Inspection and Certification Bodies and Trade Associations

Importance to Hsin Tung Yang

Achieving excellence through industry awards, third-party inspections, and independent certifications reflects our unwavering commitment to food production and food safety standards. These accomplishments also provide a strong foundation for Hsin Tung Yang to continue driving innovation and safeguarding public health.

Communication Channels and Frequency

【Regular】
- Annual regulatory consultation meeting
- Annual applications for official awards and recognitions
- Certification reviews and on-site factory audits for certification labels (conducted twice per year)
- Annual second-tier quality management audit by government authorities
- Annual surveillance audits for the ISO 45001, ISO 14001, and ISO 50001 management systems (under a three-year certification cycle)
- Annual customer audits
- Green Factory certification (every three years)

【Ad Hoc】
- Applications for certification labels and third-party certifications
- Verification for ISO 14067 (Carbon Footprint), ISO 14046 (Water Footprint) ISO 14064-1 (Greenhouse Gas Inventory)
- Inspections conducted by local health authorities and related official correspondence throughout the year

2025 Engagement Results

- Product Development and Compliance Achievements:

(1) A cumulative total of 12 products obtained the Clean Label Certification issued by the China Grain Products Research & Development Institute (CGPRDI) in 2025.

(2) In 2025, three products were recognized in the Fun Food Taiwan Awards organized by the Food Industry Research and Development Institute (FIRDI).

(3) In 2025, three products were selected as Senior-Friendly Foods by the Ministry of Agriculture, Executive Yuan.

Topics of Concern	Reference Chapters
Product Traceability and Management	3.1 Product Traceability and Management
Legal Compliance	1.2.3 Upholding Integrity
Occupational Health and Safety	5.3.1 Occupational Health and Safety

Media

Importance to Hsin Tung Yang

The media serve as an important bridge between Hsin Tung Yang and the public. Through timely and transparent communication, the Company shares its unwavering commitment to food safety and sound business practices, while fostering public trust and recognition.

Communication Channels and Frequency

【Regular】
Press releases and promotional materials issued during the three major traditional festivals and other key seasonal campaigns

【Ad Hoc】
- Product launch events
- Press releases
- Media interviews
- Press conference
- ESG Report Disclosure

2025 Engagement Results

Participated in feature interviews to share experience and best practices in food safety management and Green Factory initiatives. In the event of negative food safety news, the Company promptly implements crisis management measures and provides timely updates and official statements through its corporate website and retail stores.

Topics of Concern	Reference Chapters
Product Traceability and Management	3.1 Product Traceability and Management
Corporate Governance	1.2 Corporate Governance
Occupational Health and Safety	5.3.1 Occupational Health and Safety

ch 1 The Foundation of Commitment

Performance Highlights

Xiluo Service Area
Ministry of Transportation and Communications Gold Road Award
Station Environmental Maintenance Category

Received **1st Place**

Taoyuan International Airport Central Area Commercial Complex and the Integrated Commercial Complex Evaluation were rated **Outstanding** with each receiving a score of **91.7 points**

Recognized as a Happy Enterprise by 1111 Job Bank for four consecutive years
Gold Award – Food & Beverage Service Category

Chen Hao Shih Inn Hakka Restaurant
Star-Rated Traceable Restaurant Certification

Airport Branch	Guanxi Branch
Three-Star Rating	Two-Star Rating

Nantou Service Area **Outstanding Public Restroom Evaluation**

Ministry of the Environment
Award for Outstanding Cleaning Performance and **Outstanding Award–Transportation Facility Category**

Nantou County Department of Environmental Protection
Outstanding Award–Diversified Service Group

Management of Material Topics GRI 3-3

		International Framework and Metric
Policy Commitment	Guided by three core digital strategies—business improvement, data-driven decision-making, and action-oriented management—the Company leverages digital technologies and AI enablement to integrate intelligent operations with the production and supply chain, creating positive impacts across the three ESG dimensions: Governance, Environmental, and Social.	Corporate Governance 8 DECENT WORK AND ECONOMIC GROWTH GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior
Organizational Vision	Transforming problem-solving into sustainable competitive advantage, the Company embraces digital transformation and AI applications to drive data-driven decision-making, deliver innovative and trusted services, and create shared value for society and the environment.	

Definition and Impact Description	
Definition	Hsin Tung Yang has established a comprehensive corporate governance framework encompassing management policies, the composition and operation of the Board of Directors, sound oversight mechanisms, the implementation of internal control systems, corrective measures in response to material incidents, and effective engagement and collaboration with external stakeholders. Furthermore, the Company embeds integrity into its daily operations, fostering ethical conduct as an integral part of its organizational culture.
Significance to the Organization	As the food industry is subject to stringent regulatory requirements, a sound corporate governance framework is a critical success factor. Hsin Tung Yang continuously strengthens decision-making transparency and enterprise risk management to ensure regulatory compliance across all business functions while enhancing operational efficiency. These efforts reinforce stakeholder confidence and support sustainable business operations and long-term competitiveness.
External Impact	A robust corporate governance framework enhances transparency and regulatory compliance, strengthens investor and stakeholder confidence, and contributes to the stability and sustainable development of the supply chain and the broader industry. Conversely, inadequate governance capabilities may increase compliance risks and expose the Company to reputational damage. Therefore, Hsin Tung Yang is committed to continuously strengthening its governance framework, strictly complying with food industry regulations, reinforcing food safety management, and enhancing cross-functional risk management and crisis response capabilities.

In response to "Corporate Governance" being identified as an opportunity, the Company has designated "Digital Applications and AI Empowerment" as a management initiative, with the aim of leveraging digital technologies to enable data-driven decision-making and strengthen operational risk management

Management Actions	2025 Targets	2025 Action Performance	Achievement Status	Short-term Targets (2026)	Mid-term Targets (2030)	Long-term Targets (2050)
Digital Applications and AI Empowerment	Implementation of ERP and POS Systems	▪ The SAP ERP system was successfully launched ahead of schedule at the end of 2024. ▪ The POS system was launched in 2025. ▪ Functional optimization projects were carried out, with user experience feedback and benefit-sharing conducted regularly during Digital Transformation Monthly Meetings.	Achieved	Full implementation of the Warehouse Management System (WMS). Performance data integration into Microsoft Power BI, with digital KPI dashboards for all departments scheduled for completion by year-end. Testing and evaluation of the Carbon Management Platform are scheduled for completion in the fourth quarter.	Introduce a customer profiling and sales forecasting support system to enhance both internal and external customer experiences.	Promote smart retail, smart manufacturing, and smart sustainability.
	Warehouse Management System (WMS) – E-commerce Version	▪ The WMS for the e-commerce business has been successfully launched. ▪ Operational procedures were reduced from six steps to four, representing a 33% reduction. The order fulfillment time for urgent orders was reduced from 240 minutes to 6 minutes. ▪ Benefits and implementation outcomes were shared during Digital Transformation Monthly Meetings.	Achieved			

1.1 About Hsin Tung Yang

1.1.1 Global Presence

Since its establishment in 1967, Hsin Tung Yang has grown steadily for nearly six decades. Starting with its first directly operated retail store, the Company has progressively expanded its sales network to include department store counters, passenger transportation terminals, international airports, and freeway service areas. Guided by its mission to serve as the "International Ambassador of Chinese Culinary Culture," Hsin Tung Yang has actively expanded into global markets, with its presence spanning North America, Asia, Oceania, and Europe, covering dozens of countries and more than 30,000 distribution and retail outlets. The Company is committed to bringing Taiwan's diverse culinary culture to consumers around the world.

Core Brand Values

Building on its portfolio of classic products, delivers delicacy, quality, and human warmth, fostering long-term consumer trust.

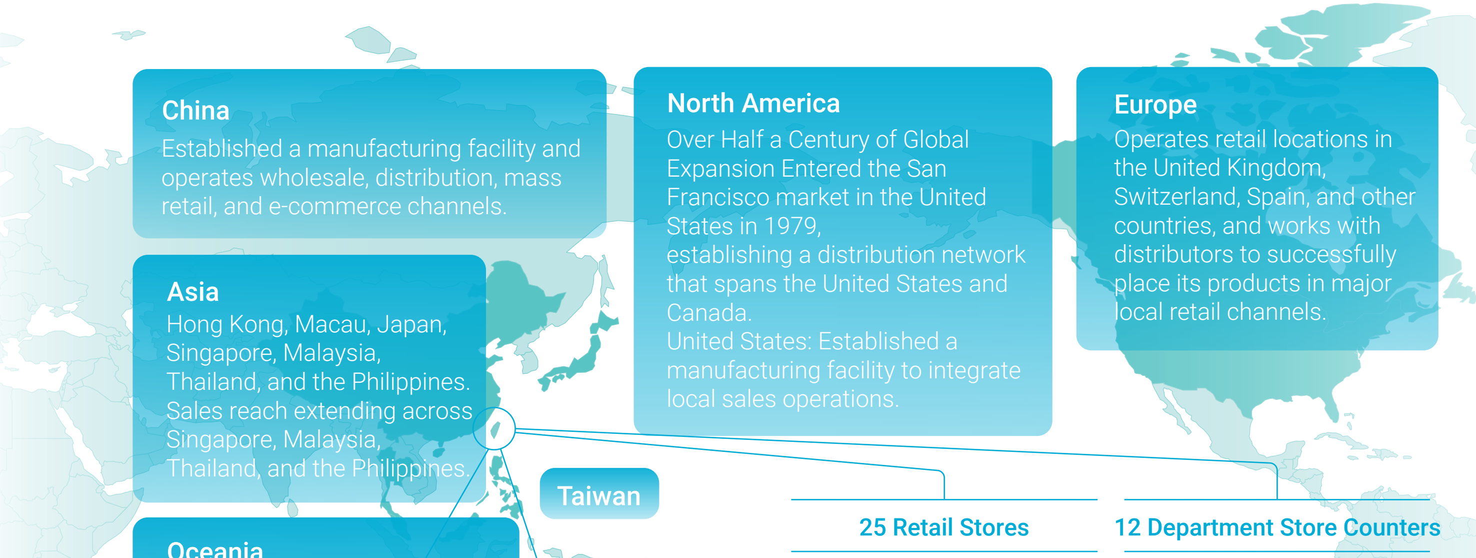
Sustainability and Health Innovation

Actively developing products that promote LOHAS, health, and environmental friendliness, providing consumers with safe and reliable new choices.

Product Diversity and Daily Life

Offering a portfolio of more than 20 product categories and over 9,700 products to meet consumers' diverse lifestyle needs across various consumption scenarios.

Global Sales Network



China
Established a manufacturing facility and operates wholesale, distribution, mass retail, and e-commerce channels.

North America
Over Half a Century of Global Expansion Entered the San Francisco market in the United States in 1979, establishing a distribution network that spans the United States and Canada.
United States: Established a manufacturing facility to integrate local sales operations.

Europe
Operates retail locations in the United Kingdom, Switzerland, Spain, and other countries, and works with distributors to successfully place its products in major local retail channels.

Asia
Hong Kong, Macau, Japan, Singapore, Malaysia, Thailand, and the Philippines.
Sales reach extending across Singapore, Malaysia, Thailand, and the Philippines.

Oceania
The Company operates retail locations in both Australia and New Zealand, and works with distributors to successfully place its products in major local retail channels.

Taiwan

25 Retail Stores

12 Department Store Counters

5 National Freeway Service Areas

15 Airport Retail Stores

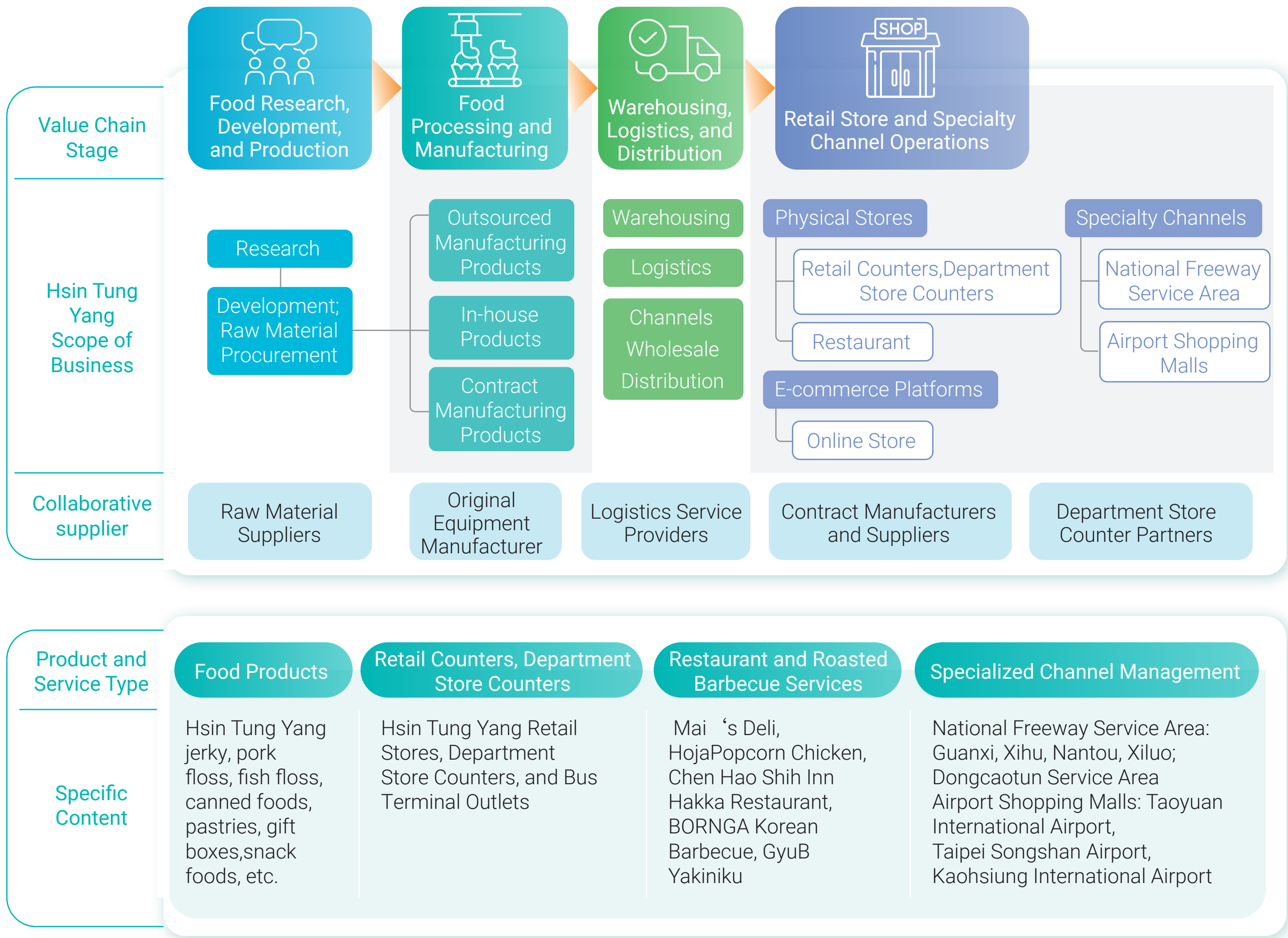
2 Street-Side Dining Stores

14 Food & Beverage Counters

1.1.2 Value Creation GRI 2-6

Food safety has always been Hsin Tung Yang's unwavering commitment. To uphold this commitment, the Company works closely with upstream, midstream, and downstream value chain partners to jointly safeguard food safety throughout every stage of research and development, production, manufacturing, distribution, and sales. Through a comprehensive traceability system and rigorous management mechanisms, Hsin Tung Yang continues to provide consumers with the safest products and diversified services.

Hsin Tung Yang Value Chain Diagram



1.1.3 Vision and Core Values

Hsin Tung Yang upholds its core management philosophy of "Integrity, Innovation, Agility, and Sustainability," and remains committed to advancing environmental sustainability and food safety through concrete actions. Guided by the brand vision of its founder, Mr. Mai Hsin-fu, that "Wherever there are Chinese communities, there is Hsin Tung Yang," the Company, under the leadership of Chairman Mai Kuan-cheng and President Mai Sheng Yang, continues to bring Taiwan's rich culinary culture to consumers worldwide. At the same time, Hsin Tung Yang actively engages in social welfare initiatives, strives to minimize its environmental footprint, and is committed to achieving net-zero carbon emissions by 2050.

Brand Values: Enriching Lives

Deliciousness
Rooted in tradition while continuously innovating, we preserve the essence of Chinese culinary heritage through its signature products, delivering unforgettable flavors and creating both novel and heartfelt experiences for consumers.

Quality
As consumers increasingly seek not only superior quality but also a refined lifestyle, Hsin Tung Yang remains committed to its philosophy of pursuing excellence, delivering delightful culinary experiences that enrich everyday life.

Human Warmth
Gift-giving serves as a bridge that connects people and conveys heartfelt emotions. For many Chinese people, who are often reserved in expressing their feelings, gifts provide a meaningful way to communicate the gratitude and appreciation that words cannot fully express.

Management Philosophy

Integrity
Guided by integrity, Hsin Tung Yang is committed to fostering lasting trust with consumers, shareholders, employees, business partners, and society as a whole.

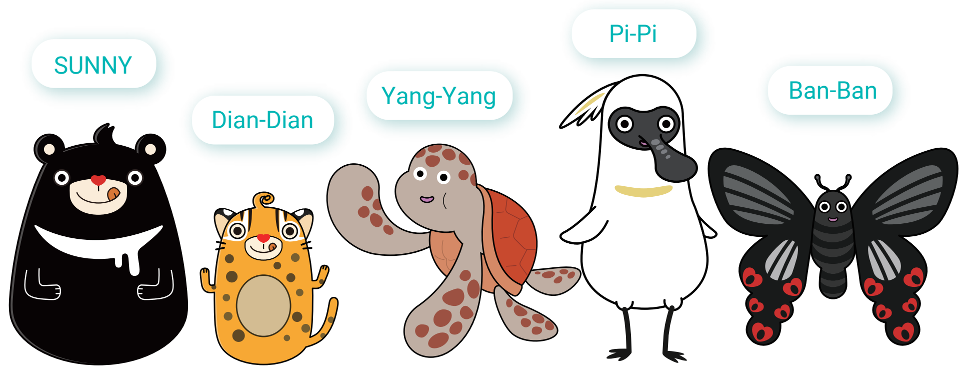
Innovation
With an innovative mindset, Hsin Tung Yang delivers value-added products and services to customers while leveraging technology and data to accelerate innovation and maintain its position as an industry leader.

Agility
Against the backdrop of a rapidly changing global environment, Hsin Tung Yang proactively responds to transformation needs by cultivating organizational agility and sustaining its competitive advantage.

Sustainability
Building on its commitment to green factory and the circular economy, Hsin Tung Yang continues to provide more environmentally friendly choices, actively participates in social welfare initiatives, and fulfills its commitment to sustainable development.

Hsin Tung Yang Brand Mascots

To promote public awareness of ecological conservation, Hsin Tung Yang has created five brand mascots inspired by Taiwan's native and endangered wildlife species. Each mascot is paired with a dedicated brand or product line to encourage greater public awareness of wildlife conservation, foster collective efforts to protect biodiversity, and put its commitment to sustainability into practice.



Formosan Black Bear | Leopard Cat | Loggerhead Sea Turtle | Black-faced Spoonbill | Broad-tailed Swallowtail Butterfly

1.1.4 Corporate Milestones

Since its establishment, Hsin Tung Yang has remained committed to meeting consumers' diverse lifestyle needs by developing products across 20 major categories. At the same time, the Company has continued to expand its business footprint, establishing itself as one of Taiwan's most iconic brands. The following timeline highlights key milestones in the Company's journey toward green manufacturing, product innovation, and sustainable development, demonstrating its strength and unwavering commitment to safeguard food safety while remaining deeply rooted in Taiwan amid a rapidly changing world.

1967 - 2003 Founding and Channel Expansion	✓ 1967：Hsin Tung Yang was founded, specializing in the processing of meat products. ✓ 1979：Established a presence at Taoyuan International Airport. ✓ 1992：Entering the operation of freeway service areas. ✓ 2003：The company became the first in the food industry to obtain ISO 9001 international certification
2004 - 2016 Quality Certification and Green Transformation	✓ 2004：Received the Taiwan Packaging Star Award and the Green Packaging Award. ✓ 2008：Became the first company in the industry to implement a dual traceability system for meat products, covering both products and distribution. ✓ 2011：Received the Ministry of Economic Affairs' Taiwan's Top 100 Brands Award. ✓ 2016：All products were manufactured under FSSC 22000-certified food safety management systems.
2017 - 2022 A New Benchmark for Low-Carbon Sustainability	✓ 2017：The Dayuan Plant obtained the Green Building Label and conducted a greenhouse gas inventory ✓ 2018：Received the Green Factory Label, becoming the first company in the food industry to obtain the certification. ✓ 2020：Published its first CSR Report and received the TCSA Platinum Award. ✓ 2022：Core meat products obtained ISO 14067 product carbon footprint verification.
2023 - 2025 A New Milestone in Sustainable Governance	✓ 2023：Obtained the Carbon and Water Footprint Labels and received the Rural Sustainability Award. ✓ 2024：Officially launched the core SAP ERP and POS systems. ✓ 2025：The Dayuan Plant obtained ISO 50001/45001/14001 certifications. ✓ 2025：Received the Gold Award in the Happy Enterprise Awards and the Ministry of Transportation and Communications Gold Road Award.

Official Website Milestone QR Code

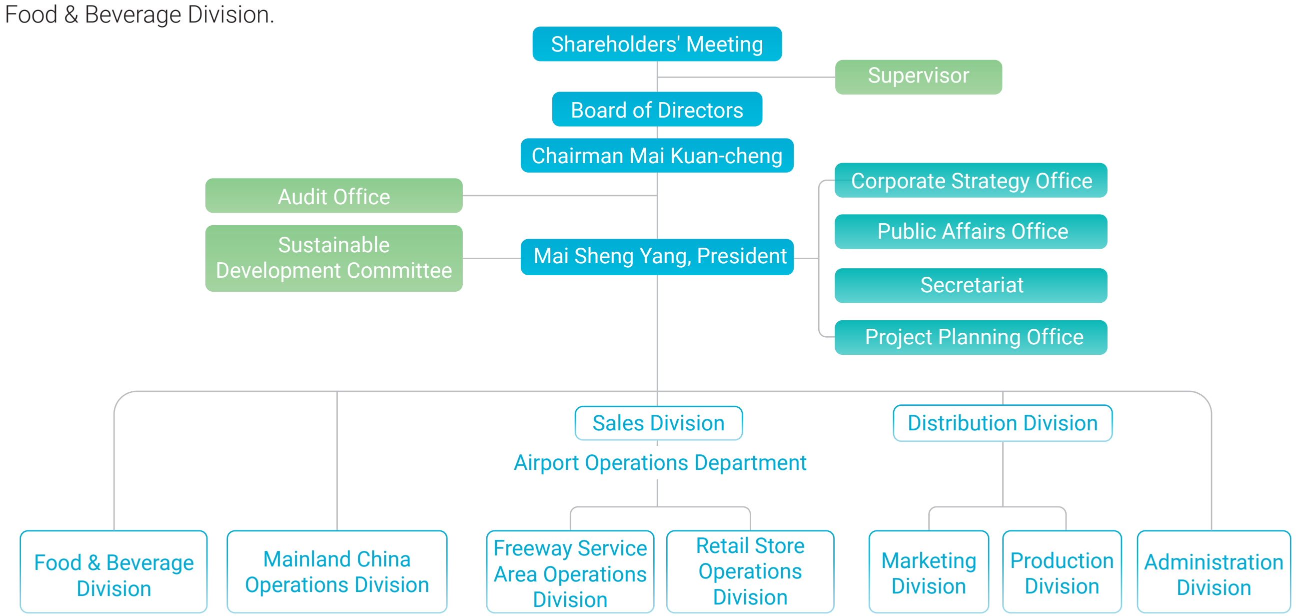
1.2 Corporate Governance

1.2.1 Organizational Structure GRI 2-1

Hsin Tung Yang Organizational Overview

Company Name	Hsin Tung Yang Co., Ltd.
Industry Category	Publicly Listed Food Manufacturing Industry
Number of Employees (as of the end of 2025)	1,073
Principal Products and Services	Food manufacturing, sales, and related services; food and beverage (F&B) retail services
Corporate Offices	Head Office: 8F., No. 289, Sec. 4, Zhongxiao E. Rd., Taipei City Sanchong Office: 15F.-1, No. 26, Ln. 61, Sec. 1, Guangfu Rd., Sanchong Dist., New Taipei City
Manufacturing Site	Hsin Tung Yang operates only one production facility, which is located at the Dayuan Plant at No. 11, Dagong Rd., Dayuan Dist., Taoyuan City; In 2025, the total production weight was 3,699 metric tons."
Operating Site (as of the end of 2025)	Retail Stores: 37 (including 25 food specialty stores, 11 department store counters, and 1 transportation hub store) National Freeway Service Areas: 5 (including Guanxi, Xihu, Nantou, and Xiluo Service Areas, as well as the Dongcaotun Rest Area) Airport Retail Stores:15 (including 10 at Taoyuan International Airport, 3 at Taipei Songshan Airport, and 2 at Kaohsiung International Airport) Restaurants: 16 (including 2 Mai's Deli, 2 Chen Hao Shih Inn Hakka Restaurant, 1 BORNGA Korean BBQ, 1 GyuB Yakiniku, 7 Hoja Popcorn Chicken outlets, 1 Guanxi Bento, and 2 Xiluo Bento outlets) In 2025, the total sales volume of packaged goods sold by Hsin Tung Yang's various retail channels and stores to end consumers reached 7,228 metric tons.

Hsin Tung Yang is committed to strengthening its corporate governance framework by embedding integrity into its day-to-day operations, making it a core element of the Company's corporate culture. To effectively manage its diverse business operations—including food manufacturing, retail channel operations, and food and beverage (F&B) businesses—the Company has established dedicated functional divisions, including the Administration Division, Sales Division, Distribution Division, and Food & Beverage Division.



Innovative Product Series

In recent years, Hsin Tung Yang has introduced the LOHAS (Lifestyles of Health and Sustainability) Vitality Series, featuring products certified under its proprietary Clean Label standard. The series offers healthier choices for consumers while promoting more environmentally friendly consumption. Whether at work, traveling, or exercising, consumers can embrace a LOHAS lifestyle anytime and anywhere.

horizon 活力生

Supporting Everyday Wellness with Clean Ingredients

Food & Beverage Brands

Hsin Tung Yang entered the food and beverage industry in 1987 with the launch of Mai's Deli. Since then, the Company has expanded its F&B portfolio to include Chen Hao Shih Inn Hakka Restaurant, featuring traditional Hakka cuisine; Hoja Popcorn Chicken, inspired by contemporary Taiwanese street food; and its well-received Freeway Service Area Bento offerings. In 2022, Hsin Tung Yang further strengthened its premium dining portfolio by introducing BORNGA Korean BBQ and GyuB Yakiniku. Through a differentiated business strategy and an intelligent supply chain, Hsin Tung Yang continues to enhance its market competitiveness while reinforcing green ingredient traceability and maintaining the highest standards of quality. The Company is committed to delivering innovative, safe, and LOHAS-inspired dining experiences for consumers.

Download Link

A Legacy of Excellence

Mai's Deli 1967

A Leading Hong Kong-Style Roast Meat Brand

Established as a leading Hong Kong-style roast meat brand, it remains committed to authentic flavors and traditional culinary techniques, maintaining a leading position among chain restaurants in the industry.

AMOT Three-Star Traceability Certified

Chen Hao Shih Inn Hakka Restaurant 2016

臻好食客棧 Hakka Restaurant

Hakka-Themed Restaurant

A Hakka-themed restaurant committed to using traceable ingredients and preserving the traditional culinary philosophy of the "Four Braises and Four Stir-fries." Certified with the highest Three-Star AMOT Traceability Restaurant Certification.

Recognized by 500 Dishes

BORNGA Korean Barbecue 2022

BORNGA

Authentic Korean Flavors Loved by International Diners

An authentic Korean dining brand created by renowned Korean chef Baek Jong-won. In 2024, the brand was recognized by 500 Dishes, showcasing the essence and artistry of authentic Korean cuisine

Authentic Taiwanese Cuisine

Hoja Popcorn Chicken 2016

Taiwanese Grilled & Fried Delicacies

The first brand to introduce Taiwan's iconic night market cuisine to freeway service areas. Made with carefully selected boneless chicken and inspired by the image of the Taiwan black bear, the brand accompanies travelers on every journey.

Recognized by 500 Dishes

GyuB Yakiniku 2021

The Wagyu Museum on Your Table

Known as "The Wagyu Museum on Your Table," the brand has been recognized by 500 Dishes for three consecutive years since 2022. Guided by the spirit of craftsmanship, it offers a premium Wagyu dining experience.

Authentic Taiwanese Cuisine

Service Area Bento 2011

Wholesome Bento Meals

Freshly prepared to order using locally sourced signature ingredients, including Guanxi preserved mustard greens with pork and Xiluo Zhuoshui rice. Offering balanced nutrition, these wholesome bento meals bring warmth and comfort to travelers along Taiwan's freeways.

1.2.2 Board of Directors

GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-12 GRI 2-13 GRI 2-15 GRI 2-16 GRI 2-17 GRI 2-18 GRI 2-19 GRI 2-20 GRI 2-28

The Board of Directors serves as Hsin Tung Yang's highest governing body. Through a well-defined sustainability governance framework, the Board regularly reviews the implementation and effectiveness of the Company's ESG strategies. Sustainable development goals are integrated into business decision-making and the performance evaluation system to ensure the effective implementation of sustainability-related policies and initiatives.

Purpose

Embedding Sustainability into Core Strategy

The Board of Directors integrates ESG principles into the Company's business strategy, establishes objective governance and oversight mechanisms, and takes into full consideration the long-term interests of shareholders and external stakeholders in its day-to-day operations.

Vision

Realizing Our Sustainable Development Vision

Guided by the three strategic pillars of "Health and Peace of Mind," "Green Commitment," and "Shared Prosperity through Companionship," Hsin Tung Yang pursues business growth while fulfilling its low-carbon commitments through initiatives such as promoting local production for local consumption and reducing plastic use at the source.

Compliance

Effective Conflict of Interest Prevention

In accordance with the Ethical Corporate Management Best Practice Principles, the Company has established a sound conflict-of-interest avoidance mechanism. Directors are required to proactively disclose any actual or potential conflicts of interest involving themselves or their related parties in relation to agenda items under consideration, and to recuse themselves from the relevant deliberations and voting in accordance with applicable laws and regulations.

Nomination and Election Process

1 Three-Year Term

Each term of office is three years, and directors are eligible for re-election.

2 Candidate Qualification Assessment

Candidates are assessed based on the Company's needs and qualification requirements

3 Shareholder Election

Candidates are submitted to the shareholders' meeting for formal election by vote.

Four Core Criteria for Director Selection

Industry Experience
Extensive practical experience in business

Professional Experience
Expertise in Finance and Accounting, Legal Affairs, or Risk

Strategic Decision-Making
Forward-looking Vision and Sound Crisis Judgment

Integrity and Goodwill
High Standards of Professional Ethics

Hsin Tung Yang's Board of Directors comprises seven directors, including one female director. Board members possess diverse professional expertise in operational management, strategic decision-making, financial and accounting analysis, crisis management, and industry knowledge. In accordance with its responsibilities and authorities, the Board reviews the Company's operating objectives, oversees business performance, and conducts risk assessments to ensure sound corporate governance. For detailed information on the directors' educational and professional backgrounds, remuneration, and concurrent positions, please refer to the Corporate Governance Report section of the Company's 2025 Annual Report.

7 seats Members of the Board of Directors (including one female director)

14.29% Female Representation on the Board (Compliance threshold met.)

4 Areas of Professional Expertise Comprising expertise in Business Management, Finance, Risk Management, and Legal Affairs

Diversity of the Board of Directors

Title	Name	Gender	Age 41~50	Age 51-60	Age 61-70	Age 71-80	Concurrent Position(s) in the Company
Chairman	Mai Kuan-cheng	Male				◆	Chairman
Director	Mai Sheng Yang	Male		◆			President
Director	Xing Yang Investment Co., Ltd.	-					
	Representative: Mai Hsiu-Wei	Male	◆				
Director	Xing Yang Investment Co., Ltd.	-					
	Representative: Cheng Li-Ming (Note)	Male			◆		Vice President
	Representative: Mai Hsiu-Jen (Note)	Male	◆				
Director	Mai Chen-Tsang	Male	◆				
Director	Li Lung-Chang	Male			◆		
Director	Mai Shu-Chu	Female			◆		

Note: Effective April 1, 2026, Xing Yang Investment Co., Ltd. appointed Mai Hsiu-Jen as its new representative director, replacing Cheng Li-Ming, who stepped down from the position.

Operational Performance and Continuing Sustainability Education for Directors

The Board of Directors convenes at least four meetings annually. In 2025, a total of four Board meetings were held, with an overall attendance rate of 89.3%. A dedicated Corporate Secretary is responsible for facilitating the implementation of Board resolutions. The effectiveness of Board operations is evaluated and the progress of action items is reviewed at each meeting to ensure continuous improvement. Looking ahead, the Company plans to establish a formal Board Performance Evaluation Guidelines, incorporating indicators related to economic, environmental, and social impacts.

89.3% Directors' Actual Attendance Rate in 2025

4 times Number of Board Meetings Held (Regular Monitoring of Resolution Implementation)

Integration of ESG Principles Integrating the three strategic pillars—"Health and Peace of Mind," "Green Commitment," and "Shared Prosperity through Companionship"—into business operations

chairman Mai Kuan-cheng — **9** Continuing Education Hours

Specializing in Sustainable Finance, Anti-Money Laundering (AML), Green Technology, and AI & Information Security Practices

president Mai Sheng Yang — **64** Continuing Education Hours

Completed the TAISE Certified Sustainability Management Program and obtained the certification

director Mai Hsiu-Wei — **6** Continuing Education Hours

Specializing in Insider Trading Prevention for Listed Companies, Equity Transaction Compliance, and Practical Operations

Remuneration Policies

Director remuneration is determined in accordance with the Company's Articles of Incorporation and shall not exceed 1% of the Company's annual profits, calculated based on profit before tax and prior to the distribution of employee and director remuneration. Director remuneration is paid entirely in cash.

Key Material Matters Communicated with the Board (2023–2025)

1. Smart Sustainability: Establishment of Two Core Digital Systems — 2024-2025

The Board provided end-to-end oversight and strategic guidance for the phased implementation of the SAP ERP and POS systems, strengthening internal controls, optimizing business processes, and reinforcing data-driven decision-making.

2. Sustainable Operations: Capital Expenditure and Upgrades for Service Areas — 2025 Board Resolution(s)

The Board reviewed and approved the operating concession extension plan for highway service areas and the allocation of significant capital expenditures to upgrade service area facilities, enhance the site environment, and improve the energy efficiency of green buildings.

3. Governance Transparency: Change in Inventory Costing Method — 2025 Board Resolution(s)

The Board reviewed and approved the adoption of the moving average method for inventory costing. Together with the corresponding system configuration, the change significantly enhanced the reasonableness of inventory valuation and the transparency of financial reporting.

Directors' and Senior Managerial Officers Remuneration Policy

6 : 4

Senior Managerial Officers (fixed: variable)

- Remuneration Clawback Mechanism：The Company has established a Senior Management Compensation Clawback Policy, under which bonuses may be reduced or forfeited in the event of a material integrity breach or food safety incident that causes reputational damage to the Company.
- Sustainability Performance Linkage：The Company plans to closely link compensation to the achievement of four key performance indicators (KPIs): ESG initiatives, source reduction of plastic use and secondary packaging, and employee engagement.
- Retirement Rehire Program：Leveraging the experience of retired senior executives by rehiring them to serve as company advisors.

Remuneration Components for the Board of Directors and Senior Managerial Officers

Recipient	Item
Director (including independent director)	Director remuneration consists of fixed cash compensation, director remuneration (variable compensation), stock options, profit-sharing through share subscriptions, retirement benefits or severance payments, and various allowances. The Compensation Committee determines and adjusts director remuneration by taking into consideration prevailing market practices within the industry and the individual performance of each director.
Senior Managerial Officers (President, Vice President, Manager, etc.)	Fixed salary, variable compensation, company vehicle benefits, and employee profit-sharing bonuses.

Note: In addition to fixed salary and retirement benefits, performance bonuses are awarded based on the achievement of predetermined performance indicators.

Functional Committee

Sustainable Development Committee

Formulate the Company's sustainable development policies; monitor the implementation and effectiveness of sustainable development initiatives; oversee sustainability-related disclosures; and supervise sustainability-related affairs and initiatives.

Information Security Management Committee

Responsible for approving the Company's risk appetite and reviewing risk assessment results, risk mitigation plans, and internal control measures.

Participation in Trade Associations

Hsin Tung Yang actively participates in food industry-related organizations and maintains positive interactions with industry peers, which enhances the Company's influence and fosters partnerships for mutual benefit. Since 2021, the Company has been a member of the Center for Corporate Sustainability, participating in board meetings to align with international trends and collaborating with sustainability benchmarks across various sectors to strive for excellence and create sustainable value.

Overview of Participation in External Trade Associations 2023–2025

	Organizational Category	Position Held	The Company's Management
1	Importers and Exporters Association of Taipei (IEAT)	Director	Mai Sheng Yang, President
		Convener	Jo-Yu Chu, Manager
		Committee Member	President Mai Sheng Yang/ Manager Jo-Yu Chu
2	Taiwan Chain Franchise Association (TCFA)	Executive Director	Mai Sheng Yang, President
3	TJABC	Director	Mai Sheng Yang, President
4	Taiwan Canners Association	Member	-
5	International Life Sciences Institute Taiwan (ILSI Taiwan)	Member	-
6	Taiwan Frozen Meat Products Association	Member	-
7	Taiwan Frozen Seafood Industries Association	Member	-
8	Center for Corporate Sustainability (TCCS)	Member	-

In 2025, President Mai Sheng Yang attended the sister-chamber signing ceremony between IEAT and the Cheongju Chamber of Commerce & Industry, strengthening Taiwan–Korea economic and trade cooperation.

In 2025, President Mai Sheng Yang attended the group photo session for the 12th Board of Directors and Supervisors of the TCFA.

1.2.3 Upholding Integrity

GRI 2-23 | GRI 2-24 | GRI 2-25 | GRI 2-26 | GRI 2-27 | GRI 205-1 | GRI 205-2 | GRI 205-3 | GRI 206-1

Since its establishment, Hsin Tung Yang has upheld integrity as a core business principle while responding proactively to industry trends, regulatory requirements, and stakeholder expectations. The Company has established clear Work Rules and Employee Reward and Disciplinary Regulations, which are published on the Company's internal intranet to provide employees with explicit guidance on professional ethics and standards of conduct. In addition, Hsin Tung Yang promotes a culture of ethical business practices through regular departmental meetings, where integrity-related policies and principles are communicated and reinforced.

Internal Audit

To ensure integrity management, the Company has established a comprehensive governance framework in accordance with relevant policies and regulations. This includes the Board-approved Internal Control System Statement, clearly defined authorization and approval authorities, and Employee Work Rules, as well as robust accounting and internal control systems to support effective risk management. Under its delegated authority framework, responsibilities are assigned at different organizational levels. The effectiveness of the Company's integrity management is regularly reviewed through management meeting reports, annual performance evaluations, and financial statements audited by an independent CPA. In addition, the Audit Office is responsible for developing and implementing the Company's annual internal audit plan, conducting periodic audits to assess compliance with relevant policies and procedures, and reporting the audit results to the Board of Directors.

Audit Focus Areas

- **54 Items** — Internal audit items implemented during the past three years (2023–2025)
- **100%** — Corrective action completion rate for audit findings
- **1 Person** — A dedicated Chief Auditor is appointed to perform audit responsibilities with independence and objectivity.

Audit Procedures

By the end of December each year	Based on the results of the risk assessment, the internal audit plan for the following year is prepared, submitted to the Board of Directors for approval, and filed with the competent authority.
Quarterly	Internal audits are conducted in accordance with the approved audit plan, with audit results reported regularly to the Supervisors and the Board of Directors.
By the end of March each year	The Company initiates and conducts the company-wide internal control self-assessment for the preceding year.
By the end of April each year	The self-assessment reports and internal audit results are reviewed, and the Statement on Internal Control System is approved and disclosed in the Annual Report.
Continuous Improvement	The status of corrective actions for identified deficiencies is reported online by the end of May each year. Over the past three years, the Company has maintained an extremely low deficiency rate, with a 100% corrective action completion rate.

Internal Audit Results

Item	2023	2024	2025
Number of Audit Engagements Conducted	30	30	54
Number of Audit Findings	1	1	1
Corrective Action Completion Rate	100%	100%	100%

Legal Compliance

Hsin Tung Yang complies with applicable laws and regulations relating to its products and services, environmental protection, and social responsibility. The Company has established multiple internal management mechanisms to strengthen regulatory compliance and mitigate compliance risks. In 2025, Hsin Tung Yang recorded no material violations in the areas of economic, environmental, or social compliance. One non-material regulatory violation related to product labeling information (including product advertising and promotional content) was identified. For further details, please refer to Section 3.3.2, Product Labeling and Marketing.

Anti-corruption

Guided by its core value of integrity, Hsin Tung Yang has established stringent ethical standards and expects all employees to uphold the highest standards of conduct and ethical principles with a strong sense of responsibility in both their professional and personal lives. To reinforce its commitment to ethical business practices, the Company has included 100% of its operating locations within the scope of its corruption risk assessments. In 2025, no material corruption risks or incidents were identified.

Hsin Tung Yang Anti-Corruption Policy

100% Corruption Risk Assessment

Established stringent codes of ethics and work rules, incorporating all operating sites and distribution channels into comprehensive assessments:

- 100% of operating sites were included in corruption risk assessments.
- The acceptance of gifts or hospitality by taking advantage of one's position is strictly prohibited.
- Using one's official position for personal gain or acting as a guarantor for another person's debts is strictly prohibited.
- Zero material corruption incidents over the past three years (2023–2025).

Supply Chain Food Safety Protection and Anti-Fraud Measures

To prevent procurement activities and raw materials from potential threats, adulteration, counterfeiting, or substitution, the Supplier Management Procedures clearly stipulate relevant control requirements:

- Suppliers are required to establish a Food Defense and Food Fraud Prevention Plan.
- Quality Assurance and Procurement departments regularly conduct vulnerability risk assessments.
- Integrity and food fraud prevention are incorporated into the annual supplier evaluation.

100% Anti-Corruption Awareness and Training

Committed to fostering a culture of integrity among senior management, all employees, and business partners:

- 100% completion rate of anti-corruption training for management and supervisory meetings.
- 100% of new employees completed pre-employment integrity training.
- 100% of partner suppliers include anti-corruption clauses in their contracts upon execution.

Anti-competitive Behavior

To ensure that its operations comply with applicable laws and regulations in the jurisdictions where it operates and to minimize legal and compliance risks, Hsin Tung Yang requires all employees and managers at every level to strictly adhere to the provisions of the Fair Trade Act and related regulations. The Company also reports its compliance status to the Board of Directors on a regular basis and provides ad-hoc training programs for relevant employees to strengthen competition law compliance awareness. In 2025, Hsin Tung Yang recorded no violations of antitrust and anti-competitive laws and regulations under the Fair Trade Act.

Grievance Handling

Employees and suppliers who identify actual or suspected violations may report their concerns through established whistleblowing channels to their immediate supervisors, the Audit Office, senior management, the President, directors, or supervisors, as appropriate. The Company recognizes and rewards whistleblowers based on the circumstances of each case, including commendations and monetary incentives where applicable. For external stakeholders, Hsin Tung Yang has established dedicated customer service hotlines, an official website, and email channels to receive reports. Reported cases are reviewed by the responsible departments through formal review procedures in accordance with their respective authorities, and the outcomes of investigations and disciplinary actions are publicly announced where appropriate. In 2025, Hsin Tung Yang received no reports involving violations of its Code of Ethics or the principles of integrity management.

Grievance Mechanism	Applicable Parties	Responsible Department	Response Method	Case Review and Validation		
				Year	Number of Case	Percentage of Cases Resolved
President's Mailbox, Audit Office Mailbox, Human Resources Department, Occupational Safety and Health Department, Customer Service Hotline, etc.	Employees, Consumers, or Suppliers	President, Chief Auditor, Human Resources Department, Occupational Safety and Health Department, Customer Service Representatives, etc.	Responded to appropriately according to the method of submission.	2023	0	-
				2024	0	-
					0	-

1.3 Operating Performance

1.3.1 Business Strategy

Hsin Tung Yang regularly convenes management meetings to review its operating performance and assess domestic and international trends, the macroeconomic environment, developments in the food industry, and market supply and demand conditions. Based on these assessments, the Company formulates channel-specific strategies and annual operating plans to respond effectively to evolving market conditions and ensure its long-term sustainable development.

Hsin Tung Yang Business Strategy

Product Management Strategic Directions

Product Development
- Festive Gift Products
- Souvenir Gift Products
- Products from Small-Scale Farmers
- Environmental Sustainability (Carbon and Water Footprints, Bamboo Fiber)
- Certified Products (e.g., Clean Label, Senior-Friendly Certification, etc)

Manufacturing and Production
- Quality Management
- Production Management
- Cost Control
- Energy Saving and Carbon Reduction

Product Management
- New Product Development
- ODM/OEMProducts
- Supplier Development
- Marketing Topic Planning

Sales Channel Management

Channel Expansion | Increase Market Share | Cross-Industry Collaboration

Retail Store Operations

Stores
- Customer Experience
- Expand Customer Base
- Enhance Customer Experience
- Enhance Service

National Freeway Service Area
- One Store, One Specialty (OTOP)
- Self-Service Ordering Kiosks
- 24-Hour Ready-to-Eat Food Service
- Farmers' Markets / Direct Farmers' Markets
- "Doing Good with Pomelos" Charity Bazaa

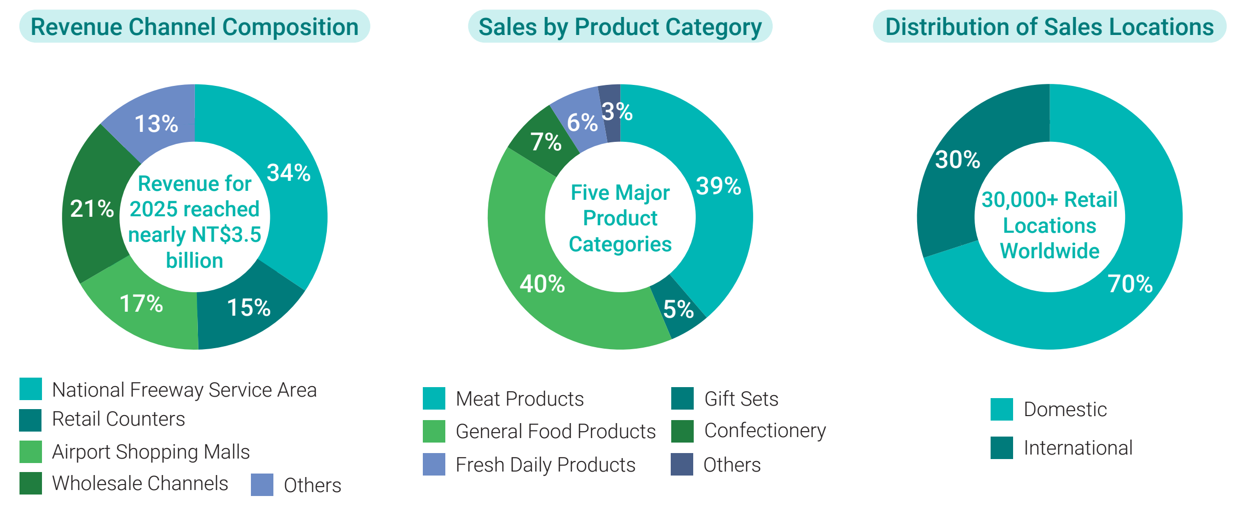
Airport Shopping Malls
- Promote Local Agricultural and Specialty Products
- Full Adoption of Reusable Tableware
- Multilingual Capability Development
- Recruit International Employees
- Enhance Traveler Service Satisfactio

Public Communication Strategic Directions

- "Gift-Giving Expert" thematic marketing creates gift-giving demand and reinforces a professional product curation image.
- "Top Choice for Local Specialties" brings together specialty products from across Taiwan, offering one-stop shopping convenience.
- "Green Products" launches ESG product lines to enhance brand recognition and affinity.
- "Data Empowerment" leverages loyalty programs and enhanced customer experiences to deepen customer engagement and contribution.

1.3.2 Operational Performance

Over nearly six decades of development, Hsin Tung Yang has built a strong foundation in food manufacturing and progressively expanded into diversified business operations, establishing an integrated value chain spanning the upstream, midstream, and downstream segments of the food industry. Over the past three years, the Company's net sales have remained stable. In 2025, total revenue reached nearly NT$3.5 billion, with approximately 87.40% generated from freeway service areas, airport retail stores, branded retail outlets, and wholesale distribution channels. For details of the Company's historical financial performance, please refer to Appendix I, Table 1-1, Historical Financial Performance.



1.4 Risk Management

1.4.1 Risk Management Mechanism

Hsin Tung Yang places great importance on identifying and managing the potential risks associated with its business operations. The Company conducts comprehensive risk assessments covering the organization as a whole, its manufacturing facilities, and all operating channels to identify and evaluate potential risks. Based on the nature of each risk, appropriate management mechanisms and corresponding mitigation measures are established to effectively control risks and strengthen preventive capabilities.

Environmental Scanning and Risk Identification
Collect food safety regulations, retailers' self-regulatory requirements, and market trends to identify risk factors that may impact revenue and brand reputation.

Risk Assessment and Prioritization
Assess and prioritize risks based on their likelihood of occurrence, potential impact, stakeholder concerns, and implications for business operations. Material risks and priority areas are identified accordingly to determine appropriate management strategies, resource allocation, and response measures.

Control, Monitoring, and Response
Established standardized contract management procedures and a channel inventory monitoring system. Sales and marketing managers verify channel transaction and inventory updates on a daily basis to ensure actual sales performance and operational stability.

Corrective Actions and Monitoring Corrective Actions and Tracking
Regular cross-functional meetings are convened to analyze the root causes of product issues or logistics delays reported by sales channels, with corrective actions tracked through to closure.

風險鑑別結果與因應行動

Risk Category	Potential Risk Impact	Core Response Actions and Management Measures
Climate and Natural Disasters	▪ Typhoons may delay shipping schedules, affecting product listing timelines and shelf life. ▪ Earthquakes may cause power, water, and gas outages, fires, and damage to buildings. ▪ Extreme weather may disrupt supply stability, resulting in delayed deliveries or stock shortages of sun-dried products. ▪ Natural disasters may affect employee attendance, leading to workforce shortages at operating sites.	▪ Integrate climate change into decision-making by incorporating climate-related risks into regular strategic operational risk assessments. ▪ Strengthen emergency response mechanisms by establishing the Emergency Response Guidelines and implementing related training programs. ▪ Enhance cross-functional coordination by establishing an Emergency Response Team to promptly respond to disasters. ▪ Strengthen supply chain coordination by monitoring weather forecasts and proactively coordinating with logistics providers to adjust delivery schedules.
Food Safety	▪ Inadequate distribution or channel logistics management may result in product deterioration and damage to brand reputation. ▪ Chilled products with short shelf lives may be discarded if delivery delays exceed the acceptable receiving period.	▪ Implement food safety monitoring through a comprehensive Food Safety Monitoring Plan to systematically manage risks. ▪ Strengthen source control through supplier qualification, evaluation, audits, and inspection mechanisms. ▪ Establish product traceability systems to ensure food safety incidents can be promptly identified and addressed.
Legal Compliance	▪ Retailers' labeling and allergen requirements may be more stringent than regulatory standards, with non-compliance potentially resulting in product delisting and financial penalties.	▪ Establish standardized labeling checklists and implement a Channel Label Review Checklist, with dual verification by Quality Assurance and Sales & Marketing prior to product listing.
Market Competition	▪ Failure to meet retailers' sustainability requirements, such as plastic reduction or carbon labeling, may result in the loss of access to mainstream sales channels.	▪ Develop green packaging by designing channel-exclusive products featuring eco-friendly, minimalist, or sustainable packaging. ▪ Strengthen green partnerships by actively participating in retailers' green procurement programs to enhance long-term collaboration.
Supply Chain and Operations	▪ Inaccurate demand forecasting during festive seasons may lead to stock shortages of popular products or product waste due to excess inventory. ▪ Third-party transportation may be disrupted by adverse weather, resulting in unstable product delivery performance.	▪ Optimize inventory allocation through data-driven replenishment by monitoring channel sales data in real time. ▪ Clarify contractual responsibilities by defining accountability and quality acceptance criteria in supplier agreements.
Information Security	▪ Disasters or cyberattacks may result in system downtime and data breaches. ▪ Weaknesses in internal personnel management processes may lead to the leakage of personal data.	▪ Establish an Information Security Management Committee to conduct regular information security risk assessments.

Crisis Management Mechanism

When a potential risk escalates into an actual crisis, the relevant departments immediately activate the Company's crisis management mechanism to ensure a timely and effective response. In the event of a major emergency, the President convenes a dedicated task force comprising the responsible departments to evaluate the situation and determine appropriate emergency response measures. The incident and the corresponding response are subsequently reported to the Chairman and the Board of Directors.

Stage 1 Notification and Control

- **Initiate a joint investigation：** The Channel Management Department and production facilities jointly conduct a comprehensive internal investigation to identify the root causes of the incident.
- **Implement channel control measures：** Require affected sales channels to immediately suspend product sales and quarantine on-site inventory to prevent further impacts.

Stage 2 Assessment and Product Recall

- **Implement reverse logistics：** Activate the Product Recall Procedure and dispatch logistics providers to rapidly retrieve affected products nationwide while reconciling recalled quantities with shipment records.
- **Issue clarification documentation：** Collaborate with the Legal and Quality Inspection functions to provide inspection reports to channel procurement teams, thereby maintaining business partner confidence.

Stage 3 Recovery and Prevention

- **Restore brand reputation and recover losses：** Negotiate compensation with channel partners and consumers to safeguard their rights and interests, and provide corrective action reports to facilitate product relisting.
- **Review and optimize processes：** Conduct an internal post-incident review and revise the Risk Identification Matrix to prevent the recurrence of similar incidents.

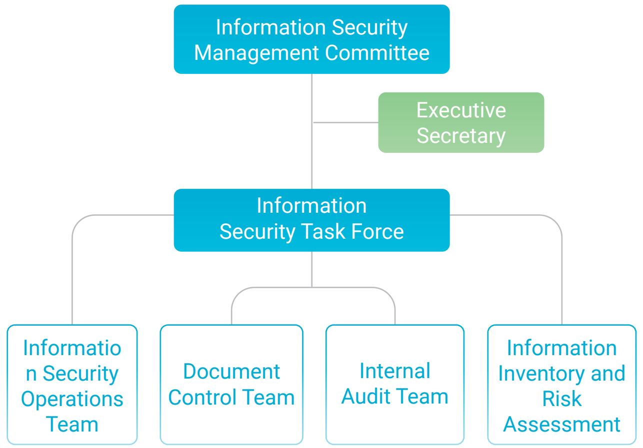
1.4.2 Information Security

Hsin Tung Yang has established a comprehensive information security management policy to strengthen its information security governance. The key elements of the Company's information security management framework and policy are as follows:

Core Policy：Establish an organization-wide assessment framework and asset management mechanism, while implementing business continuity planning and regular drills.

Decision-Making and Oversight：Establish an Information Security Management Committee responsible for approving risk ratings and reviewing risk assessment results and corrective actions.

Implementation Teams：Four dedicated working groups operate under the Committee, with responsibilities for information security operations, document control, internal audits, asset inventory management, and risk assessments.



Key Provisions of the Information Security Policy

- Information Security Management Committee and Four Functional Task Forces
- System Vulnerability Scanning and Security Response Drills
- Full Deployment of Endpoint Protection Software
- Information Security Monitoring Dashboard

Information Security Management Measures

In accordance with the ISO/IEC 27001 Information Security Management System (ISMS), Hsin Tung Yang has established management procedures and implemented action plans to strengthen information security governance. The Company's annual information security initiatives include website vulnerability scanning, server vulnerability scanning, social engineering simulation exercises, and information security verification. Resources dedicated to information security management include:

Intellectual Property Management

The Company regards its brands and trademarks as core assets. Comprehensive intellectual property protection mechanisms have been established and closely integrated with its business strategy:

- Proactive Registration and Protection of Trademarks and Brands
- Implement Trade Secret and Confidentiality Training
- Implement Document Classification and Access Controls

Customer Privacy and Data Protection

The Company protects the personal data of both online and in-store members by strictly implementing personal data protection mechanisms. In 2025, no incidents of reported violations related to integrity principles were recorded:

- Provide Prior Notice and Obtain Explicit Consent
- Implement Role-Based Access Control for Personal Data
- Implement Regular Data Retention and Secure Disposal

Supply Chain Security Protection

To prevent procurement activities and raw materials from threats and counterfeiting, the Company has strengthened contract reviews and supplier evaluation processes while establishing coordinated protection mechanisms:

- Require the Signing of Anti-Corruption Agreements
- Conduct Supplier Food Defense Assessments
- Conduct Food Fraud Vulnerability Assessments

ch2 The Virtue of Circularity