodology. The development of this project utilizes the evaluation methodologies established by the platform to support new product development.	It tests the efficacy of cosmetics for use in product efficacy specifications
4	2022	Evaluate the mild product efficacy specifications of cosmetics with in vitro cell tests and human trials	Based on safety requirements for cosmetics, the classification of the efficacy of cosmetics requires mild product efficacy specifications. There are currently no specific methods in the cosmetics industry to evaluate this function of cosmetics. The chicken embryo experiment in this project is mainly used to evaluate the irritant properties of cosmetics. The skin cell toxicity test is also used to evaluate the damage to skin cells caused by cosmetics.	It tests the efficacy of cosmetics for use in product efficacy specifications
5	2022	Preparation method of the liposome of Taiwan Hibiscus extract and its liposome	The Company's new material Taiwan Hibiscus root/stem extract successfully obtained approval for registration on October 17, 2022. The technology is an application derived from Taiwan Hibiscus root/stem extract. It prepares liposome with Taiwan Hibiscus root/stem extract to improve the penetration rate of Taiwan Hibiscus root/stem extract on the skin.	GLINGLUO Lotus Cream, GLINGLUO Moisturizing Lotus Cream, etc.
6	2023	Isolation and purification of the saponin in Trillium tschonoskii plants	Such technology is an authorized patent. Trillium tschonoskii, as the name suggests, is an herb that prolongs life and is one of the four magical medicines of the Tu ethnic group. Trillium tschonoskii plants contain special secondary metabolites with compounds such as steroidal saponin, flavonoid glycoside, sesquiterpene glycoside, and phenylpropanoid glycoside. Among these compounds, steroidal saponins are considered to be the main functional ingredients of Trillium tschonoskii. Its physiological effects include anti-tumor, anti-inflammatory, analgesic, etc., and it has soothing, repairing, and other attributes when used in cosmetics.	MALLSKIN Beauty Extract Essence, etc.
7	2023	Research on the development of transdermal enhanced peptide-fusion proteins and their application in cosmetics	TD1 transdermal enhancement peptide is a small peptide that can significantly enhance the skin penetration of drugs. After its sequence is spliced with the target protein sequence and recombinantly expressed, it is expected to promote the protein's transdermal ability and improve the efficacy of protein cosmetics. This project plan uses TD1 to fuse with various proteins (such as bovine lactoferrin, human serum albumin, and human collagen type I), uses Pichia pastoris as a recombinant expression vector, and uses Ni-NTA affinity purification to prepare penetration-enhancing peptide-fusion protein. With in vitro transdermal experiments and cell experiments, it conducts efficacy evaluation to provide new technical solutions for the development of raw materials for cosmetic protein.	SUNLILY light mask, etc.
8	2023	Research on the construction of HaCaT cell models for evaluating the moisturizing efficacy of cosmetics	Moisturizing is one of the important functions of cosmetics, and its evaluation methods include human tests, consumer tests, laboratory tests, and literature review. There is currently insufficient literature with supporting information on raw materials for moisturizing, and there is no detailed data support for the effective moisturizer content ratio of new raw materials for moisturizing. This project constructed a HaCaT cell model to evaluate the moisturizing efficacy of raw materials/products for cosmetic, with the aim of providing theoretical or experimental basis for cosmetic formula development and product promotion.	GLINGLUO Hydro Kit, SUNLILY Hydro Kit, etc.
9	2023	Research on the development of cosmetic preservative	Cosmetics are daily necessities and products must have a shelf life of 3 years. They also need to have a certain level of resistance to microorganisms for daily use. Therefore, the	MallSkin Hydrating Lotus Cream, DRAISE Essence Spray, etc.

		systems	development of a preservative system is also very important in the development of cosmetic formulas. This study references the current group standards to establish a preservative challenge experimental system for cosmetics. It implements systematic experiments to study the preservative ability of the formula and provides data support for the development of safe and effective cosmetic product formulas.	
10	2024	A recombinant fibronectin, its encoding gene, prokaryotic expression method, and applications	Fibronectin (FN), in beauty and skin care, primarily works to reduce wrinkles, diminish spots, and whiten the skin. The formation of wrinkles is mainly caused by the loss of collagen, elastin, and reticular fibers that support the skin. Collagen is one of the most important components of the extracellular matrix (ECM). Together with other extracellular matrix components, it helps maintain the skin's elasticity, firmness, and radiance. FN's wrinkle-reducing effect is due to its role as a signaling molecule. FN induces the expression and secretion of collagen within the ECM, promotes the secretion of hyaluronic acid and other glycoproteins by cells, and influences the defined spatial arrangement of the ECM.	DRAISE Anti-wrinkle Serum, DRAISE Youth Revitalizing Lyophilized Powder
11	2024	A moisturizing exosome-like vesicle composition derived from dendrobium officinale and its applications	Plant exocrine-like nanovesicles (PELNs) are membrane vesicles with diameters ranging from 30 to 300 nm, secreted by plant cells and composed of a lipid bilayer as their fundamental structure. These vesicles encapsulate various active substances, such as proteins and nucleic acids. They have the biological properties of the plants from which they are derived, are safe and non-toxic, and can be obtained from a wide range of sources. Their suitability for mass production gives them significant potential for various applications. Dendrobium officinale Kimura & Migo is a plant belonging to the genus Dendrobium in the family Orchidaceae. It primarily contains active compounds such as polysaccharides, flavonoids, phenols, lignans, stilbenes, and alkaloids. These compounds contribute to various beneficial effects, including anti-aging, anti-inflammatory, anti-bacterial, anti-oxidant, lipid-lowering, blood sugar-lowering, blood pressure-lowering, anti-tumor, skin care, and promoting hair growth. Exosome-like vesicles derived from Dendrobium officinale can serve as active ingredients in cosmetics, helping maintain skin moisture levels.	SUNLILY Luminous Glow Cleansing Lotion

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

1. Short-term Plan Development Direction

(1) Mainland China:

A. Professional beauty salon channels: Convert traffic into sales, improving salon visit rates and increasing share of customer

In 2024, the Company launched the Luo Li-Fen topic matrix on online platforms such as Douyin and WeChat Channels. The public traffic generated from these platforms has gradually begun converting into private traffic and sales. In 2025, for the professional beauty salon channels, in addition to maintaining its existing strengths in offline salon sales, the Company will also roll out online sales initiatives, aiming to attract customers to visit offline salons, driving sales and contributing to an increase in the number of salons, salon visit rates, and share of in-store customer.

B. Home care CS channels: Achieve revenue that exceeds the budget, exploring untapped markets and improving store inventory turnover

Despite the headwinds caused by the consumption downgrade, the home care CS channels have grown to include more than 20 distributors and over 1,200 stores since entering the market in 2024, with overall performance beating the budget. The channels are primarily focused on downstream markets in second- and third-tier cities, which represent significant untapped potential in Mainland China. Building on the existing markets, the Company plans to expand its presence in 2025 by increasing the number of distributors and stores in these untapped markets. Additionally, the Company will deploy more marketing staff in regions with established sales, while continuing to improve store inventory turnover.

C. Directly-operated healthcare and biocare beauty salons and franchise distribution channels: Continue attracting high-end customers from Mainland China and Taiwan while launching two new medium-sized healthcare and biocare beauty salons

The flagship beauty salon in Xiamen, China, has achieved steady and sustained membership growth since its second year of operation, which started in 2024. By introducing the private custom brand "MallSkin", it continues to attract high-end customers from both Taiwan and Mainland China, driving consistent growth in revenue each month for the flagship beauty salon. The interior fit-out of a medium-sized, directly-operated healthcare and biocare beauty salon covering an area of 500 square meters is currently underway, with its opening scheduled for the second quarter of 2025. We plan to open at least two more medium-sized, directly-operated beauty salons within the year, which will not only accelerate the completion of our distribution channel framework but also contribute directly to revenue growth.

(2) Taiwan: Continued growth in franchise numbers in Taiwan, with the addition of new flagship healthcare and biocare beauty salons

In 2024, the number of franchise beauty salons in Taiwan exceeded 30, and we expect to develop at least 10 more franchise beauty salons in 2025. Since the opening of the Directly-operated Rui Qing He Healthcare and Biocare Beauty Salon, its revenue and profit have both demonstrated steady performance. In 2025, we plan to repurpose and renovate the location previously used as the company office in Taiwan to establish the Directly-operated Zhongxiao Healthcare and Biocare Beauty Salon. This new salon will replicate the proven successful model of the Directly-operated Rui Qing He Healthcare and Biocare Beauty Salon and is expected to further boost revenue and profit in Taiwan.

2. Long-Term Plan Development Direction

- (1) Development and production of raw materials for healthcare beauty and biocare beauty: We have completed the construction of raw material extraction and biological fermentation workshops, enabling the production of at least 20 tons of the Company's raw materials annually. In 2024, upon approval, we obtained a production license for healthcare beauty products. Moving forward, we will continue to focus on the development, production, and sale of healthcare beauty products.
- (2) Simultaneous development of healthcare and biocare beauty salons in Taiwan and China: In Taiwan, the Company currently operates one healthcare and biocare beauty salon and plans to add another directly-operated healthcare and biocare beauty salon in 2025. The Xiamen flagship healthcare and biocare beauty salon, located in Fujian Province, China, has shown steady growth in revenue since it began operations. In 2025, we plan to add at least two more medium-sized, directly-operated healthcare and biocare beauty salons to establish a profitable model, laying the foundation for future directly-operated and franchise salons in Mainland China.
- (3) Upgrade of beauty salons and homecare CS channel operations: In 2025, we will continue to strengthen our online sales efforts by integrating e-commerce public resources with traditional offline private marketing models. Our goal is to establish a comprehensive new retail model for the beauty industry.

II. Marketing and Sales Status

(I) Market Analysis

1. Sales (Provision) Regions of Major Goods (Services)

The facial beauty care product R&D, manufacturing, and sales units established by the Company in Mainland China sell products to various terminal beauty salons through distributors located in the various provinces of Mainland China. From thereon the products are sold to terminal consumers. Therefore, more than 90% of the service providing regions is currently located in Mainland China.

Unit: NT\$ thousand; %

Sales Regions \ YEAR	2022		2023		2024	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Mainland China	825,012	95.32%	914,108	94.14%	1,073,145	95.26%
Taiwan	40,494	4.68%	56,942	5.86%	53,379	4.74%

2. Market share:

The Company's R&D, manufacturers, distributors, and market for its professional beauty care product lines are located in Mainland China. Data released by the National Bureau of Statistics of China show that the retail sales of cosmetics in 2024 totaled RMB435.7 billion. Based on the Company's estimated operating revenue in 2024, our market share is approximately 0.06%. Although the Company's current market share is not high, The Company has taken early action to set up three well-structured sales channels: professional beauty salon channels, home care CS channels, and directly-operated healthcare and —biocare beauty salons and franchise distribution channels along with flexible sales strategies and an online-offline integrated brand promotion model to adapt to the ever-changing —market. We expect to continue to increase the Company's market share.

3. Future Market Supply, Demand, and Growth Status

The Company's major operating location and market are in Mainland China. The Company has taken early action to set up three well-structured sales channels: professional beauty salon channels, home care CS channels, and directly-operated healthcare and —biocare beauty salons.

Since 2024, sales of Chinese cosmetics have achieved stellar performance across both specific segments and overall, while international beauty brands have not performed as well overall. This result is attributed to consumer demands. In terms of products, beauty brands from China have pivoted their strategies toward areas such as Chinese herbal medicine and herbal-based products, which align perfectly with what consumers in China are seeking and have been well-received as a result. Overall, factors such as the steady economic growth in Mainland China, the accelerated income growth of its residents, and the further expansion of the consumer goods market have contributed to the growth of the supply and demand market for the Company's products. They will also contribute to the expansion of the Company's sales and business scale.

4. Competitive Niche

(1) Independent Development Capability

Luo Lih-Fen Holding Co., Ltd. has richly experienced R&D teams that continuously develop the latest raw materials, formulations, and product technologies. The Company has also collected market research information in order to develop innovative products with foresight, used strict scientific and safety test methods to ensure the high performance and safety of the products, and produced stable quality products through repeated tests and trial productions in order to create products with core competitiveness. The technology center is equipped with a variety of advanced R&D equipment such as the supercritical carbon dioxide extraction unit and the ultrasonic extraction concentrating machine combined with the Company's patented extraction technology used to extract raw plant materials without destroying the functional ingredients. The multi-functional microplate reader and skin tester devices are used to evaluate moisturizing, anti-wrinkle, oil control, anti-acne, whitening, freckle, and sunscreen performance. Atomic absorption spectrophotometers are used to perform physical and chemical tests for color, appearance, odor, cold and heat resistance stability, PH acidity level, centrifugation stability, and moisture content. Therefore, the Company is able to independently perform formula innovation, efficacy evaluation, process research, raw material extraction, packaging materials research, hazardous substances inspection and analysis, etc.; and continue to introduce new competitive products that meet the market demands.

(2) Collaborative projects with leading academic and research institutions

YEAR	Academic institutions	Scope of Cooperation
2024	Taipei Medical University	We jointly set up an "Innovation and R&D Center" with Taipei Medical University in Shuang Ho Biotech Park of TMU..
2021	Hungkuang University	We worked with Hungkuang University and jointly took on the external collaboration project of Fujian Department of Science & Technology titled "development and industrial application of key technologies for the extraction and separation of high viscosity polysaccharides from Narcissus Tazetta Bulb".
	Huaqiao University	We established the science and research development platform for "intelligent nano carrier design and applications", which mainly focuses on the "Development of MOF Intelligent Carrier for Targeted Transmission of Cosmetic Active Substances" technique.

2020	School of Pharmaceutical Sciences of Xiamen University	The cosmetic effects of stem cells, secretions of stem cells, and marine active peptides
2019	Tzu Chi Medical Center	Stem cell polypeptide research and the construction of stem cell laboratories in Taiwan
2019	Hungkuang University	Clinical trials of patented formulas (techniques) and product efficacy evaluation

Based on existing R&D orientation, the Company may further develop the preparation and application of plant-based raw materials. Upon receiving the technology license from Tzu Chi, the Company will complete product commercialization and launch promptly, coupled with the "customization" services" to embrace the new era of precision skin, beauty, and health care services.

(3) Strict Production Standards and Quality Control That Improve Product Quality

The Company has strict requirements on product quality and established inspection standards on raw material storage, raw material emulsification and semi-finished product production, package filling operation, and finished product warehousing. Such inspections include raw material PH value and density; physical and chemical indicator evaluation; examination of microbial indicators such as bacterial count, yeast, etc.; and vigorous monitoring of the various production processes. Before the products are put on the market, they are registered and filed in accordance with the relevant laws and regulations, and the product formula and sales package information are provided to the China Food and Drug Administration (CFDA) for review. At the end of 2016, the Company passed the production conditions, equipment and metrology inspections, and personnel requirements to obtain the cosmetics production license issued by the CFDA. In addition to production process strict quality control, the Company's factory also obtained the Good Manufacturing Practice (GMP) for cosmetics, ISO22716 International Good Manufacturing Practice Guidelines for Cosmetics, and ISO14001 Environmental Management System certifications. The Company has also purchased liability insurance for its products, which shows well-regulated sanitary control for its production plants and equipment as well as strict safety control for the consumers.

(4) Innovative and Effective Marketing That Amplify Brand Reputation and Visibility

The Company has adopted the "Belief in Professionalism, Determination to Beauty" development strategy to hold dealer briefings and roundtables from time to time to directly meet with distributor presidents, brand directors, and terminal beauty salon owners. The goal is to convey the group strategy and market planning strategy, invite them to participate in the National Investment Promotion Association, and jointly develop the market. The Company has also improved the product and brand exposure through media interviews and marketing advertisements, established stable cooperation with dealers and customers, and its products are sold to 30 provinces, municipalities, and autonomous regions throughout Mainland China. The Company has 50 cooperative dealers and over 4,000 terminal sales beauty salons. Most of the dealers are strategic distribution partners with over a decade of partnership experience. We will expand from a single distributor channel to four major distribution channels in 2022, which is expected to boost the Company's market share constantly.

(5) Diversified Training Methods Creating a Comprehensive Talent Pool

The Company values talent cultivation. In addition to jointly establishing the Luo Lih-Fen Image Health Management Institute with Eastern Liaoning University and signing an industry/academia cooperation agreement with Heilongjiang University of Chinese Medicine Jiamusi College, the Company has also established "skin care institutes" under its organizational structure, creating a comprehensive education and training system. Each year, core competence courses in professional knowledge, management skills, and nursing techniques are provided through "Youth Camps", "Knowledge Tour Camps", "I am Diva" and "Handsome Ace Camps" to beautician instructors, terminal beauty salon owners, and beauticians. The Company will be able to satisfy its own human resource needs and also to refer competent talents to distributors and terminal beauty salon owners, thereby enhancing the quality of talents and the link between upstream and downstream participants.

5. Development Prospect Advantages and Disadvantages, and Countermeasures

(1) Favorable Factors

A. Tightened industry regulations and strengthened government supervision are favorable to legal compliance and companies with R&D strength.

In the past, due to the imperfect policies and regulations in the Mainland China, good and bad quality cosmetics and skin care products were mixed and circulated in the market. In recent years, the

CFDA has implemented the cosmetics filing system, started to require cosmetics manufacturers to obtain the "Cosmetics Manufacturing License" in order to engage in production since 2017, and provided that cosmetic manufacturers must conform to the Cosmetics Manufacturing License related specification requirements pursuant to the "Cosmetics Safety Technical Specification". To establish a comprehensive quality and safety management system, four major records for each batch of products must be recorded in detail: (1) raw material procurement and acceptance inspection, (2) production process, (3) product inspection, and (4) warehousing and sales. The goal is to strictly control the quality and safety of products, and operate in good faith. The relevant costs and expenses needed to meet the government policy requirements may not be affordable to all companies, which can eliminate companies that have insufficient scale, production quality, or have poor quality control. This Company has reached sufficient scale under years of operation. Its three major brands -- Glingluo, Sunlily, and Draise -- have been registered and filed in accordance with the law before listing; their production, finances, and business operations are in compliance with the relevant regulations; and we are one of the enterprises that have obtained the production license earlier in Fujian Province.

In addition, the Company has established a technical center under the R&D department of the Mainland China factory. The technical center covers an area of 560 pings and is equipped with supercritical carbon dioxide extraction equipment, an ultrasonic extraction and concentration machine, atomic absorption spectrophotometer, multi-function microplate reader, multi-functional skin tester, vacuum emulsifier, and other advanced R&D equipment. The center also has physics and chemistry laboratories, stability laboratories, microbiology laboratories, efficacy evaluation laboratories, etc. From formula innovation to efficacy evaluation, process research, raw material extraction, packaging materials research, hazardous substance inspection and analysis, etc.; each aspect can be completed autonomously and the center lays the foundation for future R&D.

B. The market has room to grow in the future, which is conducive to performance improvement.

The Company's major operating location and market are in Mainland China. The Company has taken early action to set up three well-structured sales channels: professional beauty salon channels, home care CS channels, and directly-operated healthcare and —biocare beauty salons.

Since 2024, sales of Chinese cosmetics have achieved stellar performance across both specific segments and overall, while international beauty brands have not performed as well overall. This result is attributed to consumer demands. In terms of products, beauty brands from China have pivoted their strategies toward areas such as Chinese herbal medicine and herbal-based products, which align perfectly with what consumers in China are seeking and have been well-received as a result. Overall, factors such as the steady economic growth in Mainland China, the accelerated income growth of its residents, and the further expansion of the consumer goods market have contributed to the growth of the supply and demand market for the Company's products. They will also contribute to the expansion of the Company's sales and business scale.

C. Good brand image and popular trademarks are conducive to market expansion.

Since the Company's entry into the Mainland China market, it has cultivated stable dealers and customer groups; its products are sold to 30 provinces, municipalities, and autonomous regions in Mainland China with up to 50 cooperative dealers and over 4,000 terminal sales beauty salons. The Company has maintained good partnerships with most of its dealers, and all of them have been distributing the three major brand products for many years. In 2015 and 2016, "LUOLIHFEN" and "SUNLILY" were respectively awarded the Fujian Provincial Famous Trademarks issued by the Fujian Administration Bureau for Industry and Commerce; in 2021, "EasyBio" was named one amongst 100 female renowned consumer brands in Fujian Province; which indicates that the Company's corporate image is deeply relied upon and recognized by officials, dealers, terminal beauty salons, and consumers. In addition, the performance of household products has rapidly improved; which indicates that beauty salon consumers have high satisfaction with the Company's products, are willing to continue to purchase the products for their own use, and have a certain level of recognition for the Company's brand.

(2) Unfavorable Factors and Countermeasures

A. Counterfeiting is severe in the Mainland China market.

The Company believes that every product is a result of the constant upgrade of professionalism. A combination of R&D, operation, sales team, and large amount of effort and cost invested are required for the products to obtain their corresponding value. However, there are still poor-quality counterfeit brands on the market that affect the Company's corporate image and interests.

[Response Measures]

The Company has obtained a number of local trademark rights in accordance with the "Trademark Law of the People's Republic of China". Apart from obtaining legal protection through registered

trademarks, the dealers will also voluntarily share important market information with the Company, thanks to our close cooperative relationship with them. Therefore, the longer-term distribution system partnership can also be used to combat counterfeiting. The Company has also commissioned an external company to retrieve all trademark infringement related information over the Internet, and hired a trademark rights protection agency to assist the Company to handle trademark related litigations in order to fully prevent and deal with any counterfeiting issues.

B. Intense market competition.

Professional lines of cosmetics and skin care products have better profits due to higher technical thresholds, but also attract enterprises or less legitimate manufacturers to join the competition. In addition, statistics provided by ZhiYan Intelligence Research Group (2016) indicated that there are over 50,000 professional brands, over 10,000 manufacturers, and approximately 1.7 million professional beauty salons across Mainland China. On average, each medium- to large-scale manufacturer's products can be sold in 300 beauty salons. This causes small-scale manufacturers to compete by providing discounts and gifts, which showcases the fierce competition of the market.

[Response Measures]

The Company has long-term brand management, and its sales channel comprises the beauty salons of top-quality distributors throughout the provinces in Mainland China. The Company uses the multi-brand development strategy to transcend the regional brand protection method. This allows the terminal beauty salons to minimize customer poaching. No other brands will use only a single brand and thus be limited by the number of direct or franchise beauty salons, and this strategy enables the products to continue to improve the overall market share. In addition, the Company has continued to conduct R&D to meet the demands of the consumers in the market, provide strict control over the quality of the production process, cultivate excellent sales teams, and use TV advertising and special interview methods to enhance brand value and strengthen customer loyalty.

C. Beauty care instructors and beauticians in terminal beauty salons have a high turnover rate

Beautician instructors are the key for the Company to retain its customers. In addition to constantly learning new knowledge, technology, product efficiency skilled care techniques, and equipment use; they must also have the necessary sales skills to visit the various regional terminal beauty salon owners and beauticians in order to promote the Company's products. Therefore, they even represent the Company's image and spirit in a sense. The beauticians of the terminal beauty salons are the first-line personnel facing the consumers to recommend products and care services. However, because both positions are considered long work hour and labor-intensive jobs, the employee turnover rate is relatively high.

[Response Measures]

In addition to jointly establishing the Luo Lih-Fen Image Health Management Institute with Eastern Liaoning University and signing an industry/academia cooperation agreement with Heilongjiang University of Chinese Medicine Jiamusi College, the Company has also established "skin care institutes" under its organizational structure, and created a comprehensive education and training system. Each year, core competence courses in professional knowledge, management skills, and nursing techniques are provided through "Youth Camps", "Knowledge Tour Camps", "I am Diva" and "Handsome Ace Camps" to beautician instructors, terminal beauty salon owners, and beauticians. The Company will also continue to provide a comprehensive staff welfare and promotion system as well as good working environment to the staff in order to retain excellent talents and reduce the turnover rate.

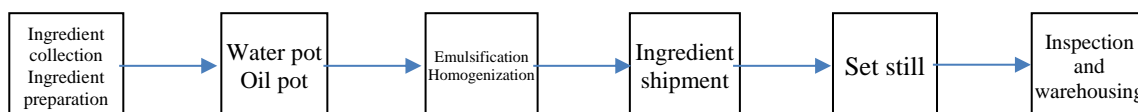
(II) Important Purpose and Production Process of the Main Products

1. Purpose of Products:

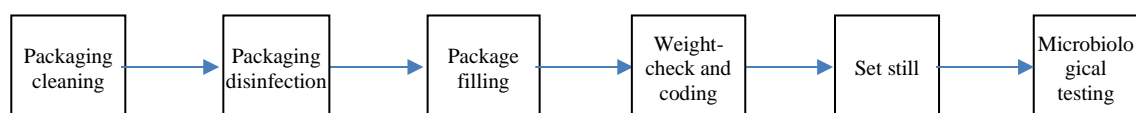
The Company's main products are beauty care products that provide anti-aging, whitening, anti-oxidation, skin repair, and other restorative effects.

2. Product Production Process:

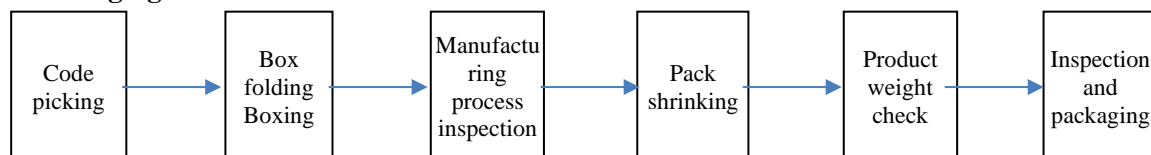
A. Raw material emulsification/semi-finished goods



B. Filling



C.Packaging



(III) Supply status of primary raw materials

The Company primarily engages in the R&D, development, manufacturing, and sales of beauty care products, and covers dealer management and training for relevant personnel. The main product R&D and production base is JUWENLEE. The Company and its main raw material suppliers have maintained positive and stable cooperative relationships. In addition to fully grasping the supply source, we also provide strict quality and delivery deadline control to eliminate any primary material supply related concerns.

(IV) Customers' names as well as their purchase (sales) amounts and ratios that accounted for over 10% of the total amount of goods sold in the past two years, and explain the reasons for the increase or decrease changes:

1. Main Supplier Information for Those Accounting for Over 10% of the Total Purchase Amount in the Past Two Years:

Unit: NT\$ thousand; %

YEAR	2023				2024				2025 to Date of Publication			
Items	Title	Amount	As a percentage of net purchase for the year (%)	Relation	Title	Amount	As a percentage of net purchase for the year (%)	Relation	Title	Amount	As a percentage of total purchase (%) from the year to the previous quarter	Relation
1	P01 (Note 1)	44,898	18.90	None	P01 (Note 1)	43,549	13.13	None	-	(Note 2)	-	-
	Others	192,601	81.10	None	Others	288,183	86.87	None	Others	(Note 2)	-	None
	Net Amount	237,499	100.00	-	Net Amount	331,732	100.00	-	Net Amount	(Note 2)	-	-

Note 1: Because the confidentiality agreement signed by this Company with other companies stipulated that the clients are non-related parties and their names cannot be disclosed, so they are represented by codes.

Note 2: The financial statement for Q1 of 2024 as audited by CPA has not yet been announced prior to the date of publication of the annual report.

P01 was founded in 2005. It is primarily engaged in the manufacture and sales of acrylic packaging materials for cosmetics. The Company purchases the plastic containers, such as lotion bottles, water bottles and pumps of essence bottles, primarily from P01. The inventory amount from P01 was NT\$44,898 thousand and NT\$43,549 thousand in 2023 and 2024 respectively, accounting for 18.90% and 13.13% of net inventory amount respectively. The inventory amount reduced in 2023 mainly because of the product industry structure adjustment and an reduce in the procurement therefrom.

2. Customer Information for Those Accounting for Over 10% of the Total Purchase Amount for Any Year in the Past Two Years:

The Company's customers are scattered, and no single customer has accounted for over 10% of the sales amount within the past two years.

III. Number of Employees, Average Years of Service, Average Age, and Academic Background Distribution Ratio of Employees in the Last Two Years and up to:

Date: March 31, 2025; Unit: Person

YEAR		End of 2023	End of 2024	March 31, 2025
Number of employees	Manager	15	14	14
	General Staff	452	471	478
	Production Line Staff	119	119	119
	Total	586	604	611
Average Age		34.14	35	34
Average Service Tenure (Years)		4.94	5.25	5.97
Academic Background Distribution Ratio	PhD Degree	0.17%	0.50%	0.16%
	Master's Degree	1.54%	0.99%	1.31%
	College	61.60%	62.19%	64.16%
	High School	16.38%	16.69%	14.08%
	Under High School	20.31%	19.63%	20.29%

IV. Environmental Protection Expenditure Information

(I) A description of the application, payment, or establishment for those who must apply for a pollution facility installation permit, pollution discharge permit, pay pollution prevention costs, or set up an environmental protection unit according to the law:

The Company's main subsidiary in Mainland China -- Juwenlee (Fujian) Cosmetics Co., Ltd. -- has obtained the "Sewage Discharge Permit" issued and approved by the "Zhangzhou Taiwanese Investment Zone Environment and Safety Production Supervision Administration". On November 24, 2006, the "Construction Project Environmental Impact Report" for the initial construction project was approved by the Zhangzhou Environmental Protection Bureau. In August 2010, the initial construction project passed the acceptance inspection by the Zhangzhou Environmental Monitoring Station. On March 18, 2011, Zhangzhou Environmental Protection Bureau issued the "Acceptance Inspection Opinion" approving the environmental protection acceptance inspection for the completion of JUWENLEE's initial construction project. This Company has paid a sewage discharge fee according to the law, and its financial operation has not suffered a material adverse effect due to violation of environmental protection laws and regulations.

Pollution Prevention Expenditure Program	Payment Status
Raw Material Barrel Processing	Directly Recycled by the Original Supplier Without Additional Charge
Recycle Wastes, Such as Waste Packaging, Bottles, and Bags, Collectively	Development Zone Sanitation Department Regularly Collects and Disposes of Wastes for a Fee

Since the establishment of the Company, the Company has completed the EIA acceptance and obtained the sewage discharge permit. In response to the Company's future development needs, the Company's status was reported to the Zhangzhou Taiwanese Investment Zone Economic Development Administration on May 30, 2016; and the Company has completed investment for the application to expand the annual output of cosmetics to 500 tons on December 1, 2017. The EIA report for the project expansion area was completed and approved by the experts on-site, the total amount of pollution discharge applied was approved, and the Company obtained the approval documents from the Zhangzhou Taiwanese Investment Zone Environment and Safety Production Supervision Administration on July 30, 2018 approving the Company's acceptance inspection record to expand the Company's annual cosmetics projects production to 500 tons. In addition, according to the response opinion of the Ministry of Ecology and Environment, Decree 11 "China MEP Published Management Catalog of Fixed Pollution Sources (2019) issued by the Ministry of Ecology and Environment on December 20, 2019, the Company was divided into C2682 Cosmetics Industry and obtained a pollutant discharge permit (Validity: March 18, 2025 to March 17, 2030).

In response to the Company's future development needs, the Company reported the application for expanding the annual output of cosmetics to 2,100 tons to the Zhangzhou Taiwanese Investment Zone Economic Development Administration once again on January 24, 2019. The expansion will be completed

by virtue of renovation of the Company's existing factory premises, construction of automated production plant and smart warehousing center. The EIA report for the project expansion area was completed and approved by the experts on-site, and the Company obtained the approval documents from the Zhangzhou Taiwanese Investment Zone Ecological Environment Supervision Administration on December 31, 2019. Currently the frame of Plant No. 3 (Area A) has been built, and interior/exterior decoration is underway.

(II) List the Company's investments in equipment primarily used to prevent and control environmental pollution, the application of such equipment, and the possible benefits:

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

Equipment Name	Quantity	Date Obtained	Investment Cost	Unreduced Balance	Application and Anticipation Possible Benefits
Pollution Treatment Equipment	1	Note 1	Note 1	Note 1	The pollution generated in the production is discharged to the Longchi Development Zone Pollution Treatment Plant after being treated using this equipment.
Integrated pollution Treatment Equipment Project	1	January 2018	370	127	
Underground polluted water treatment facilities and civil construction & renovation project	1	January 2019	2,765	-	
Plant waste water treatment system	1	July 2019	827	401	
Online water pollution monitoring system maintenance fee	1	July 2022	25,054	23,279	
Projects involving plant #3 (Zone A) emergency pond, wastewater circulation pond, and automated sprinkler system for plant greenification	1	January 2024	503	251	
Total			29,519	24,058	

Note 1: When the Company acquired the land and plant in 2011, the original pollution treatment equipment was included, so the acquisition cost for the pollution treatment equipment cannot be separated.

Note 2: The Company purchases environmental pollution prevention equipment primarily in RMB. The Statement has converted it to the amount expressed by the currency applicable to the financial statements at the foreign exchange rate prevailing on December 31, 2024.

(III) In the last two years and as of the date of publication of the annual report, if the Company has improved environmental pollution and experienced pollution dispute incidents, the handling process must be explained: None.

(IV) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. None.

(V) The impacts that the current pollution status and improvement have on the Company's earnings, competitiveness position, and capital expenditures as well as the major environmental protection related capital expenditures for the next two years: None.

V. Labor Relations

(I) List the Company's employee welfare measures; education, training, retirement system, and their implementation status; and labor agreements as well as the various employee rights protection measures:

1. Employee Welfare Measures and Implementation Status

The Company has established integrity supermarket, nursery room, employee gym, holiday gifts, cultural and recreational activities such as sports events, spring and mid-autumn festival parties, celebration

activities, occasional dinner parties and sweepstakes, and company product employee discounts in addition to wedding and funeral welfare subsidies. Employees are also provided with various education and training opportunities in order to enhance their horizons and work efficiency.

2. Staff Education and Training Status

In order to improve the quality and work skills of employees while enhancing the efficiency and quality of their work, the Company has provided various employee education and training from time to time in order to cultivate outstanding talents, further improve operational performances, and achieve the goal of sustainable development.

3. Employee Retirement System and Implementation Status

The Company primarily operates within the territory of the People's Republic of China, and has provided social insurance (including pension, unemployment, medical care, childbirth, and work injury) for its employees pursuant to the "Social Insurance Law of the People's Republic of China".

Individuals who participate in the basic pension insurance and have paid the premium for fifteen years shall receive a basic pension on a monthly basis after reaching the statutory retirement age. Individuals who participate in the basic pension insurance and have paid the premium for less than fifteen years shall receive a basic pension on a monthly basis after reaching the statutory retirement age and paying the premium for full fifteen years. Employees can also be transferred to a new type of pension insurance for rural residents or social endowment insurance for urban and rural residents and enjoy the corresponding pension insurance benefits according to the provisions provided by the State Council.

4. Labor Agreement and Employee Rights Protection Implementation Status

The Company always attaches great importance to the rights and interests its employees. In addition to clearly defining the various working conditions, employees can submit their opinions at any time through meetings, emails, or mailboxes. The labor/employer communication channel is unimpeded and there have been no major labor disputes as of the publication date of this Annual Report.

5. Safety, Environment and Occupational Health & Sanitation Implementation Status

The Company consistently places value on employees' health and safety and endeavors to provide a positive workplace that meets ISO 45001 requirements (Validity from 3/1/2023 to 2/28/2026). In addition to providing a good and comfortable workplace, the Company holds at least a fire drill every year in its care for employees' safety. The new employees are not allowed to take the position until they complete the 3rd-level education program for safe production. The intra-company transferred employees must attend the safety education program again and then may be allowed to take the position. As for the orientation/on-the-job training programs provided for employees in 2024, a total of 5,592 persons participated in such programs with a total of 5,562 training hours. The employees must follow the three Nots policy, i.e. Not hurting self, Not hurting others, and not being hurt by others. To raise the safety awareness and practice the prevention work. To provide irregular and regular safety-related education program for current employees, including but not limited to, fire safety training or drills, traffic safety, safety of chemicals, safety of overhead work, and rehearsal of the handling methods applicable upon occurrence of various safety incidents. As for the occupational safety and health training programs provided for employees in 2024, a total of 2,209 persons participated in such programs with a total of 2,803 training hours.

To install or distribute labor protection gears and supplies for employees, subject to the nature of work and employment conditions, pursuant to the standards aligning with the Company's status. Each department must educate workers how to use the labor protection gears and supplies correctly, and check the employees' use of the same from time to time. The employees shall urge the working environment to be ready for prevention of heatstroke, freezing, noise, and dust, and conduct the regular sanitary monitoring and testing. Certain technical reform or health protection policy must be taken to deal with the operations beyond the scope of the national safety and health standards, in order to keep improving the employment conditions. To allocate the subsidy for health foods and special allowance to workers engaged in special works. To prohibit female employees from being assigned to engage in toxic and harmful works that would affect the health of fetus and baby during pregnancy or breastfeeding.

- (II) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. None.**

VI. Cyber security management mechanisms

(I) Elaborate on the cyber security risk management framework, cyber security policy, specific management plans and resources invested in cyber security management:

1. Cyber security risk management framework

The Company founded an IT unit, since its incorporation to take charge of the Company's IT system installment and information security. The IT unit has evolved into the IT Dept. over years of development, and an IT Dept. manager has been appointed directly under the Vice President at the Administration Dept., who is also managed by the President. Meanwhile, the President also serves as a representative of the information security administrator to be in charge of providing guidance of information security. The Company has established an information security management system according to GB/T 22080-2016 /ISO/IEC 27001:2013, and obtained the information security management system certification in 2021 (validity from 02/22/2024 to 02/21/2027), in order to comprehensively protect the Company's information security.

2. Cyber security policy

The Company's cyber security guidelines are: Implement risk management, ensure information security, and guarantee ongoing business development.

Implement risk management: Establish a risk assessment program according to the information security characteristics of the Company's business and laws and regulations, and confirm risk appetite guidelines. Conduct risk assessments on a regular basis to identify changes in the Company's risks. Conduct assessments at times when a material change occurs to the Company or the environment. Adopt corresponding measures based on the risk assessment result to mitigate risks.

Ensure information security: Put emphasis on information security in daily enterprise production and management, fully identify and analyze all information assets; in terms of systems, consider weaknesses in and possible threats to enterprise information systems, and an overall balance among costs, profits and risks to protect assets by category and use appropriate costs to meet the requirement of system protection.

Guarantee ongoing business: Establish a sound information security supervision and guarantee system, which expressly assigns the responsibility of information security to each level and position, thereby fulfilling the information security management which is human-oriented and conducted by all employees, from all aspects, and across all procedures. Keep improving through measurement and monitoring to make sure the information security management system functions effectively, and records are kept for the system implementation and can be traced, thereby ultimately guaranteeing continuity and security over the production, operations, management, and services of the enterprise and fulfilling the enterprise's development goal.

3. Specific management plans and resources invested in cyber security

In order to equip the enterprise with information security management measures, the Company has invested in corresponding equipment and systems, such as firewall system, behavior management system, all-in-one backup, joint access management, and encryption software, to optimize the implementation of the information security management plan. Here is an introduction to the equipment and system functions:

1. Prevent threats outside the network - firewall:

Most information security attacks in internet security incidents come from the internet. Including DDOS, ARP spoofing, TCP/UDP attack, port scan, and other attacking measures. The Company installs an AF-1210 model firewall, which provides good internet security protection and manages to block various attacking methods mentioned above.

2. Prevent threats inside the network - behavior management:

The Company activates an online behavior management system in order to securely control the security of internal network. Internet users can only access a sufficient level of internet usage, which effectively prevents internal users from visiting virus websites and phishing websites, and interrupts possible dangerous behaviors existing in unsafe websites.

3. Protect data safety - all-in-one backup:

Data is the livelihood of the enterprise survival, also a focus of information security tasks. In order to protect data security, the Company's information security dept. introduces an all-in-one backup system, which constantly backups all businesses of the enterprise and thus recovers data immediately after an information security issue rises. On the other hand, data backup can also minimize data losses.

4. Data security and exchange - shared access management:

Shared access management provides the Company data a platform and allows all data to be accessed through sharing; furthermore, the shared access management platform can personalize individual access to

ensure data security.

5. Mitigate leakage risks - encryption software:

The Company not only fulfills its control of data and network across different routes, but also demands a higher standard for its data security, which directly leads to the introduction of the encryption software. The encryption software enables us to encrypt data instantly and prevents information leakage from the source. Data can only be encrypted by using the encryption software; personnel not installing the encryption software cannot identify encrypted files, which mitigates information leakage risks.

(II) List the losses suffered by major cyber security incidents in the most recent year and as of the publication date of the Annual Report, possible impacts, as well as the response measures. If the amount cannot be reasonably estimated, explain the facts behind why the reasonable estimation cannot be made: None.

VII. Important contracts

Supply and Sales Contracts, Technical Cooperation Contracts, Engineering Contracts, Long-term Loan Contracts, and Other Important Contracts in the Most Recent Year That are Currently Valid and can Affect the Rights of Investors:

Nature of Contract	Involved Parties	Valid Date	Main Content	Restriction Provisions
Supply and Marketing Contract	Juwenlee (Fujian) Cosmetics Co., Ltd. And strategic distributors in various provinces, municipalities, and autonomous regions.	2024.01~2024.12	Contracted Shipment Delivery Conditions	Confidentiality Contracts Regional Restrictions
Technical Cooperation Contracts	Juwenlee (Fujian) Cosmetics Co., Ltd. and Tzu Chi Hospital	2019.06~2029.05	Industry-Academia Cooperation for Stem Cell Polypeptide Anti-Aging Obstetrics	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Huaqiao University	2021.05.01-2026.04.30	Development of MOF Intelligent Carrier for Targeted Transmission of Cosmetic Active Substances	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Hungkuang University	2021.08.01-2024.08.01	Development and industrial application of key technologies for the extraction and separation of high viscosity polysaccharides from Narcissus Tazetta Bulb	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Fangyuan Mark Certification Group Fujian Co., Ltd.	2023.04.23-Service termination	Strive for the Government Quality Award and the introduction of excellent performance management model into technical service contracts	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Huaqiao University	2024.4.10-2025.12.31	Development and Application of Synthesis Technology of Bio-based Carbon Quantum Dots	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Taipei Medical University	2024.10.1~2032.10.31	Joint establishment of the "Innovation and R&D Center" with Taipei Medical University in Shuang Ho Biotech Park of TMU.	None
Engineering Contracts	Juwenlee (Fujian) Cosmetics Co., Ltd. and Fujian Bixia Environmental Technology Co., Ltd.	2020/7~2025/6	Outsourcing the maintenance of Juwenlee water pollution online monitoring system	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Xiamen Shengcheng Purification Engineering Co., Ltd.	2023.03-Construction termination	Construction contract for the purification project of the plant extraction and fermentation workshop on the second floor of the Progress Building	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Xiamen Shengcheng Purification Engineering Co., Ltd.	2024.02.22	Pipeline engineering for water supply, general drainage, hot water, and production wastewater in the clean production workshop on the second floor of the Progress Building.	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. And Hubei Shuidu Fire Engineering Co., Ltd. Zhangzhou Branch	2024.03.05-End of quality assurance period	Remodeling design and construction contract for fire protection in Plant #3 (Zone A) and Zone B.	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. And Beijing Career Energy Services Co., Ltd.	2024.4.19-One-year warranty (effective upon project passing	Main cable (exterior line) construction project for the Baosheng Road branch line (Pole #06-3 to the Plant #3 power	None

		inspection and acceptance)	distribution room).	
	Juwenlee (Fujian) Cosmetics Co., Ltd. And Jianjinjiang Construction Group Co., Ltd.	2024.7.2-2024.8.6	Engineering projects, including sewage piping for the clean production workshop on the 2nd floor of Juwenlee's Progress Building, equipment room on the west side of the 1st floor of Juwenlee's Progress Building, and load transfer from Juwenlee's temporary power distribution room to Plant #3 power distribution room.	None
	Xiamen Siming Realbio Plastic Surgery Clinic Co., Ltd. and Xiamen Blue Ocean Design Co., Ltd.	2022.05 -- Construction termination	Realbio renovation construction	None
	Xiamen Jialifenni Beauty Co., Ltd. And Shanghai Qihuanghuang Interior Design Co., Ltd.	2024.6.21-2024.8.6	Interior design consulting service contract for Luo Li-Fen's Xiamen Pilot Store.	None
	Xiamen Jialifenni Beauty Co., Ltd. And Zhangzhou Xiangrun Decoration Engineering Co., Ltd.	2024.11.18-2026.2.15	Jialifenni's renovation and remodeling construction contract.	None
	Xiamen Siming RuiLifenni Medical Beauty Clinic Co., Ltd. And Zhangzhou Xiangrun Decoration Engineering Co., Ltd.	2024.11.18-2026.2.15	RuiLifenni's renovation and remodeling construction contract.	None
Long-term borrowing contract	Lever Guide Biotech Co., Ltd. (TW) and Taipei Fubon Bank	2020.01~2035.02	Secured loans	Refer to relevant details in the Financial Statements
Advertising cooperation	Juwenlee (Fujian) Cosmetics Co., Ltd. and Xiamen Ziyuzile Culture Media Co., Ltd.	2024.1-Service termination	Operations of the President's Douyin account	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Xiamen Woxingwoshang Culture Media Co., Ltd.	2024.01.12-Service termination	Operations of the President's Douyin account and video account	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. And Yaoshi Xinghui (Beijing) Media Co., Ltd.	2024.4.13-2024.6	Artist services contract for Lotus Cream (artist name: Ni Hongjie).	None
	Juwenlee (Fujian) Cosmetics Co., Ltd. and Hangzhou Niuyuan Technology Service Co., Ltd.	2024.6.17-2025.6.17	Douyin chain group-buying operation contract (managed through Luo Li-Fen's authorized beauty and cosmetic store accounts).	None

Six. Review, Analysis, and Risks of Financial Conditions and Performances

I. Financial position

(I) Main Reasons for the Significant Changes in Assets, Liabilities, and Equity in the Last Two Years as Well as Their Impacts

Unit: NT\$1,000

Items \ YEAR	2023 years	2024 years	Difference	
			Amount	Ratio %
Current Assets	1,098,864	1,052,801	(46,063)	(4.19)
Real Property, Plants, and Equipment	729,216	713,846	(15,370)	(2.11)
Intangible Assets	34,541	31,262	(3,279)	(9.49)
Other Assets	265,404	456,857	191,453	72.14
Total Assets	2,128,025	2,254,766	126,741	5.96
Current Liabilities	420,252	481,001	60,749	14.46
Non-current Liabilities	73,625	58,336	(15,289)	(20.77)
Total Liabilities	493,877	539,337	45,460	9.20
Share Capital	473,880	473,880	0	0
Capital Surplus	830,575	830,575	0	0
Retained Earnings	360,007	379,137	19,130	5.31
Other Equity Interests	(59,495)	(5,082)	54,413	(91.46)
Uncontrolled equity	29,181	36,919	7,738	26.52
Total Shareholders' Equity	1,634,148	1,715,429	81,281	4.97
Analysis description if the change in the last two fiscal years exceeded over 20%, and the change amount reached NT\$10 million: 1. The increase in other assets was primarily due to the increase in time deposits maturing over a year. 2. The decrease in non-current liabilities was primarily due to the decrease in long-term borrowings. 3. The decrease in other equity interests was primarily due to the difference in translation of foreign currency statements.				

(II) **Explain the future response plan for cases with major impacts:** The preceding changes have no major impact on the Company's finances and operations.

II. Financial Performance

(I) Business Results Comparative Analysis

Unit: NT\$ thousand; %

Items \ YEAR	2023	2024	Amount Increase (Decrease)	Change Ratio %
Operating Incomes	971,050	1,126,524	155,474	16.01
Operating Costs	370,035	423,121	53,086	14.35
Operating Margin	601,015	703,403	102,388	17.04
Operating Expenses	529,233	611,945	82,712	15.63
Operating Profit and Loss	71,782	91,458	19,676	27.41
Non-operating Incomes and Expenses	42,137	44,158	2,021	4.80
Pre-tax Net Loss	113,919	135,616	21,697	19.05
Income Tax Expenses	28,427	48,629	20,202	71.07
Net Profit	85,492	86,987	1,495	1.75
Consolidated Gains or Losses	58,126	142,885	84,759	145.82
<p>Analysis description if the change in the last two fiscal years exceeded over 20%, and the change amount reached NT\$10 million:</p> <ol style="list-style-type: none"> 1. The increase in operating profit was primarily due to the impact of increased revenue. 2. The increase in income tax expenses was primarily due to the impact of income tax on profits remitted from Mainland China in 2024. 3. The increase in Consolidated Gains or Losses was primarily due to the difference in translation of foreign currency statements. 				

(II) Sales Volume Forecast and Supporting Basis

The Company expects its overall sales income will grow in 2025 in comparison with 2024. Please refer to V. Overview of Operations for the relevant market supply and demand research and analysis as well as industry development and current status.

(III) Possible Impacts on the Company's Future Financial Business and its Response Plan

The Company's financial structure is sound. To meet market demand and expand market shares, the Company increases its R&D investment and recruits more marketing personnel and, therefore, the related expenses will be increased accordingly. Notwithstanding, the Company still continues to deepen its operation management and cost control, which is sufficient to meet the needs of future business growth.

III. Cash flow

(I) Analysis Description for the Recent Annual Cash Flow Changes

Unit: NT\$1,000

Items \ YEAR	2023	2024	Increase (Decrease) Ratio (%)
Net cash inflow from operating activities	142,249	337,534	137.28
Net cash outflow from investing activities	(55,210)	(266,688)	383.04
Net cash inflow (outflow) from financing activities	(156,250)	(106,268)	(31.99)
Effects of changes in exchange rates	(13,438)	18,559	238.11
Net cash inflow (outflow) of the term	(82,649)	(16,863)	79.60
Increase/Decrease Ratio Change Analysis Description: 1. The increase in cash inflow from operating activities was primarily due to the increase in the purchase of time deposits maturing over a year. 2. The increase in cash outflow from investing activities was primarily due to the increase in the purchase of time deposits maturing over a year. 3. The decrease in cash outflow from financing activities was mainly due to the repayment of long-term loans.			

(II) Cash Shortfall Remedial Measures and Liquidity Analysis

The Company had cash outflow in 2024 and has no shortage of capital liquidity.

(III) Cash Flow Analysis for the Next Year

Unit: NT\$1,000

Initial cash balance	Projected net cash flow from operating activities for the year	Projected net cash flow from investment activities for the year	Projected net cash flow from financing activities for the year	Cash inflow for the year	Cash balance (deficit)	Corrective measures against insufficient cash position	
						Investment Plan	Financing Plan
517,319	204,364	(88,228)	(112,126)	4,010	521,329	-	-
Cash Flow Analysis: (1) Net Cash Flow from Operating Activities Throughout the Year: Cash inflow from operating activities is estimated to be NT\$204,364 thousand generated from operating revenue. (2) Net Cash Flow from Investing Activities Throughout the Year: The Company's reconstruction of factory premises and production line equipment are expected to generate a cash outflow of NT\$88,228 thousand. (3) Net Cash Flow from Financing Activities Throughout the Year: The Company expects to distribute cash dividends of NT\$94,776 thousand, repayment of bank loans of NT\$17,350 thousand, and the net cash outflow from financing activities is expected to be NT\$112,126 thousand in 2025.							

IV. Material capital expenditures in the last year and impact on business performance

In 2024, the Company's increase of property, plant and equipment amounted to NT\$23,188 thousand; which primarily consists of the renovation of the installation of automation equipment in the plants in the plant of Juwenlee (Fujian) Cosmetics Co., Ltd. based on the construction progress. In 2025, this figure is expected to generate a cash outflow of NT\$88,228 thousand. After the automated production facility is put into production or use, an annual output of RMB¥1.1 billion is expected to be generated, plus annual depreciation of RMB¥31,000 thousand.

V. The investment Strategy in the most recent year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

(I) Most Recent Annual Reinvestment Policy

The Company's reinvestment business transactions are managed and regulated in compliance with the Company's internal control system, the "Operating Regulations Governing Supervision of Subsidiaries" and "Operating Regulations Governing Transactions with Related Parties". The main goal is to obtain relevant financial information and management reports from investees on a regular basis, regularly or from time to time dispatch personnel to visit investees and understand their business conditions on-site. Any relevant investment plans in the future are handled in accordance with the aforesaid regulations.

(II) Main Reason for the Recent Annual Reinvestment Gains or Losses, and the Improvement Plan

Unit: NT\$ thousand; Date of Data: December 31, 2024

Investees	Direct (Indirect) Shareholding Ratio	Investment Gain or Loss	Profit or Reason for Losses	Improvement Plan
Luo Lih-Fen Group Co., Ltd.	100%	118,876	In good standing.	Not Applicable
Luo Lih-Fen Enterprise Limited	100%	-	The company was liquidated on 2024.04.09	Not Applicable
Lever Guide Biotech Co., Ltd. (TW)	100%	(20,409)	The Company's business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Richer Biotechnology Co., Ltd.	66.67%	(488)	The Company's business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Taiwan Rui Qing He Co., Ltd.	64%	(1,126)	The Company's business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Ya Zhan Co., Ltd.	19.2%	102	In good standing.	Not Applicable
Juwenlee (Fujian) Cosmetics Co., Ltd.	100%	158,096	In good standing.	Not Applicable
Xiamen Luolifen Cosmetics Co., Ltd.	100%	249	The Company has no other business except for the rental of some real properties.	Not Applicable
Xiamen Glingluo cosmetics Co., Ltd.	100%	543	In good standing.	Not Applicable
Xiamen Sunlily Cosmetics Co., Ltd.	100%	823	In good standing.	Not Applicable
Xiamen Draise Cosmetics Co., Ltd.	100%	1,081	In good standing.	Not Applicable
Lichuang (Fujian) Bio-Technology Co., Ltd.	100%	6,408	In good standing.	Not Applicable
Zhangzhou Kangqili Health Management Co., Ltd.	100%	639	In good standing.	Not Applicable
Huiwenli (Fujian) Enterprise Management Co., Ltd.	100%	(23,632)	The new investment project sustains losses because it is in the business development stage.	The loss may be covered after it launches the business.

Zhangzhou Kangbaoli Biologic Technology Co., Ltd.	100%	(5,556)	The Company's business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Zhangzhou Healthy Skin Enterprise Management Co., Ltd.	100%	983	In good standing.	Not Applicable
Xiamen Yimeili Enterprise Management Co., Ltd.	100%	(1,244)	The Company is newly founded and its business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Xiamen Manfenli Enterprise Management Co., Ltd.	100%	(1,112)	The Company is newly founded and its business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Xiamen Siming Realbio Plastic Surgery Clinic Co., Ltd.	100%	(12,517)	The Company is newly founded, so it is still under construction.	The loss may be covered after it launches the business.
Xiamen Manlifenni Beauty Co., Ltd.	100%	(7,876)	The Company is newly founded, so it is still under construction.	The loss may be covered after it launches the business.
Xiamen Liluoya Commerce Co., Ltd.	100%	2	In good standing.	Not Applicable
Xiamen Shengjijiema Commerce Co., Ltd.	100%	16	In good standing.	Not Applicable
Xiamen Binnange Property Management Co., Ltd.	100%	(1,165)	The Company's business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Juliying (Fujian) Biotechnology Co., Ltd.	51%	7,524	In good standing.	Not Applicable
Fujian Zhangzhou Weimei Cosmetics Co., Ltd.	30%	(63)	The Company's business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Xiamen Jialifenni Beauty Co., Ltd.	100%	(5,627)	The Company's business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.
Juliying (Xiamen) Health Technology Co., Ltd.	100%	132	In good standing.	In good standing.
Xiamen Siming District Ruilifenni Medical Beauty Clinic Co., Ltd.	100%	(35)	The Company's business is still in the nascent phase. Therefore, it suffers loss currently.	The loss may be covered after it launches the business.

(III) Investment plan for the coming year:

We've expanded from a single distributor channel to four major distribution channels since 2022. Along with the expansion of channels, we will establish a new subsidiary or choose suitable downstream distributors to acquire equities in part or in full thereof, and carry out assessments according to the Operating Procedure for Acquisition or Disposal of Assets.

VI. Analysis and assessment of risk factors

(I) In the most recent fiscal year, the risk items of any of the Company's overseas operation bases or subsidiaries that meet any one of the key subsidiary standards provided in Paragraph 2, Article 2-1 of the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants must be added:

This Company is an exempted company, registered in the British Cayman Islands. The Company's subsidiaries that meet the aforesaid "key operating base or subsidiary" standard are the Luo Lih-Fen Group Co., Ltd. in Hong Kong and Juwenlee (Fujian) Cosmetics Co., Ltd. in Mainland China. Please refer to the state in Paragraph (II) below regarding the overall economy, changes in the political and economic environment, foreign exchange controls, taxation, and related Exchange Act and regulations as well as other risk items such as whether the court judgments of this nation are binding.

(II) A foreign issuance company must declare the overall economy of the primary operating nation; changes in the political and economic environment, foreign exchange control, taxes, and the relevant laws; whether the Company acknowledges the force of the final judgments made by our nation's courts; and describe the response measures adopted:

This Company is a holding company registered in the Cayman Islands, and its principal place of operation is in Mainland China. The relevant risk issues in the British Cayman Islands, Hong Kong, and Mainland China are described below:

1. Registration Location: Cayman Islands

A. Overall Economy as Well as Political and Economic Environment Changes

The Cayman Islands is a British overseas consortium in the West Indies, and is located in the Caribbean Sea to the south of Miami, Florida. The Cayman Islands has been politically stable for a long time. The capital George Town is located on Grand Cayman and serves as an administrative, commercial, and financial center with financial services and tourism as its main sources of income. The Cayman Islands is one of the world's key financial centers.

There are five types of companies that can be registered in the Cayman Islands: ordinary company, ordinary non-resident company, exempted company, limited duration company, and foreign company. Among them, exempted companies are mainly used by companies and individuals in various countries for financial planning.

In recent years, the Cayman Islands government has actively strengthened the goodwill of its overseas financial operations. It signed the "Mutual Legal Assistance Treaty" with the United States through the British government in 1986 in order to jointly prevent international criminal organizations from using the Cayman Islands for illegal transactions such as drug trafficking or money laundering.

While preventing crimes, the Cayman Islands Government is also committed to ensuring the confidentiality of legitimate business practices. Therefore, the political and economic development of the Cayman Islands has been very stable for a long time, and its law and order are also good.

In summary, the Company is a holding company registered in the form of an exempted company in the Cayman Islands, and has no actual operational activity in the local area. Since the Cayman Islands has been politically stable for a long time, it is the fifth largest financial center worldwide. Its overall economic as well as political and economic environment changes have no significant impact on the overall operation of the Company.

B. Foreign Exchange Control, Taxation Risks, and Relevant Laws and Regulations

At present, the Cayman Islands neither levies taxes on personal or company profits, income, gains, or property appreciations nor does it have an inheritance tax or succession duty. Except for stamp duty applicable for contracts signed in the Cayman Islands or for contracts drafted in the Cayman Islands, there are no taxes levied by the Cayman Islands government that may be considered significant for the Company. The transfer of shares in a Cayman Islands company is not subject to stamp duty in the Cayman Islands except where the company has interest in the land of the Cayman Islands.

There are no foreign exchange controls or currency controls in the Cayman Islands.

In terms of legal regulations, the Company Law of the Cayman Islands requires companies in the Cayman Islands to establish the Memorandum of Association to specify the company name, registered address, and capital composition; however, it does not mandate companies to establish an Articles of Association. In practice, companies in the Cayman Islands will refer to the First Schedule Table A of the Company Law in drafting the Articles of Association for the purpose of regulating the company's internal operations. Therefore, this Company shall abide by its Articles of Association, the Company Law of the Cayman Islands, and other relevant laws and regulations. Although the laws of the Cayman Islands and the Republic of China are different, this Company has amended its Articles of Association according to the relevant laws and regulations of the Republic of China, the requirements of the competent authorities, and within the bounds of the Cayman Islands laws. Matters not covered by the Articles of Association shall be handled according to the relevant laws of the Cayman Islands.

and the laws of the Republic of China applicable to the stock publicly offered by a foreign issuer in order to protect the shareholders' rights and interests of investors in the Republic of China. However, the degree of protection of shareholders' equity may still differ from that of companies established under the laws of the Republic of China.

C. Are the Domestic Final Civil Judgments Binding?

(1) . Risk of Litigation

The Company is an exempted company registered in the Cayman Islands and has not applied for approval from the Ministry of Economic Affairs in accordance with the laws of the Republic of China. Although the Company's Articles of Association expressly stipulate that shareholders holding over 3% of the total shares issued by the Company for over one year may file a lawsuit in a court of competent jurisdiction (including the Taipei District Court of Taiwan) in order to seek appropriate remedies for improper Shareholders' Meeting procedures, resolutions passed improperly, business actions that can damage the Company, or director related actions that violate the law or the Articles of Association of this Company. The Company shall designate the litigious and non-litigious agents for litigation in Taiwan according to the laws of the Republic of China. However, if an investor files a lawsuit against the Company or the person in charge in a court of the Republic of China, the court may still determine the existence of jurisdiction and the delivery method according to the nature and circumstances of the case. The court may also require the investor to state the foreign laws associated with the case. So not all types of cases are guaranteed to obtain a physical judgment from a court in the Republic of China.

(2) . Court Judgment Recognition and Enforcement Risks

The Company has obtained legal advice from the Cayman Islands summarized as follows: Although there is no law in the Cayman Islands providing that the judgments made by the courts of the Republic of China are enforceable in the Cayman Islands, the Cayman Islands Court will recognize and enforce the judgment of a foreign court from a competent jurisdiction (including the Republic of China) based on the principle that the court of a foreign country with jurisdiction has issued an order of a debt payable by the debtor. However, such judgment must be final and cover non-tariff or other cash payments of such obligations, fines, penalties; and the acquisition or execution of the judgment shall not contravene the public policy of the Cayman Islands. In certain circumstances, the Cayman Islands courts may extend the classification of remedies issued by foreign courts in the Cayman Islands beyond monetary judgment into remedies such as mandatory orders, declarations, and injunctions.

The Company's Articles of Association clearly stipulate that under the premise as permitted by the Cayman Islands Company Law, the content of the Company's Articles of Association do not prevent any shareholder from filing a lawsuit in a court of competent jurisdiction for appropriate remedies within 30 days after the resolution is made on the grounds that the convening procedure or resolution method of the Shareholders' Meeting is contrary to the statute or charter. The Company's Articles of Association expressly provide that the Taipei District Court of Taiwan may be the court of first instance for disputes arising from the foregoing matters. However, since the Company is an exempted company in the Cayman Islands, if a lawsuit is filed in the Cayman Islands court, said court will first determine whether it has jurisdiction to hear the relevant dispute. If said court determines that it has jurisdiction to hear the relevant dispute, it shall have sole discretion to determine the content of the relief.

The Cayman Islands Company Law does not have specific specifications for minority shareholders to file derivative actions against the directors in a Cayman Islands court. In addition, the Company's Articles of Association are not a contract between the shareholders and the directors, but an agreement between the shareholders and the Company. Therefore, even if the minority shareholders are allowed to file a derivative action against the directors according to the Articles of Association, such regulations are not binding on the directors under the laws of the Cayman Islands. However, under the Common Law of the Cayman Islands, all shareholders (including minority shareholders) have the right to file derivative actions (including litigation against directors) regardless of their shareholding ratios or shareholding periods. Once a shareholder sues, the court of the Cayman Islands shall have full discretion to decide whether the shareholder can continue the lawsuit. In other words, even if the Company's Articles of Association permit minority shareholders (or shareholders with the required shareholding ratio or shareholding period) to file a lawsuit against the directors on behalf of the Company, the court of the Cayman Islands shall ultimately determine whether the lawsuit may continue. According to the relevant judgment of the Cayman Islands Grand Court, when the Cayman Islands courts consider whether to approve the continuation of derivative proceedings, the applicable criterion is whether the Cayman Islands courts believe and accept that the plaintiff's request on behalf of the Company is apparently material and whether the claimed wrongdoing perpetrated by those who have control over the Company, and such controllers can compel the Company not to file a lawsuit against them. The Cayman Islands courts shall issue a ruling on a case-by-case basis (although the court may refer to the provisions of a Company's Articles of Association, this is not a decisive factor).

D. Must Taiwan Extradite the Accused for Trial?

The securities supervision authority of the Cayman Islands where the Company is registered has signed the "International Organization of Securities Commissions Multilateral Memorandum of Understanding". The Financial Supervisory Commission of the Executive Yuan of the Republic of China may, in accordance with the law, request information from the securities regulatory authorities of the Cayman Islands to provide relevant information or documents. They include, but are not limited to, all current records sufficient to retrace all transactions related to securities and derivative financial products (including all funds and assets transferred to the bank as well as trading account entry and exit records), etc. However, the memorandum does not have any provisions relating to extradition. Therefore, Taiwan has no right pursuant to the memorandum for requesting the Cayman Islands to extradite the defendant back to Taiwan. Secondly, there is no agreement in terms of mutual legal assistance in criminal justice between Taiwan and the Cayman Islands. Based on the above, Taiwan may face the risk of not being able to request the Cayman Islands to extradite the defendant back to Taiwan for trial.

E. Applicability Risk for the Laws Derived Based on the Differences Between the Cayman Islands Laws and the Republic of China Laws

This Company is a company established under the laws of the Cayman Islands. It is listed on the Taiwan Stock Exchange and has amended its Articles of Association in accordance with the requirements of the relevant laws of the Republic of China in order to protect shareholders' rights and interests. Matters not covered by the Articles of Association shall be handled by the Company according to the relevant laws of the Cayman Islands and the applicable laws of the Republic of China. The laws of the Cayman Islands and the Republic of China have many differences in terms of company operation regulations. Investors cannot apply the legal protection rights for a ROC company investment into a Cayman Islands company investment. Investors must acknowledge and consult with experts when necessary to find out if shareholders' rights protections are unavailable when investing in a Cayman Islands company. Moreover, the differences between the laws of the Cayman Islands and the Republic of China may cause applicability conflicts or ambiguous interpretations, and such applicability conflicts or ambiguous interpretations must be resolved by a court judgment. Therefore, investors are reminded that if they want to request the Cayman Islands court to enforce the judgment issued by a Republic of China court or to file a lawsuit or enforce their rights in the Cayman Islands courts, the Cayman Islands courts may not necessarily recognize the laws and trading practices of the Republic of China (including, but not limited to, the share transfer methods and the shareholder), which may generate risks against the right to exercise for foreign companies.

F. Investors Shall Carefully Assess Whether Their Financial Capabilities and Economic Conditions are Suitable Before Trading in Foreign Securities of Listed, Over the Counter, or Emerging Stock Companies; and Pay Special Attention to the Following Issues:

The Company's corporate affairs are subject to the Company's Articles of Association as well as the Company Law and Common Law of the Cayman Islands. The rights of shareholders to make claims against directors, the rights of minority shareholders to sue, and the loyalty obligations of directors under the laws of the Cayman Islands are mostly subject to the Common Law of the Cayman Islands. Portions of the Cayman Islands' Common Law are derived in part from the relatively limited Cayman Islands court precedents and the English common law, which have referential value but are not binding to Cayman Islands courts. The shareholder rights and the directors' loyalty obligations as regulated by the Cayman Islands' laws may be less clear than the statutes or court judgment precedents of other countries that are more familiar to the investors.

The Company is a company organized under the laws of the Cayman Islands. Therefore, shareholders may not request to execute any judgments issued by a nation outside of the Cayman Islands against this Company, some or all of its directors, or senior managers. Shareholders may also be unable to serve the directors or senior managers of the Company in their countries of origin, or may not be able to execute a judgment issued by the shareholder's local court according to the civil liabilities pursuant to the securities related laws and regulations against a director or senior manager of the Company. For the Company's directors or senior managers who are not the residents of the country where the judgment was made, there is no guarantee that shareholders will be able to enforce their civil and commercial judgments against the counterpart.

2. Main Operating Country: Hong Kong

A. Overall Economy as Well as Political and Economic Environment Changes

Hong Kong is located on the north bank of the South China Sea, the Pearl River Estuary, east of the Pearl River Estuary, north of Guangdong Shenzhen, south of the Wanshan Islands, and west of Macau and Guangdong Zhuhai. It consists of the Hong Kong Island, Kowloon, and the New Territories. In 1842, Hong Kong Island was permanently ceded due to the signing of the "Nanjing Treaty" between China's Qing Dynasty and the United Kingdom. Subsequently, the "Convention of Peking" and "The Convention Between Great Britain and China Respecting an Extension of Hong Kong Territory" were signed to cede Kowloon and rent the New Territories, respectively, and later became the overseas area ruled by the British. In July 1997, the People's Republic of China withdrew the sovereignty after reaching an agreement with the United Kingdom and established the Hong Kong Special Administrative Region. It became one of the special administrative regions under the People's Republic of China, and the "Hong Kong Basic Law" was formulated to outline the basic management policy by the Chinese government for Hong Kong in the next 50 years after 1997. The basic management policy for Hong

Kong includes maintaining Hong Kong's existing capitalist system and lifestyle, and reserving a high degree of autonomy except for diplomacy and defense.

Hong Kong primarily pursues a free market capitalist economic system. Under the development of its geographical advantages as well as political and economic history, it has gradually become one of the important hubs for finance, service industry, and shipping in the Asia Pacific region. After its return to the People's Republic of China, Hong Kong faced the 2000 Internet bubble and the SARS crisis that weakened its economy. Since 2004, Hong Kong's economy has begun to recover. In addition, the government has adopted financial, logistics, tourism, as well as industrial and commercial support services as "Hong Kong's four major economic pillar industries" that helped Hong Kong's economy to develop and flourish. Although the financial tsunami in 2008 and the weak global economy have slowed down Hong Kong's economic development, Hong Kong's long-term economic and trade development, its position as an international economic and trade center, as well as the "13th Five-Year Plan" and the "Belt and Road Initiative" policies promoted by the Chinese government have promoted and developed Hong Kong's financial services and facilitated the overall economic development of Hong Kong.

B. Foreign Exchange Control, Taxation Risks, and Relevant Laws and Regulations

In terms of foreign exchange, there is currently no foreign exchange control unit in Hong Kong, so there is currently no foreign exchange control.

In terms of land tax and other levies as well as statutes, Hong Kong's taxation system is mainly "regional" or "tax source" based. Therefore, enterprises engaged in trade, professional services, and business activities in Hong Kong are subject to taxation. Under Hong Kong's Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), the taxes levied in Hong Kong primarily comprise three types: profits tax, salaries tax, and property tax. The taxation period is from April 1 to March 31 of the following year. The profits tax, salaries tax, and property tax are described as follows:

- (1) . Profits tax: Anyone, including companies, partnerships, trustees, or groups and natural persons, who engages in an industry, profession, or business in Hong Kong whereby said industry, profession, or business has generated taxable profits from Hong Kong (except for profits from the sale of capital assets) must pay taxes.
- (2) . Salaries Tax: Salaries tax is payable on all income, employment, and Retirement generated in Hong Kong or obtained from Hong Kong.
- (3) . Property Tax: The tax paid in Hong Kong for holding property and leasing profits. There is no need to pay property tax for holding property only; but one must still pay rates, land taxes, or government rents.

Other taxes include:

- (4) . Stamp Duty: The tax levied by the Hong Kong Government on all transfers involving real estate, real estate leases, and stock transfers.
- (5) . Commodity Tax: Hong Kong generally does not impose a commodity tax, except for liquor, tobacco, hydrocarbon oils, and automobiles.

The profit tax rate is 16.5% (15% for non-corporation personnel). Therefore, the tax burden on enterprises operating in Hong Kong is relatively light, and companies earning income from non-Hong Kong sources (i.e., offshore income) or income from capital gains are exempt from taxation in principle. Therefore, Hong Kong's taxation system as well as laws and regulations have no adverse effect on the development for enterprises.

C. Are the Domestic Final Civil Judgments Binding?

There is no judicial reciprocity or other agreement of a similar nature between Hong Kong and the Republic of China. However, the Hong Kong courts may follow common law. The party may sue and request execution according to a judgment made by a court in the Republic of China, and the Hong Kong court may consider whether the judgment meets certain conditions including, but not limited to:

- (1) . The judgment is related to the payment of a specific transaction volume and does A involve taxes or fines (including punitive liquidated damages); and
- (2) . It must be the final judgment; and the judgment may not be associated with the following circumstances:
 - (A) Obtained fraudulently;
 - (B) The judgment procedure violates the principle of fairness and justice;
 - (C) The recognition and enforcement of the judgment violate Hong Kong's public policies;
 - (D) According to Hong Kong Law, the courts of the Republic of China have no jurisdiction; or
 - (E) The result of the judgment is contrary to the results of the Hong Kong judgment that the same party has obtained in the same dispute.

3. Main Operating Country: Mainland China

A. Overall Economy as Well as Political and Economic Environment Changes

The People's Republic of China is located in East Asia and its capital is Beijing. China has a very long development history. As for its modern history development, economic development has become the focus of national development since Mainland China's reform and opening-up policy in 1978 that prompted Mainland China to become one of the fastest growing economies in Asia. Under its economic development plan, the Chinese government has formulated a development plan once every five years. Since the "12th Five-Year Plan" in 2011, Mainland China's national construction and development policies have become more comprehensive. In addition to the rapid expansion of domestic labor, capital, and resources as well as technology and system improvements aimed at improving the efficiency of various domestic production activities; Mainland China has also actively promoted general education, urbanization, infrastructure construction, and the upgrade of the resident consumption structure. Mainland China has also actively invested in international activities, participated in international organizations, and thereby promoted its international influence.

In recent years, China's economic development has slowed relative to previous years. However, the government's development policy has entered the "13th Five-Year Plan" period. Under the continuation of infrastructure construction and policy development, economic development will continue to grow. According to the statistics from the National Bureau of Statistics of China, the country's GDP from 2015 to 2020 was RMB¥68,905.2 billion, RMB¥74,412.7 billion, RMB¥82,712.2 billion, RMB¥90,030.9 billion, RMB¥99,086.5 billion, with GDP growth rates of 6.9%, 6.7%, 6.9%, 6.6% and 6.1%, respectively. The statistics indicate a gradual slowdown in economic growth. However, the market in Mainland China has gradually warmed up. Therefore, with the continued implementation of the "13th Five-Year Plan" by the Chinese government and the international economy, Mainland China's economy is expected to continue to grow.

Even under the severe impact of the COVID-19 outbreak, Mainland China's economy is making a steady recovery and performs better than expectations. It is the only one among major global economies to realize annual economic growth finally. According to the "2020 National Economic and Social Development" published by the National Bureau of Statistics of China, Mainland China's economic total volume broke through a trillion and posted an annual GDP of RMB¥101.6 trillion, up 2.3% YoY.

Mainland China adhered to the general working guideline of making progress while maintaining stability and the new development philosophy for economy. It committed to the high-quality development, focused on the quality and effectiveness, promoted the overall plan of "Development in Five Areas" and coordinated the strategic plan of "Four-pronged Strategy", which centered on the supply-side structural reform to propel steady growth, promote reform, adjust structure, benefit the public, and prevent risks, thereby advancing the economy steadily, pursuing greatness while maintaining stability, performing beyond expectations, and maintaining steady and healthy development of the economy and society.

The Company's products are mainly manufactured and produced in Mainland China. Furthermore, the Company's development strategies base the Mainland China's market as the major operating location, and its revenue mainly comes from the Mainland China. Therefore, the Company's financial position, operating result, and prospect will be affected by political and economic conditions in Mainland China and legal development, and such uncertainties probably will pose a certain level of impacts on the Company's operations and investors.

B.Foreign Exchange Control, Taxation Risks, and Relevant Laws and Regulations

After the reform and opening up of the Chinese government in 1978, the foreign exchange management system was gradually adjusted from a highly centralized project management to market management. However, the Chinese government made major reforms to its foreign exchange management system in 1994 and established the China Foreign Exchange Trading Center in order to provide foreign exchange trading and clearing services for financial institutions; established an inter-bank foreign exchange market; and canceled foreign exchange retention, surrender, and quota management in the foreign exchange system. As the Chinese government has conducted foreign exchange reforms and implemented them for many years, the Renminbi has gradually become one of the major currencies worldwide as the global economic situation has evolved. Therefore, the exchange rates between the Renminbi and foreign currencies also affect China's political and economic development. So, Mainland China started to adopt a floating exchange rate policy since July 21, 2005 to officially detach the Renminbi exchange rate from the U.S. dollar; and adopted the Basket of Exchange Rates policy that allows the Renminbi exchange rate to fluctuate slightly. However, the Chinese government has strongly blocked the appreciation of the Renminbi in order to keep its exports competitive. Therefore, the exchange rate of the Renminbi tends to be undervalued. The international powers led by Europe and the United States will continue to exert pressure on the Chinese government to force the Renminbi to appreciate against the U.S. dollar.

C. Corporate Income Tax and Value Added Tax

(A) Corporate Income Tax Law

China's current law regulations for corporate income tax primarily comprise the "Enterprise Income Tax Law of the People's Republic of China" (hereafter "New Enterprise Income Tax Law") promulgated on March 16, 2007 and amended on February 24, 2017, as well as the "Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China" on December 6, 2007 (hereafter "Implementation Regulations"). The transition period measures the package implemented for foreign-invested enterprises established prior to the promulgation of the new Exchange Law in 2007, which meant that companies

that have enjoyed a lower income tax rate can receive a grace period of up to five years. The new Exchange Law promulgated in 2007 took effect on January 1, 2008. According to the New Enterprise Income Tax Law and its implementation rules, a 25% corporate income tax would uniformly apply to foreign- and domestic-funded enterprises in Mainland China, and a number of tax reductions and exemptions for foreign companies were canceled. In addition, pursuant to the New Enterprise Income Tax Law and starting January 1, 2008, if a non-resident enterprise does not have an institution or place of business in Mainland China or if the institution or place of business has been established but the income obtained is not actually related to the institution or place of business established, the income shall be regarded as one of the various passive incomes originated in Mainland China (e.g., dividends), and the prepaid income tax shall be paid at a 10% tax rate (with a 5% tax rate under the Hong Kong Special Administrative Region tax treaty).

(B) Value-Added Tax

The value-added tax (VAT) of Mainland China was primarily introduced in 1979. However, because the system was not yet complete, the Chinese government conducted reforms and promulgated the "Provisional Regulations of the People's Republic of China on Value-Added Tax" in December 1993, revised the relevant regulations in November 2008 and November 2017, and enforced the regulations on November 19, 2017. The regulations mainly provide that units and individuals who sell goods, labor services, tangible movable property leasing services, or import goods in Mainland China are VAT taxpayers; and the main VAT rate is 0%-13%. The zero-tax rate also applies if the export goods meet certain conditions. The implementation of the regulations has been gradually promoted after Shanghai began to pilot program to switch from business tax to VAT in January 1, 2012. On August 1, 2013, the pilot reform was promoted throughout the nation. The pilot industries include transportation, postal services, and telecommunications. For modern services such as R&D and technical services, information technology services, cultural and creative services, logistics support services, forensic consulting services, and tangible movable property leasing services; except for the 16% VAT rate for tangible movable property leasing services; the VAT rate for transportation and postal services is 11%, the VAT rate for modern services providers is 6% (except for limited movable property leasing services), and the VAT rate for taxable services regulated by the Ministry of Finance and the State Taxation Administration is 0%. Since May 1, 2016, the pilot reform of switching from business tax to VAT has been launched nationwide. All business taxpayers including construction, real property, finance, and life services have been included in the scope of the pilot reform and have been switched from paying business tax to VAT. The business and services of the important subsidiaries in Mainland China may involve pilot reform related businesses and services. Therefore, the scope of the VAT taxation and the aforesaid tax rates may apply.

D. Law of the People's Republic of China on Employment Contracts

The Chinese government passed the "Law of the People's Republic of China on Employment Contracts" (hereafter "the Law") on June 29, 2007, enforced it on January 1, 2008, and revised it on December 28, 2012. The Law provided that once an enterprise has commenced employment (including internship), the employer and the employee must sign a written labor contract. If the written labor contract has not been signed for one year from the date of hiring, the employer and employee parties are deemed to have reached a labor contract with no fixed termination period and no fixed term. Therefore, if the employer has not signed a written labor contract with the employee between one month and less than one year after the date of employment, the employer shall pay two-month's salary for each month that the employee has worked. In addition, when the employment relationship ends, the employer must pay economic compensation if special conditions stipulated in the labor contract have been met. However, if the employer provides the same or better renewal conditions compared to that of the previous contract but the employee refuses to accept the new contract, the employer shall be exempted from paying economic compensation. The compensation shall be based on the employee's tenure, but shall not include specific periods determined by the local government prior to 2008. Generally speaking, employees are entitled to one month's salary as compensation for each year that they have worked. A work period over six months and less than one year shall be deemed as one year. Employees who worked for less than six months are entitled to a half month's salary as compensation. In addition, if the employer and the employee have not signed a written employment contract, but there is an arbitration or court judgment that the employment relationship actually exists for over one month, the employer shall pay the employee double the monthly salary and the employee compensation according to the preceding calculation method with no exemption period. Regarding non-scheduled employment contract, it is unclear whether an employer is obligated to pay employee compensation.

E. Particularities of Land and Real Property

Relevant regulations regarding land and real property in Mainland China are primarily based on the "Law of the People's Republic of China on Land Administration" and the "Law of the People's Republic of China on Urban Real Estate Administration". Mainland China mainly implements the socialist public ownership of land. The ownership of the land is mainly exercised by the State Council on behalf of the state, and there is no private land in the territory. Additionally, the lands in Mainland China are also subject to different useful life due to different characteristics of use. For example, the land use for residential land is 70 years; and the land use for industrial land, education, science and technology, culture, health, and sports is 50 years. Pursuant to Article 22 of the "Urban Real Estate Administration," upon expiration of the land use right, the land user must apply for

renewal one year in advance. Unless the land must be recovered according to the public interest, the land user must sign a new contract upon approval by the government, pay the land use right transfer fee, and complete the registration. In addition, the state may impose eminent domain or expropriate the land according to public interest pursuant to the law, and provide compensation to the land user.

In terms of housing lease, the Chinese government has promulgated the "Administrative Measures for the Leasing of Commodity Housing" on December 1, 2010 and provided that parties to a housing lease must sign a written lease contract. The "Contract Law of the People's Republic of China" and the relevant provisions provided by the Supreme People's Court via "Interpretation on Several Issues Concerning the Specific Application of Law in the Trial of Disputes Over Town House Leasing Contract" provide that the law and administrative regulations require a lease contract to undergo the lease filing formalities. However, failure of the parties to complete the registration procedures shall not affect the validity of the lease contract, the ownership of the subject matter, and other property rights that cannot be transferred.

The Company's subsidiary in Mainland China -- JUWENLEE -- has been unable to obtain a real property license throughout the original land and building obtaining process due to the real property registration history problems. Therefore, when the Economic Development Bureau of Zhangzhou Taiwanese Investment Zone issued a notice on the registration of real estate for industrial enterprises in September 2017 to allow enterprises that meet the conditions to reapply for real property licenses according to the law, the Company completed the re-registration process for the plant and obtained the real property certificate for the aforesaid plant. Overall, there is no significant adverse impact on the Company's operations.

F. Social Insurance and Housing Provident Fund

(A) Social Insurance Payment Situation

In order to guarantee and enhance people's livelihood and welfare, the Chinese government promulgated the "Social Insurance Law of the People's Republic of China" in October 28, 2010 and implemented it on July 1, 2011. The main contents of the law include basic pension insurance, basic medical insurance, industrial injury insurance, unemployment insurance, maternity insurance, and social insurance premium collection. However, the different approaches or interpretations of the social insurance system for employees by the local governments in Mainland China have led to inconsistencies in terms of pension, medical care, work-related injuries, unemployment, and maternity insurance benefits implemented by the local governments when compared to the regulations promulgated by the State Council of China. The Company's subsidiary in Mainland China is currently paying the social life insurance premium according to the minimum base point provided by the law. The Company has estimated the difference from the amount payable under the current law and included it in the financial statements. The major shareholders also promised that if the difference is to be recovered by the competent authority, they will bear responsibility. Therefore, the relevant social insurance regulations will not have a significant or adverse impact on the Company.

(B) Housing Provident Payment Status

The Chinese housing system began in the 1980s, and was inspired by the Singapore Central Provident Fund system in 1991. Therefore, the housing provident fund system was first established in Shanghai and then extended to cities and towns above the country level in 1994. To strengthen the management of housing provident fund, the Chinese government promulgated the Regulations on the Management of Housing Provident Fund on April 3, 1994, which was revised on March 24, 2002. However, due to actual situation differences for various areas across Mainland China, areas have established specific provisions for housing provident fund collection under the premise of conforming to the "Regulations on the Management of Housing Provident Fund" or issuing housing provident fund payment base point and ratio related policies each year. In addition, the housing provident fund is limited to the purchase of houses and home repairs in the area where they are deposited, and cannot be used for external housing purchases. In addition, the employees must also pay the same ratio from their salary as that paid by the Company into the housing provident fund account. The Company's subsidiary in Mainland China is currently paying the housing provident fund according to the minimum base point provided by the law. The Company has estimated the difference from the amount payable under the current law and included it in the financial statements. The major shareholders also promised that if the difference is to be recovered by the competent authority, they will bear responsibility. Therefore, the relevant housing provident fund regulations will not have a significant or adverse impact on the company.

G. Environmental Protection

With the development of Mainland China, environmental protection has also become one of the key specifications of concern for the Chinese government. At present, the major environmental protection regulations of Mainland China include the "Environmental Protection Law of the People's Republic of China", "Water Pollution Prevention and Control Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution" and "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste". Pollution generating units are subject to the relevant regulations. Among them, if the enterprise produces waste gas, waste water, waste residue, dust, odorous gas, radioactive substances, noise, vibration, electromagnetic wave radiation, etc., it is necessary to obtain a waste discharge permit and pay the waste discharge fee. In the case of behaviors that violate the provisions provided by the relevant environmental protection laws, the relevant environmental

protection supervision authorities may issue a warning, order a stop of production or utilization, order reinstallment and use, or issue punitive fines according to the different circumstances. In addition, GLINGLUO the construction project is put into production or use, its environmental pollution prevention and control facilities must pass the acceptance inspection by the environmental protection administrative department. Construction projects that fail to meet the requirements of the state's environmental protection control regulations for construction projects shall Company may be put into production or be utilized.

The Company's subsidiary in Mainland China -- JUWENLEE -- completed the environmental inspection acceptance in 2011 and obtained the pollution discharge permit (the latest license is valid from March 18, 2025 to March 17, 2030). In response to the future development needs, the Company's status was reported to the Zhangzhou Taiwanese Investment Zone Economic Development Administration on May 30, 2016; and the Company completed the investment for the application to expand the annual output of cosmetics to 500 tons on December 1, 2017. As of the publication date of the assessment report, the environmental inspection acceptance report for the project expansion area has been completed and approved by the experts on-site, the total amount of pollution discharge applied has been approved, and the Company has obtained the approval for the registration and the renewal of the discharge permit from the environmental protection department. In addition, the Zhangzhou Taiwanese Investment Zone Environment and Safety Production Supervision Administration issued a certification on March 9, 2018 certifying that the Company has complied with the national and local regulations on environmental protection and safety production without any major environmental pollution accidents or production safety accidents. In addition, the major shareholders of the Company have also issued a letter of commitment pledging to bear any relevant fees incurred because of any law violations based on the circumstances described above. In summary, the relevant environmental protection regulations will not pose a significant and adverse impact on the Company.

H. Chinese Government's Policy Development Trends and Regulatory Changes

The Company's subsidiaries in Mainland China are subject to the supervision and jurisdiction of the Chinese government including, but not limited to, the business department, market regulation management department, foreign exchange management department, environmental protection department, safety supervision department, and drug regulatory department. The aforesaid government regulatory authorities have the right to promulgate and/or enforce laws and regulations concerning the production and operations of the subsidiaries in Mainland China pursuant to the laws and regulations. The production and operation of the Company's subsidiaries in Mainland China require the approval and permission from the government regulatory authorities. If the subsidiaries in Mainland China cannot obtain or continue to hold the relevant approvals and permits from the various government regulatory authorities, said subsidiaries may incur penalties such as fines, terminations, or restrictions on operations. Any such occurrence will affect the production and operation of the Company. The Company will continue to closely observe and understand the policy development trends and regulatory changes of the Chinese government, and strive to follow them. On June 29, 2020, the State Council of the People's Republic of China promulgated the "Regulation on the Supervision and Administration of Cosmetics" (effective as of January 1, 2021, in accordance with State Order No. 727), tightening the requirements for product raw materials and legal responsibility management. The Company has strictly abided by the regulations, learned the laws in advance, asked its employees to familiarize themselves with the provisional requirements of the law, and strengthened internal management to ensure that our business operations are in compliance with the law. The introduction of this law did not impose a significant impact on the company.

I. Dividend Distribution

As the Company is a holding company, its ability to pay dividends depends on the surplus and distribution of its subsidiaries as well as the distribution method and amount passed by the Board of Directors. Therefore, the future dividend distribution will be allocated based on the Group's overall operating performance, financial position, cash requirements, and the applicable laws and regulations. For example, according to Chinese laws, subsidiaries in Mainland China can only distribute and pay dividends from their net profits, and the net income amount is based on China's generally accepted accounting principles based on the retained earnings calculated by the relevant financial regulations in China as the benchmark. This is different from international financial reporting standards.

J. Are the Domestic Final Civil Judgments Binding?

According to the "Provisions of the Supreme People's Court on Recognition and Enforcement of the Civil Judgments of Courts of the Taiwan Region" promulgated on June 29, 2015 and implemented on July 1, 2015, parties of a civil judgment issued by a district court in Taiwan can issue an application for a People's Court in Mainland China to recognize the civil judgment issued by a relevant court in Taiwan for issues such as: civil judgments, rulings, reconciliations, mediations, and payment orders. The People's Court shall, after examination, confirm whether the civil judgment issued by the Taiwan District Court is true and enter it into force. The People's Court may recognize any issues not in contravention of the one China principle, and the relevant matters are as follows:

- (A) The civil judgment applied for recognition was made in the absence of the respondent, was not legally transmitted, or was made without capacity for action and without proper representation.

- (B) The case is exclusively under the jurisdiction of the People's Court.
- (C) The parties to the case have a valid arbitration agreement and have not waived the jurisdiction of the arbitration.
- (D) The case is ruled on by the People's Court or an arbitration award has been made by an arbitration tribunal in Mainland China.
- (E) The Hong Kong Special Administrative Region, the Macao Special Administrative Region, or a foreign court has made a judgment for the same dispute; and the decision has been approved or recognized by the People's Court.
- (F) The Taiwan region, Hong Kong Special Administrative Region, the Macao Special Administrative Region, or a foreign arbitration tribunal has made a judgment for the same dispute; and the decision has been approved or recognized by the People's Court.

Therefore, after being approved by the People's Court, the civil judgment of the Taiwan District Court and the effective judgment of the People's Court shall have the same effect. However, considering that the People's Court of Mainland China is conditionally accepting the judgment of the Taiwan Civil Court, and there are uncertainties regarding the delivery of the litigation files issued by a Taiwan court to Mainland China as well as the recognition application and enforcement time and force, the effectiveness of civil judgments made by Taiwan courts may still be at risk of being unrecognized and unenforceable in Mainland China.

(III) Effects That Interest, Exchange, Fluctuation, and Inflation Rates Have on the Profits and Losses of the Company as Well as the Future Response Measures

1. Effects that Interest Rate Changes Have on the Profits and Losses of the Company as Well as the Future Response Measures

Unit: NT\$ thousand; %

Items \ YEAR	2023		2024	
	Amount	% of net sales ratio	Amount	% of net sales ratio
Interest revenue	19,125	1.97	20,279	1.80
Interest Expenditures	2,937	0.30	1,690	0.15

The Company has no external capital borrowings over the last two years, so the market interest rate changes have not had a significant impact on the financial business of the Company.

The Company's capital planning is conservative and stable, and regards security as the primary concern for its working capital allocation. Idle funds are mainly in principle guaranteed financial products, fixed deposits and demand deposits, and the proportion of interest income is not high. However, the Company still maintains good relations with financial institutions, and can bargain for favorable financing conditions if there is a financing need in the future. In addition, the financial unit of the Company also pays close attention to the economic development situation on a regular basis and will take corresponding measures when necessary.

2. Effects That Exchange Rate Changes Have on the Profits and Losses of the Company as Well as the Future Response Measures

Unit: NT\$ thousand; %

Items \ YEAR	2023	2024
Exchange gain (loss)	3,383	(975)
% of operating revenue	0.35	(0.09)

The percentage of the Company's exchange gain (loss) for the most recent two years in the annual net operating revenue is considered low. The Company's collection currency and payment for purchases are mainly based on the Renminbi. Various expenses and payments can be offset to achieve natural hedging effects, reduce currency exchange needs, and can minimize the effects of exchange rate fluctuations.

3. Effects That Inflation Has on Company Profits as Well as the Future Response Measures

Under the rapid changes in the global economic environment, the Company has not experienced any significant impact on gain or loss due to the aforesaid inflation or deflation crisis as of the publication date of this Annual Report. In the future, the Company will continue to maintain close and good relations with suppliers and downstream customers, pay attention to market price fluctuations at all times, adjust procurement strategies and sales quotations in a timely manner, and reduce the impact of inflation changes on the Company's gains or losses.

(IV) Main Policies for Engaging in High-risk Engagements, Highly Leveraged Investments, Endorsement Guarantees, and Derivative Financial Transaction Policies; Main Reasons for Profits and Losses; and Future Response Measures

1. Main Policies for Engaging in High-risk Engagements and Highly Leveraged Investments, and the Main Reasons for Profits and Losses as Well as Future Response Measures

The Group has focused on its business operations based on the principle of soundness and pragmatic business philosophy, and never engaged in high-risk or high leveraged investments and transactions.

2. Main Financial Loan Policies, and the Main Reasons for Profits and Losses as Well as Future Response Measures

The loans provided by the Company's subsidiaries to others are as follows:

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

Creditor	Borrower	Cumulative highest balance as of this month	Ending balance	Actual amount drawn down	Interest rate range	Reason for short-term financing	Collateral	Limit on loans granted to a single party	Ceiling on total loans granted
Juwenlee (Fujian) Cosmetics Co., Ltd.	Lever Guide Biotech Co., Ltd.	68,175	0	0	1.7%	Working capital	None	552,381	552,381
Juwenlee (Fujian) Cosmetics Co., Ltd.	Lever Guide Biotech Co., Ltd.	67,305	67,170	0	1.5%	Working capital	None	552,381	552,381

The Company's subsidiary provided the loan to others based on the Company's requirements for operations. The transaction was processed prudently in accordance with the "Operating Procedures for Lending Funds to Others" established by the Company, and conduct the announcement declaration operations according to the relevant law and regulations.

3. Endorsement Policy, Main Reasons for Gains or Losses, and Future Response Measures

The endorsements and guarantees provided by the Company and subsidiaries are as follows:

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

Name of company providing endorsement or guarantee	Recipient of endorsement or guarantee	Limit on endorsements/guarantees to a single enterprise	Cumulative highest balance as of this month	Ending balance of endorsements/guarantees	Actual amount drawn down	Endorsed/guaranteed amount with property as collateral	Cumulative endorsed/guaranteed amount as a percentage of the net value in the most recent financial statements	Maximum endorsement/guarantee
	Company name							
Luo Lih-Fen Holding Co., Ltd.	Lever Guide Biotech Co., Ltd. (TW)	335,702	77,250	40,862	40,862	0	2.43%	839,255
Luo Lih-Fen Holding Co., Ltd.	Lever Guide Biotech Co., Ltd. (TW)	335,702	80,000	80,000	0	0	4.77%	839,255

The Company and subsidiaries' aforementioned endorsements and guarantees are provided for bank financing purposes. The transaction was processed prudently in accordance with the "Operating Procedures for Endorsement and Guarantee" established by the Company, and conduct the announcement declaration operations according to the relevant laws and regulations.

4. Main Financial Derivatives Trading, and the Main Reasons for Profits and Losses as Well as Future Response Measures

The Company doesn't engage in any financial derivatives trading. Notwithstanding, if the Company does, the Company's Operating Procedure for Acquisition or Disposal of Assets will apply.

(V) Future R&D Plans and Anticipated Investments in R&D Expenses

1. Future R&D Plans

A. Development New Series of Products

For products that have reached the market for a certain number of years, the technology center will redevelop a new series of products to satisfy the market demand; which shall contain new dosage formulas, ingredients, and enhanced product efficiency. In terms of consumer demands and market mainstream trends, the Company will develop skin care products that meet the new demands and new functions in order to increase product breadth and market share.

B. Exchange with Peers

Actively participate in communication, broaden horizons, understand the latest trends in the industry, learn relevant information, master the latest technologies, explore new ideas, and improve product development and product pricing control capabilities.

C. Cooperation with Academic Units

Work with related research institutions to develop or transfer the patents, with respect to stem cells, genes and existing patented technology, and apply the same to related products.

D. Department Review and Summary

Review and summarize product design on a regular basis as well as improve design concepts, technical materials, etc.

2. Expected Investments in R&D Expenses

Unit: NT\$ thousand; %

Items \ YEAR	2023	2024
R&D Costs	49,824	51,984
% of operating revenue	5.13	4.61

The Company's R&D investment is determined according to the new product development progress and process. With the acquisition of new product development plans and testing equipment, R&D expenses will be increased each year in order to support future R&D projects and increase the Company's market competitiveness. The R&D investment in 2024 is estimated to be no less than 3% of the operating revenue for the year.

(XI) Effects the Key Domestic and International Policy and Law Changes Have on the Financial Operations of the Company as Well as the Response Measures

The Company is registered in the British Cayman Islands. The Cayman Islands' main economic activity is financial services, its economy is open without foreign exchange controls, and it has stable political and economic conditions. The main place of operation is Mainland China. The various business operations of the Company are conducted in accordance with the important policies and laws of the country where the operations take place, and the Company will keep abreast of the important policy development trends and changes in the law. If there are any changes, the Company shall consult with lawyers, accountants, and other relevant units, or evaluate and plan the response measures, respond to changes in the market environment, and take the appropriate countermeasures. In the most recent year and as of the publication date of this Annual Report, there are no significant changes in the policies and laws of the aforesaid regions that pose a significant impact on the Company's financial business.

(XII) Effects That Technological Changes (including Cyber Security Risks) and Industry Changes Have on the Financial Operations of the Company as Well as the Response Measures

The Company is constantly paying attention to the relevant technology updates and enhancements in the industry and capturing the latest market information in order to assess its impact on the Company's operations. In terms of international financial technology development, enterprises are facing increasingly more risks. The Company has established a complete network and computer security protection system to control or maintain the functions of the Company's manufacturing operations as well as accounting and other important business operations. The Company also implemented the confidential software to prevent internal business information from being disclosed to the public. In the most recent year and as of the printing date of this Annual Report, the technological changes and industrial changes have no significant impact on the Company's financial business.

(VIII) Effects That Corporate Image Have on Corporate Crisis Management as Well as the Response Measures

The Company adheres to the concept of honesty, trustworthiness, and sustainable management. Since its establishment, it has focused on the business of the industry, developed a good corporate image, complied with the relevant laws and regulations, and will continue to maintain a good corporate image. In the most recent year and as of the publication date of the Annual Report, there is no corporate image change resulting in corporate crisis management.

(IX) Expected Benefits and Possible Risks of Merger and Acquisition as Well as the Response Measures:

As of the publication date of the Annual Report, the Company has no conducted M&A.

(X) Expected Benefits and Possible Risks of Factory Expansions as Well as the Response Measures

The Company's subsidiary, JUWENLEE (FUJIAN) COSMETICS CO., LTD., was supposed to change its investment project as the "annual cosmetics production capacity to 500 tons" on December 1, 2017. After that, its annual production capacity attained 700 tons. Given the growing operating revenue and increasing production capacity and output, the existing output could not afford for the future development. It plans to demolish and expand the original factory premises. The reconstruction site will occupy an area of about 4300 square meters and the total construction area account for an area of about 17,000 square meters. The project will be carried out in two stages. The first stage is intended for the expansion of the factory premises, while the second stage is for expansion of the smart warehousing center. After that, the production capacity of cosmetics is expected to increase by 2,100 tons per year. Namely, the annual production capacity will increase from 700 tons to 2,800 tons per year.

In response to the expansion project and need for production capacity, the Company will complete the construction in steps, and adjust the production capacity and expand progress subject to the demand in the market, in order to enhance the production capacity utilization rate.

(XI) Risks of Concentrated Procurement or Sales as Well as the Response Measures

1. Risks of Concentrated Procurement and the Response Measures

The Company's purchase targets are dispersed according to the source and nature of the raw materials. In the past two years, the proportion of purchases from each supplier has not reached 30%. Overall purchases are not concentrated from a single supplier, so there is no concentrated procurement related risk.

2. Risks of Concentrated Sales and the Response Measures

The Company's main operating model is to establish regional distributors, have the distributors provide the products to terminal beauty salons, and have the terminal beauty salons sell to individual consumers. The sales amount of each distributor accounted for less than 10% of the total sales, so there is no risk of concentrated sales.

(XII) Effects and Risks That Large-number Transfers or Replacements of Directors, Supervisors, or Major Shareholders Holding Over 10% of the Company's Shares Have to the Company as Well as the Response Measures: None.

(XIII) Effects and Risks That Operating Rights Changes Have to the Company as Well as the Response Measures

As of the publication date of the Annual Report, the Company has no change in management rights that affects its operations.

(XIV) Litigation or Non-litigation Events

1. Finalized judgments or pending litigations, non-litigations, or administrative disputes for the Company in the last two years until the publication date of this Annual Report whereby the results may have major impacts on the shareholders' rights or share prices; and the facts, amount of the subject matter, litigation starting date, main parties involved in the litigation, and current handling condition that must be disclosed: None.
2. Finalized judgments or pending litigations, non-litigations, or administrative disputes associated to the Company's directors, supervisors, or major shareholders holding over 10% of the Company's shares in the last two years until the publication date of this Annual Report whereby the results may have major impacts on the shareholders' rights or share prices: None.
3. Company directors, supervisors, or major shareholders holding over 10% of the Company's shares involved in matters described by Article 157 of the Securities and Exchange Act in the last two years until the publication date of this Annual Report as well as the current handling status by the Company: None.

(XV) Other Important Risks and Response Measures

1. Industry Risk - Intensive Market Competition

Professional lines of cosmetics and skin care products have better profits due to higher technical thresholds, but also attract enterprises or less legitimate manufacturers to join the competition. In addition, statistics provided by ZhiYan Intelligence Research Group (2016) indicated that there are over 50,000 professional brands, over 10,000 manufacturers, and approximately 1.7 million professional beauty salons across Mainland China. On average, each medium- to large-scale manufacturer's products can be sold in 300 beauty salons. This causes small-scale manufacturers to compete by providing discounts and gifts, which showcases the fierce competition of the market.

Response Measures

The Company is constantly paying attention to the relevant technology updates and enhancements in the industry and capturing the latest market information in order to assess its impact on the Company's operations.

In the most recent year and as of the publication date of this Annual Report, the technological changes and industrial changes have no significant impact on the Company's financial business.

2. Operating Risk - Counterfeiting is Severe in the Mainland China Market

As a professional high-end cosmetic and skin care brand, brand image is critical to the Company. However, as the Company continues to operate and expand, the Company's products are at risk of being counterfeited and maliciously attacked on the market, which may affect the Company's brand image and interests as well as have certain negative impacts on the Company.

Response Measures

If the Company's brand image and other rights are infringed on or the reputation is maliciously degraded, the Company shall elect to protect such interests via legal channels. These efforts may cost the Company a certain amount financially, materially, and in manpower as well as adversely affect the normal operation of the Company. The Company has established a professional anti-counterfeit products team to investigate the criminal responsibility of counterfeiters. This in turn helps to reduce the risk of product counterfeiting and damage to the brand image.

3. Industry/Operational Risk - Beauty Care Instructors and Beauticians in Terminal Beauty Salons Have a High Turnover Rate

Beautician instructors are the key for the Company to retain its customers. In addition to constantly learning new knowledge, technology, product efficiency skilled care techniques, and equipment use, they must also have the necessary sales skills to visit the various regional terminal beauty salon owners and beauticians in order to promote the Company's products. Therefore, they even represent the Company's image and spirit in a sense. The beauticians of the terminal beauty salons are the first-line personnel facing the consumers to recommend products and care services. However, because both positions are considered long work hour and labor-intensive jobs, the employee turnover rate is relatively high.

Response Measures

In addition to the cooperative sponsorship of Luo Lih-Fen Image Health Management Institute with Eastern Liaoning University and signing an industry/academia cooperation agreement with Heilongjiang University of Chinese Medicine Jiamusi College, the Company has also established "skin care institutes" under its organizational structure, and created a comprehensive education and training system. Each year, core competence courses in professional knowledge, management skills, and nursing techniques are provided through "Youth Camps", "Knowledge Tour Camps", "I am Diva" and "Handsome Ace Camps" to beautician instructors, terminal beauty salon owners, and beauticians. The Company will also continue to provide a comprehensive staff welfare and promotion system as well as good working environment to the staff in order to retain excellent talents and reduce the turnover rate.

4. Climate change risk:

In recent years, summer seasons have reached record-high temperature. Characterized by rising sea level, ice field melting, and frequent catastrophic climate disasters and extreme weather phenomena, climate change poses a significant impact on the sensitive ecosystems in the environment, triggering mass extinctions and food crisis. The period 2010 to 2019 records the hottest decade in history, with carbon dioxide (CO₂) level reaching its highest point in 650,000 years. To control global warming, CO₂ emission must be reduced. In 2015, the United Nation passed the Paris Agreement. The IPCC reported in 2018 that emissions of CO₂ must fall by 45% by 2030, reaching "net zero" around 2050, is the only way to prevent the severe disasters arising from climate change.

Response Measures

The Company adopts the environmental protection-related management polices and practices various environmental protection and remediation actions, in line with the local governments' policies applicable within the jurisdictions where the subsidiaries are located. The Company is primarily engaged in R&D, production and sale of skin care products. Under the impact of extreme weathers and environmental changes, the Company's managers assess the impact of climate changes on market trends on a yearly basis. Such assessments include investigations on the skin and health problems posed by changes in air temperature and particulate matter indexes. The managers seek environmentally friendly ingredients and materials for new product formulas and packaging materials. Considering the nature of the Company's business, they also set relevant goals for and implement environmental policies during day-to-day operations and product manufacturing processes. The Company actively raises the awareness to conserve energy and reduce carbon reduction, thereby infusing the concept of sustainable operations and environmental awareness into the company's culture and daily activities.

5. Risks Relating to Statements Made in This Annual Report

A. Facts and Statistics Information

Certain external information and external statistics of this Annual Report are from different statistical publications and may be inaccurate, incomplete, or not up to date. The Company makes no representations as to the truth or accuracy of such statements and investors should not place undue reliance on such external information for investment judgment.

B. Prospective Statements, Risks, and Uncertainties Contained in the Annual Report

This Annual Report contains certain prospective statements and information about the Company and its affiliates. These statements and information are based on the beliefs, assumptions, and current information of the management level of the Company. These statements are subject to certain risks, uncertainties, and assumptions that may or may not occur in the manner expected by the Company. Therefore, investors must exercise due consideration in knowing that reliance on any prospective statements may involve known and unknown risks and uncertainties.

In summary, although the Company contains the risks described above, whether they will occur depends on many uncertain factors in the future and the Company's response measures.

VII. Other Material Issues: None.

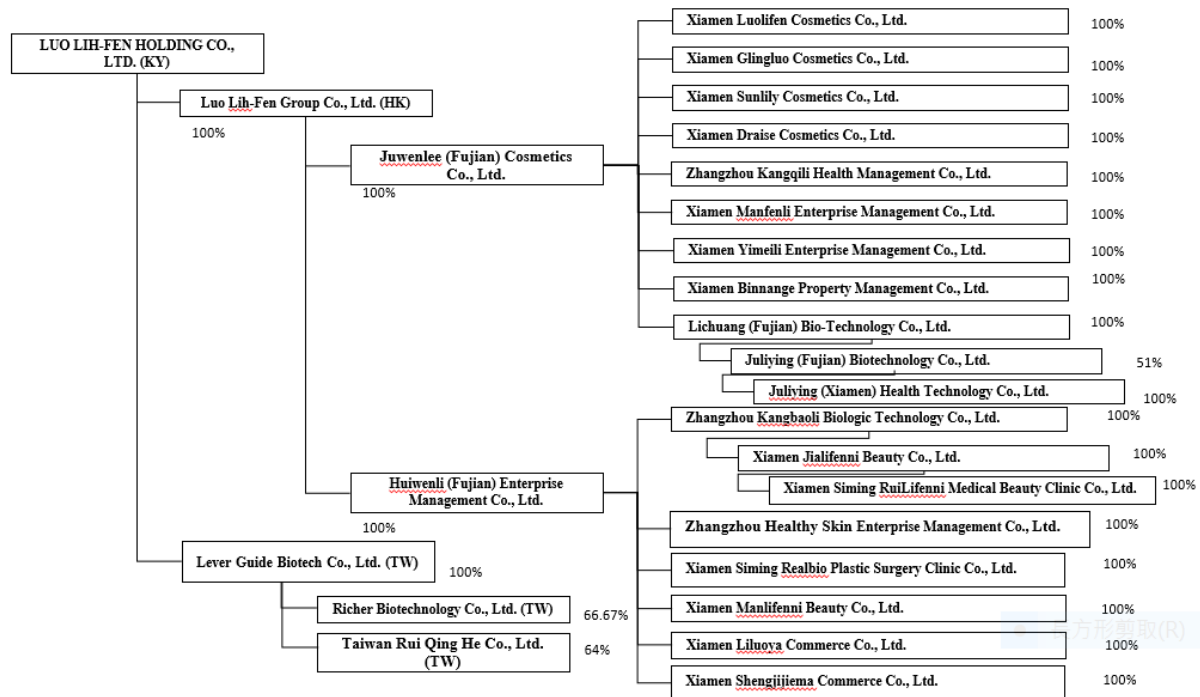
Seven. Special Items

I. Information on Affiliates

(I) Affiliate Merger Report

1. Affiliate Status

Organizational chart of affiliates



2. Relations Between its Affiliates, Mutual Shareholding Ratios, Shares, and Actual Investment Amounts

Date of Data: December 31, 2023

Name of the Affiliate	Relationship to the Company	The Company Holds			Affiliate Holds the Company's Shares		
		Holding ratio (%)	Shares Held (Thousand shares)	Paid-up Capital	Share holding Ratio	Share s Held	Paid-up Capital
Luo Lih-Fen Group Co., Ltd.	Subsidiary of the Company	100	1,600	US\$1.6 million	-	-	-
Luo Lih-Fen Enterprise Limited	Subsidiary of the Company	Note 2	Note 2	NT\$25 million	-	-	-
Lever Guide Biotech Co., Ltd. (TW)	Subsidiary of the Company	100	14,500	NT\$145 million	-	-	-
Richer Biotechnology Co., Ltd.	Sub-subsidiary of the Company	66.67	1,200	NT\$12 million	-	-	-
Taiwan Rui Qing He Co., Ltd.	Sub-subsidiary of the Company	64	1,504	NT\$15.04 million	-	-	-
Ya Zhan Co., Ltd.	Equity method investment company	30	600	NT\$6 million			
Juwenlee (Fujian) Cosmetics Co., Ltd.	Sub-subsidiary of the Company	100	Note 1	US\$17 million	-	-	-
Xiamen Luolifen Cosmetics Co., Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥500,000	-	-	-
Xiamen Glingluo cosmetics Co., Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥1 million	-	-	-
Xiamen Sunlily Cosmetics Co., Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥1 million	-	-	-
Xiamen Draise Cosmetics Co., Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥1 million	-	-	-
Lichuang (Fujian) Bio-Technology Co., Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥14 million	-	-	-
Zhangzhou Kangqili Health Management Co., Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥5 million	-	-	-
(Fujian) Enterprise Management Co., Ltd.	Sub-subsidiary of the Company	100	Note 1	RMB¥39.90 million	-	-	-
Zhangzhou Kangbaoli Biologic Technology Co., Ltd.	Subsidiary of Huiwenli	100	Note 1	RMB¥5 million	-	-	-
Zhangzhou Healthy Skin Enterprise Management Co., Ltd.	Subsidiary of Huiwenli	100	Note 1	RMB¥3 million	-	-	-
Xiamen Yimeili Enterprise Management Co., Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥48 million	-	-	-
Xiamen Manfenli Enterprise Management Co. Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥12 million	-	-	-
Xiamen Siming Realbio Plastic Surgery Clinic Co., Ltd.	Subsidiary of Huiwenli	100	Note 1	RMB¥10 million	-	-	-
Xiamen Manlifenni Beauty Co., Ltd.	Subsidiary of Huiwenli	100	Note 1	RMB¥1 million	-	-	-
Xiamen Liluoya Commerce Co., Ltd.	Subsidiary of Huiwenli	100	Note 1	RMB¥500,000	-	-	-
Xiamen Shengjijima Commerce Co., Ltd.	Subsidiary of Huiwenli	100	Note 1	RMB¥500,000	-	-	-
Xiamen Binnange Property Management Co. Ltd.	Subsidiary of JUWENLEE	100	Note 1	RMB¥6,000,000			
Juliying (Fujian) Biotechnology Co., Ltd.	Subsidiary of Lichuang	51	Note 1	RMB¥5,100,000			
Fujian Zhangzhou Weimei Cosmetics Co., Ltd.	investment company of Huiwenli	30	Note 1	RMB¥900,000			
Xiamen Jialifenni Beauty Co., Ltd.	Subsidiary of Kangbaoli Biologic	100	Note 1	RMB¥3,000,000			
Juliying (Xiamen) Health Technology Co., Ltd.	Subsidiary of Juliying (Fujian)	51	Note 1	RMB¥500,000			
Xiamen Siming District Ruilifenni Medical Beauty Clinic Co., Ltd.	Subsidiary of Jialifenni Beauty	100	Note 1	RMB¥500,000			

Note 1: A limited company without share division.

Note 2: The company was liquidated on 2024.04.09

3. Information about the Same Shareholder Presumed to Have Control and Affiliation: None.

4. Overall Relationship Between the Industries Covered by the Business Operations of the Enterprise and the Division of Labor for the Correlated Businesses Operated by the Various Enterprises Must be Explained: None.

5. Names of Directors, Supervisors, and Managers of the Various Affiliates

Date of Data: December 31, 2023

Affiliates	Title	Name and Representative	Shares Held	
			Number of Shares (Thousand shares)	Shareholding Ratio
Luo Lih-Fen Group Co., Ltd.	Director	Huan-Wen Jao	1,600	100%
Luo Lih-Fen Enterprise Limited	Director	Li-Fen Luo	Note 2	Note 2
Lever Guide Biotech Co., Ltd. (TW)	Chairman	Li-Fen Luo	21,000	100%
Richer Biotechnology Co., Ltd.	Chairman	Shih-Chinn Ho	1,200	66.67%
Taiwan Rui Qing He Co., Ltd.	Chairman	Li-Fen Luo	1,504	64%
Ya Zhan Co., Ltd.	Chairman	Hong Zhichen	384	19.2%
Juwenlee (Fujian) Cosmetics Co., Ltd.	Managing director Supervisor President	Huan-Wen Jao Chao-Hua Chang Jian-Ping Lin	Note 1	100%
Xiamen Luolifen Cosmetics Co., Ltd.	Managing director Supervisor President	Hung Chen Jian-Ping Lin Hung Chen	Note 1	100%
Xiamen Glingluo cosmetics Co., Ltd.	Managing director Supervisor President	Chao-Hsiang Chi Hung Chen Chao-Hsiang Chi	Note 1	100%
Xiamen Sunlily Cosmetics Co., Ltd.	Managing director Supervisor President	Li Wang Chao-Hsiang Chi Li Wang	Note 1	100%
Xiamen Draise Cosmetics Co., Ltd.	Managing director Supervisor President	Hung Chen Jian-Ping Lin Hung Chen	Note 1	100%
Lichuang (Fujian) Bio-Technology Co., Ltd.	Managing director Supervisor President	Jian-Ping Lin Li Wang Hung Chen	Note 1	100%
Zhangzhou Kangqili Health Management Co., Ltd.	Managing director Supervisor President	Chao-Hsiang Chi Chen-Hua Wang Chao-Hsiang Chi	Note 1	100%
Huiwenli (Fujian) Enterprise Management Co., Ltd.	Managing director Supervisor President	Huan-Wen Jao Chen-Hua Wang Jian-Ping Lin	Note 1	100%
Zhangzhou Kangbaoli Biologic Technology Co., Ltd.	Managing director Supervisor President	Huan-Wen Jao Hsiao-Li Chu Huan-Wen Jao	Note 1	100%
Zhangzhou Healthy Skin Enterprise Management Co., Ltd.	Managing director Supervisor President	Chao-Hsiang Chi Chao-Hua Chang Chao-Hsiang Chi	Note 1	100%
Xiamen Yimeili Enterprise Management Co., Ltd.	Managing director Supervisor President	Li-Fen Luo Jian-Ping Lin Li-Fen Luo	Note 1	100%
Xiamen Manfenli Enterprise Management Co., Ltd.	Managing director Supervisor President	Li-Fen Luo Jian-Ping Lin Li-Fen Luo	Note 1	100%
Xiamen Siming Realbio Plastic Surgery Clinic Co., Ltd.	Managing director Supervisor President	Hung Chen Li Wang Hung Chen	Note 1	100%
Xiamen Manlifenni Beauty Co., Ltd.	Managing director Supervisor President	Li Wang Hung Chen Li Wang	Note 1	100%
Xiamen Liluoya Commerce Co., Ltd.	Managing director Supervisor President	Jian-Ping Lin Chao-Hsiang Chi Jian-Ping Lin	Note 1	100%
Xiamen Shengjijiema Commerce Co., Ltd.	Managing director Supervisor President	Chao-Hsiang Chi Jian-Ping Lin Chao-Hsiang Chi	Note 1	100%

Xiamen Binnange Property Management Co., Ltd.	Managing director Supervisor President	Hung Chen Jian-Ping Lin Hung Chen	Note 1	100%
Juliying (Fujian) Biotechnology Co., Ltd.	Managing director Supervisor President	Chao-Hsiang Chi Yiming Chen Ziwen Chen	Note 1	51%
Fujian Zhangzhou Weimei Cosmetics Co., Ltd.	Managing director Supervisor President	Wenzheng Ouyang Mingtao Duan Wenzheng Ouyang	Note 1	30%
Xiamen Jialifenni Beauty Co., Ltd.	Managing director Supervisor President	Hung Chen Chen-Hua Wang Hung Chen	Note 1	100%
Juliying (Xiamen) Health Technology Co., Ltd.	Managing director Supervisor President	Chao-Hsiang Chi Yiming Chen Ziwen Chen	Note 1	51%
Xiamen Siming District Ruilifenni Medical Beauty Clinic Co., Ltd.	Managing director Supervisor President	Hung Chen N/A Hung Chen	Note 1	100%

Note 1: A limited company without share division.

Note 2: The company was liquidated on 2024.04.09

6. Operating Status of Affiliates

Date of Data: December 31, 2024 Unit: NT\$1,000

Affiliates	Accounting Handling Method	Paid-up Capital	Total Assets	Net Equity	Operating Incomes	Current Period Gain or Loss (After Tax)	Investment Gain or Loss	Distribution of Dividends
Luo Lih-Fen Group Co., Ltd.	Equity Method	USD 1,600 thousand	1,526,479	1,525,900	0	118,876	118,876	-
Luo Lih-Fen Enterprise Limited(Note 1)	Equity Method	-	0	0	0	0	0	-
Lever Guide Biotech Co., Ltd. (TW)	Equity Method	NT\$ 145 million	212,935	124,509	30,149	(20,409)	(20,409)	-
Richer Biotechnology Co., Ltd.	Equity Method	NT\$12 million	7,541	7,132	73	(1,028)	(488)	-
Taiwan Rui Qing He Co., Ltd.	Equity Method	NT\$15.04 million	42,522	22,297	27,891	(1,759)	(1,126)	-
Ya Zhan Co., Ltd.	Equity Method	NT\$6 million	24,778	20,340	3,015	340	102	-
Juwenlee (Fujian) Cosmetics Co., Ltd.	Equity Method	USD 17,000 thousand	1,701,861	1,380,953	875,545	158,096	158,096	333,837
Xiamen Luolifen Cosmetics Co., Ltd.	Equity Method	RMB¥ 500 thousand	6,437	1,418	0	249	249	-
Xiamen Glingluo cosmetics Co., Ltd.	Equity Method	RMB¥ 1,000 thousand	10,533	6,838	11,297	543	543	10,299
Xiamen Sunlily Cosmetics Co., Ltd.	Equity Method	RMB¥ 1,000 thousand	9,021	7,164	10,224	823	823	11,195
Xiamen Draise Cosmetics Co., Ltd.	Equity Method	RMB¥ 1,000 thousand	8,695	6,207	9,599	1,081	1,081	4,030
Lichuang (Fujian) Bio-Technology Co., Ltd.	Equity Method	RMB¥ 14,000 thousand	39,857	33,501	235	6,341	6,408	-
Zhangzhou Kangqili Health Management Co., Ltd.	Equity Method	RMB¥ 5,000 thousand	19,843	19,843	446	639	639	-
Huiwenli (Fujian) Enterprise Management Co., Ltd.	Equity Method	RMB¥ 39,900 thousand	141,901	141,882	0	(23,632)	(23,632)	-
Zhangzhou Kangbaoli Biologic Technology Co., Ltd.	Equity Method	RMB¥ 5,000 thousand	19,321	18,731	7,435	(5,556)	(5,556)	-
Zhangzhou Healthy Skin Enterprise Management Co., Ltd.	Equity Method	RMB¥ 3,000 thousand	10,158	10,154	0	983	983	-
Xiamen Manfenli Enterprise Management Co., Ltd.	Equity Method	RMB¥ 12,000 thousand	46,243	46,243	0	(1,112)	(1,112)	-
Xiamen Yimeili Enterprise Management Co., Ltd.	Equity Method	RMB¥ 48,000 thousand	194,272	193,970	0	(1,244)	(1,244)	-
Xiamen Siming Realbio Plastic Surgery Clinic Co., Ltd.	Equity Method	RMB¥ 10,000 thousand	39,028	18,296	23,891	(12,517)	(12,517)	-
Xiamen Shengjijiema Commerce Co., Ltd.	Equity Method	RMB¥ 500 thousand	2,255	2,255	0	16	16	-
Xiamen Liluoya Commerce Co., Ltd.	Equity Method	RMB¥ 500 thousand	1,148	1,148	0	2	2	-
Xiamen Manlifenni Beauty Co., Ltd.	Equity Method	RMB¥ 1,000 thousand	18,853	(8,237)	13,845	(7,876)	(7,876)	-

Xiamen Binnange Property Management Co., Ltd.	Equity Method	RMB¥ 6,000 thousand	15,900	15,882	0	(1,165)	(1,165)	
Juliying (Fujian) Biotechnology Co., Ltd.	Equity Method	RMB¥ 5,100 thousand	104,730	53,781	152,312	14,753	7,524	
Fujian Zhangzhou Weimei Cosmetics Co., Ltd.	Equity Method	RMB¥ 900 thousand	11,424	10,950	8,620	(209)	(63)	
Xiamen Jialifenni Beauty Co., Ltd.	Equity Method	RMB¥ 3,000 thousand	10,167	7,776	0	(5,627)	(5,627)	
Juliying (Xiamen) Health Technology Co., Ltd.	Equity Method	RMB¥ 500 thousand	4,249	2,498	2,693	258	132	
Xiamen Siming District Ruilifenni Medical Beauty Clinic Co., Ltd.	Equity Method	RMB¥ 500 thousand	1,084	1,084	0	(35)	(35)	

Note 1: The company was liquidated on 2024.04.09

(II) Consolidated Financial Statements for Affiliates:

Same as the Consolidated Financial Statements. Please refer to the Financial Report for the Most Recent Year. Reference website: <https://mops.twse.com.tw/mops/#/web/home>

(III) Affiliate Report:

N/A.

II. Any private placement of securities in the recent years up to the date of publication of the annual report

None.

III. Other Matters That Require Supplemental Descriptions

Explanation of Significant Differences Compared to the Domestic Shareholders' Rights Protection Provisions:

The Company revised its Articles of Association according to the important shareholders' rights protection related matters provided by the "Foreign Issuer's Checklist for the Protection of Shareholders' Rights in the Country of Registration"(hereinafter collectively referred to as the "Checklist for the Protection of Shareholders' Rights") promulgated by the Taiwan Stock Exchange Corporation on January 09, 2023. The Taiwan Stock Exchange Corporation promulgated the amended "Foreign Issuer's Checklist for the Protection of Shareholders' Rights in the Country of Registration" regarding the added items on May 2, 2024. The Company will complete the revision of its Articles of Association at this year's General Shareholders' Meeting in order to meet the requirements. However, some important matters concerning the protection of shareholders' rights are not applicable under the laws of the Cayman Islands, so they have not been amended in the Company's Articles of Association. Please refer to the following table for details:

Difference Items	Cayman Islands Law Description	Articles of Association Description
"Special Resolution": Passed as a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares: In the event the total number of shares represented by the shareholders present at a shareholders' meeting is less than the percentage of said total shareholdings, the resolution may be adopted by two-thirds of the voting rights exercised by	According to the Cayman Islands Companies Law, the "Special Resolution" refers to a resolution passed as a resolution adopted by at least two-thirds of votes cast by shareholders present who represent a majority of the outstanding shares of the company at the meeting.	According to the Public Announcement No. Taiwan-Stock-Listing-0991701319 of TWSE dated April 13, 2010, under Article 39 and Article 2(1) of the Company's Articles of Incorporation, a special resolution refers to a resolution passed by a majority of at least two-thirds of votes cast by the shareholders present who represent a majority of the outstanding shares of the company, vote in person

Difference Items	Cayman Islands Law Description	Articles of Association Description
the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.		or, in the case of any Members being Juristic Persons, by their respective duly authorized representatives or, where proxies are allowed, by proxy, present at the shareholders' meeting, which also satisfies the requirements about attendance and votes under the Cayman Islands laws and Taiwan's Company Act.
<p>1. The Company shall not reduce its capital without a resolution from the Shareholders' Meeting, and shall not sell its shares. The reduction of capital shall be reduced according to the proportion of shares held by the shareholders.</p> <p>2. If the Company reduces capital, it must return the shares using assets other than cash. The return assets and the amount of the refund shall be subject to the Shareholders' Meeting resolution and subject to the consent of the assets payable shareholders.</p> <p>3. The value of the property of the preceding paragraph and the amount of the offset shall be submitted by the Board of Directors to a Republic of China CPA for certification before being submitted to the Shareholders' Meeting.</p>	<p>Articles 14 to 18 of the Cayman Islands Companies Law have provided strict procedures and entity specifications for the Company's capital reduction, and the relevant specifications are mandatory and may not be changed by the Articles of Association.</p>	<p>The Cayman Islands Company Law has strict procedures and substantive specifications for the Company's capital reduction that cannot be changed by the Articles of Association. It is considerably different compared to the company capital reduction specification requirements provided by the Checklist for the Protection of Shareholders' Rights. To avoid problems and after the legal advice of Cayman Islands Lawyer Ogier is adopted, Article 14 of the Company's Articles of Association has been amended in order to handle the Company's capital reduction according to the procedures and provisions provided by the Cayman Islands Laws and the TWSE (TPEX) listing requirements. The Checklist for the Protection of Shareholders' Rights are stipulated in Article 24(1) of the Company's Articles of Association to buy back the shares based on the shareholding ratio and then cancel the same.</p>
<p>1. If the physical Shareholders' Meeting is convened outside the Republic of China, the case must be submitted to the Taiwan Stock Exchange for approval within two days after the Board of Directors resolution or the shareholders have obtained the permission from the competent authority.</p> <p>2. When the Company convenes a Shareholders' Meeting outside the Republic of China, it should entrust a professional shareholder service agent in the territory of the Republic of China to accept the shareholder</p>	<p>The Cayman Islands laws provide no relevant provisions.</p>	<p>The first part of Article 31 of the Company's Article of Associations additionally provides that: "During the listing period, the Physical Shareholders' Meeting of the Company shall be held in the territory of the Republic of China". There is no exception. Therefore, there is no need to separately regulate the permission or application procedure to hold a Physical Shareholders' Meeting outside the Republic of China. Additionally, the Shareholders' Meeting of the Company during the listing period will be held in the</p>

Difference Items	Cayman Islands Law Description	Articles of Association Description
voting related matters.		territory of the Republic of China. However, the Company will still entrust a professional shareholders service agent in the Republic of China to handle matters such as shareholder voting.
Any or a plural number of shareholder(s) of a company who has (have) continuously held 3% or more of the total number of outstanding shares for a period of one year or a longer time may, by filing a written proposal setting forth therein the subjects for discussion and the reasons, request the board of directors to call a special meeting of shareholders. If the board of directors fails to give a notice for convening a special meeting of shareholders within 15 days after the filing of the request under the Paragraph, the proposing shareholder(s) may, after obtaining an approval from the competent authority, convene a special meeting of shareholders on his/their own.	The Cayman Islands laws provide no relevant provisions.	Since the Company is a company established under the Companies Law of the Cayman Islands, and the Cayman Islands have no local authority to review whether it is up to the shareholders to convene the Shareholders' Meeting, the intent provided in the Public Announcement No. Taiwan-Stock-Listing-0991701319 of TWSE dated April 13, 2010, Article 32 of the Company's Articles of Associations provides that: "one or more shareholder(s) may, by depositing the requisition notice specifying the proposals to be resolved and the reasons thereof, request the Board to convene an extraordinary general meeting, provided that such shareholder or shareholders continuously hold at least three percent (3%) of the issued Shares of the Company as at the date of deposit of the requisition notice for a period of at least one year immediately prior to that date. If the Board does not give notice to shareholders to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing shareholder(s) may convene a shareholders' meeting". There is no need to report to the competent authority for permission.
A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person.	According to the legal opinion of Cayman Islands lawyer, a shareholder who exercises his/her voting right in writing or in an electronic form shall not be deemed to be present in person, but shall be deemed to have appointed the Chairman of the Shareholders' Meeting as the proxy.	The latter part of Article 57 of the Company's Articles of Association provides that: "A shareholder who exercises his voting power at a shareholders' meeting by way of a written ballot or by electronic transmission shall be deemed to have appointed the chairman of the shareholders' meeting as his proxy to vote his Shares at the meeting only in the manner directed by his written instrument or electronic document.

Difference Items	Cayman Islands Law Description	Articles of Association Description
		<p>The chairman of the meeting as proxy shall not have the power to exercise the voting rights of such shareholder with respect to any matters not referred to or indicated in the written or electronic document, impromptu proposal and/or any amendment to resolution(s) proposed at the said meeting. For the purpose of clarification, such shareholders voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the shareholders' meeting." Therefore, this Article does not differ materially from the provisions of the ROC laws except that in terms of interpretation, the Chairman of the Shareholders' Meeting serving as the proxy for shareholders who exercise the right in correspondence or electronically must conform to the Cayman Islands laws regarding that the shareholders' resolution voting rights must be exercised by the participating shareholder or the proxy on-site.</p>
<p>1. The Company's Articles of Incorporation may stipulate that the distribution of earnings or the make-up of losses shall be made after the end of each quarter or half a fiscal year.</p> <p>2. Proposals for profit distribution or making up for losses for the first three quarters or the first half of the Company's fiscal year must be submitted to the Audit Committee for review together with the business report and financial statements before they are submitted to the Board of Directors for resolution.</p> <p>3. When the Company distributes earnings in accordance with the provisions of the preceding paragraph, it shall first estimate and retain the tax payable, make up for losses in accordance with the law, and set aside the statutory legal reserve. However, this requirement shall not</p>	<p>The Cayman Islands laws provide no relevant provisions.</p>	<p>According to Article 100(3) of the Company's Articles of Incorporation, the Company adopts an annual earnings distribution system and does not distribute earnings or make up for losses at the end of every quarter or half a fiscal year. Therefore, the regulatory requirements in the leftmost column do not apply to the Company.</p>

Difference Items	Cayman Islands Law Description	Articles of Association Description
<p>apply if the cumulative statutory surplus reserve has reached the paid-in capital.</p> <p>4. When the Company distributes earnings by issuing new shares in accordance with provisions in Paragraph 2, it must be passed as a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares. In the event the total number of shares represented by the shareholders present at a shareholders' meeting is less than the percentage of said total shareholdings, the resolution may be adopted by two-thirds of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company. Distribution of cash shall require a resolution of the Board of Directors. In the event the total number of shares represented by the shareholders present at a shareholders' meeting is less than the percentage of said total shareholdings, the resolution may be adopted by two-thirds of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company. Distribution of cash shall require a resolution of the Board of Directors.</p> <p>5. When the Company distributes earnings or makes up for losses in accordance with the provisions of the four preceding paragraphs, it shall do so based on the financial statements that have been reviewed or audited by the CPA.</p>		
<p>Unless otherwise specified in the Articles of Incorporation, Directors' remuneration shall be determined by the shareholders' meeting and shall not be implemented and ratified later.</p>	<p>The Cayman Islands laws provide no relevant provisions.</p>	<p>Article 70 of the Company's Articles of Incorporation was enacted in accordance with the letter Shang-Zi No. 09302030870 issued by the Ministry of Economic Affairs of Taiwan on March 8, 2004. It authorizes the Board of Directors to determine the</p>

Difference Items	Cayman Islands Law Description	Articles of Association Description
		remuneration of Directors by taking into account the prevailing rates in the industry, the degree of participation in company operations, and other factors. The Company has set up a Remuneration Committee, which is responsible for performance evaluation of Directors and managers, setting salary and remuneration, and other related matters.
<p>1. Shareholders holding over 1% of the total shares issued by the Company for more than six months may request the supervisor in writing to file a lawsuit against a director on behalf of the Company, and the lawsuit shall submit to the jurisdiction of Taipei District Court of Taiwan in the first instance.</p> <p>2. If the supervisor does not file a lawsuit within 30 days after the shareholder makes the request, the shareholder may file a lawsuit on behalf of the Company, and the lawsuit shall submit to the jurisdiction of Taipei District Court of Taiwan in the first instance.</p>	The Cayman Islands laws provide no relevant provisions.	In terms of the provisions provided by Article 86 of the Articles of Association of the Company, minority shareholders may issue a request in writing to request any independent director of the Audit Committee to file a lawsuit against any director who has damaged the Company or violated the Cayman Islands Laws, the TWSE (TPEX) listing requirements or the Articles of Incorporation. The Company will complete the revision of its Articles of Association at this year's General Shareholders' Meeting in accordance with the instructions published by the Taiwan Stock Exchange Corporation in Tai-Zheng-Shang-2 No. 1131701804, dated May 2, 2024, to incorporate the requirements specified in the leftmost column.
A company choosing to issue shares without par value shall not convert its shares into shares with par value. Those choosing to issue shares without par value shall not convert such shares into shares with par value.	According to Article 8(1) of the Cayman Islands Companies Law, the exempted company is not allowed to issue shares with par value and shares without par value at the same time. According to the legal opinion of Cayman Islands lawyer, based on said requirements and in consideration of the shares issuing procedures in practice, a Cayman Islands-based exempted company shall not convert its shares with par value into shares without par value, and vice versa.	Considering that the shares issued by the Company are all those with par value, it is impossible for the Company to issue or convert them into those without par value. Therefore, the requirements in the left column shall not apply to the Company. For avoidance of doubt, based on the purpose identified in the left column, the Company prescribes in Article 7(5) of its Articles of Incorporation that "the Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value".

Difference Items	Cayman Islands Law Description	Articles of Association Description
If a company's paid-in capital as of the final day of the most recent fiscal year reaches NT\$2 billion or more, the Shareholders' Meeting Procedures Manual, along with other relevant information related to the meeting, shall be sent as electronic files at least 30 days prior to the convening of the General Shareholders' Meeting.	The Cayman Islands laws provide no relevant provisions.	The Company will complete the revision of its Articles of Association at this year's General Shareholders' Meeting in accordance with the instructions published by the Taiwan Stock Exchange Corporation in Tai-Zheng-Shang-2 No. 1131701804, dated May 2, 2024, to incorporate the requirements specified in the leftmost column.

Eight. If Any of the Situations Listed in the Subparagraph 2 of Paragraph 3, Article 36 of the Securities and Exchange Act That May Materially Affect Shareholders' Equity or the Price of the Company's Securities Have Occurred During the Most Recent Fiscal Year Until the Publication Date of This Annual Report; Describe Each Situation.

None.

Luo Lih-Fen Holding Co., Ltd.

Chairman Li-Fen Luo