

**Stock Code:8421**



**XU YUAN** PACKAGING  
TECHNOLOGY CO., LTD.  
**旭源包裝科技股份有限公司**

**2024**

## **Annual Report**

**April 30, 2025**

**The contents of this annual report and related information of the**

**Company can be found at the following website**

**MOPS: <http://mops.twse.com.tw>**

**Company Website : <https://www.xuyuanpack.com/zh/finance/>**

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Job title: Chief Financial Officer  
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Email: **spokesperson@xuyuanpack.com**  
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Job title: Director  
Contact: 03-598-2727  
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Tel: 02-2563-5711
- IV. Name, firm name, address, website and telephone number of the CPAs who audited the most recent annual financial report  
Name of the CPA: Wu Wei-Hao, Cheng Ya-Hui  
Firm Name: PwC Taiwan  
Address: 30F, No. 1092, Zhongzheng Road, Taoyuan District, Taoyuan City  
Website: <https://www.pwc.tw/>  
Tel: 03-315-8888
- V. Name of the trading venue where overseas securities are listed and the method for querying the information of such overseas securities: None
- VI. Company website: <http://www.xuyuanpack.com>

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## I. Letter to shareholders

In 2024, the consolidated total revenue of the Company was approximately NT\$1.22 billion, the consolidated net profit after tax was approximately NT\$816 thousand, and the EPS after tax was approximately NT\$0.02.

In 2024, due to the impact of high international inflation, high interest rates, the Israeli-Palestinian conflict, the continued Russia-Ukraine war and other events, the Company faced challenges in various aspects, such as rising raw material prices, increased logistics costs and weakened end-consumer demand. The Company is constantly tested on its flexibility and ability to respond swiftly. In addition to working diligently to adjust production schedules in line with customer needs, the Company also makes every effort to communicate and coordinate to ensure a stable supply of products for customers, actively develops new customer bases, and strives to expand revenue streams and sources without ever relenting.

In the face of changes in the operating environment and market challenges, there is still room for overall operational improvement in 2024. The Company's entire management team continues to face challenges and solve problems with a proactive attitude, strengthen management systems, expand revenue sources while controlling costs, and continuously develop forward-looking technological capabilities to build long-term competitive advantages.

Important initiatives in 2024 included:

- Promote organizational optimization and multi-functional training for employees.
- Improve asset activation and reduce financial burden.
- Continuously innovate process technology and upgrade process equipment to increase production capacity, production efficiency and meet the goals of sustainable production and energy conservation.
- Continue to develop energy-saving and intelligent equipment to meet the sustainable needs of the market.
- Continue to utilize the Group's overall resources to sign long-term cooperation contracts with customers, provide comprehensive services, and adjust the flexibility of capacity allocation.
- Simplify the organizational structure of the Group

Business Overview for 2024 (Year 113 in ROC Calendar)

### (一)Operational Performance

The Company's consolidated net operating revenue amounted to NT\$1,223,309 thousand, with a consolidated net income after tax of NT\$(2,926) thousand, and earnings per share (EPS) of NT\$0.02. Compared to 2023 (Year 112), revenue increased by 3.72%, while operating profit rose by 2,881.74%

Unit: NT\$ in thousands ; %

項目	FY2024 (Year 113)		FY2023 (Year 112)		Change Amount	
	Amount	%	Amount	%	Amount	%
Net Operating Revenue	1,223,309	100.00	1,179,393	100.00	43,916	3.72

Gross Profit	235,487	19.25	198,986	17	36,501	18.34
Operating Expenses	201,049	16.43	200,224	17	825	0.41
Operating Income	34,438	2.82	(1,238)	0	35,676	2,881.74
Non-operating Income/Expenses	(28,820)	(2.36)	(4,667)	(0.40)	24,153	517.52
Net Income After Tax	(2,926)	(0.24)	(12,300)	(1.04)	(9,374)	(76.21)
Earnings per Share (NT\$)	0.02	-	(0.45)	-	0.47	-

(二) Budget Performance

Unit: NT\$ in thousands ; %

項目	Actual amount in 2024	fiscal year budget in 2024	Achievement rate (%)
Net Operating Revenue	1,223,309	1,450,000	84.37%
Gross Profit	235,487	236,200	99.70%
Operating Expenses	201,049	180,200	111.57%
Operating Income	34,438	56,000	61.50%
Non-operating Income/Expenses	(28,820)	(13,000)	221.69%
Net Income After Tax	(2,926)	43,000	(6.80)%

## (三) Financial Structure &amp; Profitability

Unit: %

FY		FY2024 (Year 113)	FY2023 (Year 112)	
Analysis				
Financial Structure	Debt-to-Asset Ratio (%)		57.64%	53.77%
	Long-term Capital to Fixed Assets Ratio (%)		148.03%	111.89%
Profitability	Return on Equity (%)		-0.37%	-1.30%
	Return on Paid-in Capital (%)	operating profit	6.28%	-0.23%
		Net profit before tax	1.02%	-1.08%
	Net profit rate (%)		-0.24%	-1.04%
	Earnings per share (yuan)		0.02	(0.45)

## (四) Research and Development Status

Unit: NT\$ in thousands ; %

項目	FY2024 (Year 113)	FY2023 (Year 112)
R&D expenses	7,508	8,420
Net operating income	1,223,309	1,179,393
R&D expenses as a percentage of net operating income (%)	0.61%	0.71%

## Operational Performance

The Company's consolidated net operating revenue amounted to NT\$1,223,309 thousand, with a consolidated net income after tax of NT\$(2,926) thousand, and earnings per share (EPS) of NT\$0.02. Compared to 2023 (Year 112), revenue increased by 3.72%, while operating profit rose by 2,881.74%.

Looking ahead to 2025, the shrink sleeve label printing business is expected to reach a sales volume of 174 million meters. The Company will be able to operate sustainably in this rapidly changing competitive environment. In addition to enhancing and optimizing existing areas, the following matters are the focus of the Company's efforts:

- Continue to recruit strategic partners, expand market presence, and strengthen product structure.
- Integrate existing process technology and resources to formulate sustainable development strategies, systems and management guidelines to achieve the Company's sustainable operation process.
- Strengthen existing investments, enhance the market deployment in India and Indonesia, optimize the production capacity of overseas subsidiaries, improve the economies of scale, accelerate and expand economic benefits.
- Continue upgrading the production process equipment and promoting production automation and management information, so as to maximize personnel efficiency.
- Focus on lean production, optimize cost control, and integrate limited resources to maximize comprehensive benefits.

The Company will continue to improve the quality of technological innovation, business development and management, and actively discover and cultivate talents, continue to improve in technology, quality and service, and continue to focus on implementing corporate sustainable operations to reduce the impact of this risk and enable the Company to maintain its competitive advantage.

The Company's management team and all employees will adhere to the consistent prudent and pragmatic business philosophy, integrate the group's resources, improve the management system, continue to move forward, achieve the goal of stable operation, enhance the Company's overall value and competitiveness, create good returns for shareholders, and hope that all shareholders will continue to support us.

Finally, I would like to wish all shareholders

good health and every success Chairman: Huang Nan-Yuan



## II. Corporate Governance Report

### 1. Information of directors, President, Vice President, Assistant Vice Presidents, heads of departments and branches:

#### (1) Directors:

##### a. Information of directors

March 26, 2025; Unit: Shares

Job title	Nationality or place of registration	Name	Gender (age range)	Election (assumption of duty) Date	Term of office	First time Election	At the time of election		Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Major education and experience	Currently holding concurrent positions in the Company and other companies	Spouse or other managers, directors or supervisors with a relationship within the second degree of kinship			Remarks
							Number of shares	Shareholding Ratio									Job title	Name	Relationship	
Chairman	Republic of China	Huang Nan-Yuan	Male (61~65)	2022-06-08	3 years	2006-06-27	2,696,464	4.92%	2,165,464	3.95%	4,495,290	8.20%	—	—	Bachelor of Science in Technology Management, Chung Hua University	Chairman of the Company Chairman, Hong Yuan Packaging Technology Co., Ltd. Chairman, Hongxu Packaging Machinery (Shanghai) Co., Ltd. Chairman, Xu Yao Investment Co., Ltd. Chairman, Dase-Seal Packaging Technology Co., Ltd. Director, Sleeve Seal, LLC. Chairman, XYP JAPAN CO., LTD. Chairman, XU YUAN Packaging Technology (India) Private Limited Chairman, XYPD DO BRASIL EMBALAGENS LTDA. Chairman, PT XU YUAN PACKAGING TECHNOLOGY INDONESIA Chairman, PT CHENG HONG PACKAGING TECHNOLOGY INDONESIA Chairman, PT CHENG KUANG MACHINE PACKAGING TECHNOLOGY INDONESIA	President Director	Chuang Ya-Ping	Spouse	Note 1
Director	Republic of China	Chuang Ya-Ping	Female (41~50)	2022-06-08	3 years	2004-10-26	3,205,015	5.85%	3,155,015	5.76%	3,505,739	6.40%	—	—	Graduated from EMBA, National Yang Ming Chiao Tung University	President of the Company Director, Hong Yuan Packaging Technology Co., Ltd. Chairman, Xu Hung Investment Co., Ltd. Director, XYPD DO BRASIL EMBALAGENS LTDA. Director, Sleeve Seal, LLC. Director, XYP JAPAN CO., LTD. Director, XU YUAN Packaging Technology (India) Private Limited Director, PT. XUYUAN PACKAGING TECHNOLOGY INDONESIA Director, PT. CHENG HONG PACKAGING TECHNOLOGY INDONESIA Director, PT. CHENG KUANG MACHINE PACKAGING	Chairman	Huang Nan-Yuan	Husband	
																	Senior Manager, Industrial Safety Division	Chuang Shih-He	Brother-in-law	
																	Senior Manager, Industrial Safety Division	Chuang Shih-He	Brother	

Job title	Nationality or place of registration	Name	Gender (age range)	Election (assumption of duty) Date	Term of office	First time Election	At the time of election		Present status	Use of share	Current shareholding	Shareholding in the	Major education and experience	Currently holding concurrent positions in the Company and other companies	Spouse or other managers, directors or supervisors with a relationship within the second degree of kinship			Remarks
							Number of shares	Shareholding Ratio							Number of shares	Shareholding Ratio	Number of shares	
														TECHNOLOGY INDONESIA				
Legal person Director	Republic of China	Xu Yao Investment Co., Ltd.	-				9,081,949	16.57%	9,081,949	16.57%	-	-	-	-	None	None	None	-
	Republic of China	Representative: Yang Su-Huan	Female (61~65)	2022-06-08	3 years	2013-11-22	20,499	0.04%	20,499	0.04%	3,075	0.01%	-	Graduated from Department of International Trade, Taichung College of Business Finance Manager, Jiamao Precision Co., Ltd. Finance Manager, SETEC CORPORATION Manager, Finance Department, UNIBRIGHT CHEMICAL CO., LTD.	Chief Financial Officer of the Company Director, Hong Yuan Packaging Technology Co., Ltd. Director, XYPD DO BRASIL EMBALAGENS LTDA. Director, PT. CHENG KUANG MACHINE PACKAGING TECHNOLOGY INDONESIA	None	None	None
Legal person Director	Republic of China	Xu Hung Investment Co., Ltd.	-	2022-06-08	3 years	2022-06-08	4,265,288	7.78%	4,376,288	7.98%	-	-	-	-	None	None	None	-

Job title	Nationality or place of registration	Name	Gender (age range)	Election (assumption of duty) Date	Term of office	First time Election	At the time of election	Present status of share	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Major education and experience	Currently holding concurrent positions in the Company and other companies	Spouse or other managers, directors or supervisors with a relationship within the second degree of kinship			Remarks
							Shareholding Ratio												Number of shares	Shareholding Ratio	Job title	
	Republic of China	Representative: Hu Wen-Lung	Male (61~70)				—	—	—	—	530,205	0.97%	—	—		Department of Mechanical Engineering, Chien Hsin University of Science and Technology Director of Transportation Department, DHL Express Taiwan Section Chief of Storage and Transportation Department, GTM Textile Co. Ltd. Operations Manager, Tekek Co., Ltd.	Chairman, HONG TAI GLOBAL TRADING CO., LTD.	None	None	None	—	
Director	Republic of China	Cheng Shu-Ching	Female (51~60)	2022-06-08	3 years	2016-06-07	419,183	0.76%	419,183	0.76%	185,382	0.34%	—	—		Graduated from EMBA, National Yang Ming Chiao Tung University	CFO of OPEN IDEA DIGITAL TECHNOLOGY CO., LTD. Supervisor, PT. XUYUAN PACKAGING TECHNOLOGY INDONESIA	None	None	None	—	

Job title	Nationality or place of registration	Name	Gender (age range)	Election (assumption of duty) Date	Term of office	First time Election	At the time of election		Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Present status of use	Number of shares		Shareholding Ratio	Current shareholding in the	Shareholding Ratio	Major education and experience	Currently holding concurrent positions in the Company and other companies	Spouse or other managers, directors or supervisors with a relationship within the second degree of kinship			Remarks
							Number of shares	Shareholding Ratio						Number of shares	Shareholding Ratio						Job title	Name	Relationship	
Director	Republic of China	Yang Ching-Hsiang	Male (41~50)	2022/06/08	3 years	2022/06/08	16,000	0.03%	16,000	0.03%	-	-	-	-	-	-	-	MBA, University of Detroit Mercy Graduated from EMBA, National Yang Ming Chiao Tung University	Chairman and CEO, Xinyuan Development Co., Ltd.	None	None	None	-	
Independent Director	Republic of China	Chih Yi-Tan	Female (41~50)	2022/06/08	3 years	2022/06/08	-	-	-	-	28,949	0.05%	-	-	-	-	-	Bachelor of Accounting, College of Law and Business, National Chung Hsing University Passed the CPA exam	CPA, CYCPA Accounting Firm	None	None	None	-	
Independent Director	Republic of China	Chang Yu-Chu	Female (51~60)	2022/06/08	3 years	2013/11/22	-	-	-	-	-	-	-	-	-	-	-	Graduated from Department of Applied Commerce, National Taichung Institute of Technology Manager of Grant Thornton	Assistant Vice President, Moores Rowland CPAs Legal representative and supervisor of Shiluxuan Restaurant Co., Ltd., JS INVESTMENT COMPANY, and QING CHENG PROPERTY DEVELOPMENT CO., LTD. Supervisor of Chia Yang Asset Management Co., Ltd. Director of Wang Guan Investment Co., Ltd.	None	None	None	-	

Job title	Nationality or place of registration	Name	Gender (age range)	Election (assumption of duty) Date	Term of office	First time Election	At the time of election		Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	President status	Use of spoiling	Current shareholding	Shareholding in the	Shareholding Ratio	Major education and experience	Currently holding concurrent positions in the Company and other companies	Spouse or other managers, directors or supervisors with a relationship within the second degree of kinship			Remarks
							Number of shares	Shareholding Ratio												Job title	Name	Relationship	
Independent Director	Republic of China	Lin Chin-Huang	Male (61~65)	2022 06 08	3 years	2019 06 10	—	—	—	—	—	—	—	—	—	—	—	Graduated from the doctoral program of the Institute of Business Administration, National Chiao Tung University	Professor, Department of Technology Management, Chung Hua University	None	None	None	—

Note 1: In order to respond to the rapid changes in the global business environment, strengthen the Company's competitiveness, and adjust the Company's organizational structure so that the chairman and President can have more time to respond to changes in the overall market and lead the Company to continue to grow steadily and profitably, the board of directors approved the appointment of the Company's Vice President Chuang Ya-Ping to the position of President on March 18, 2022. Although the President and the chairman are spouses, they each have industry experience and different professional skills, which will have a positive impact on the Company's overall business development.

Note 2: Xu Yuan has actively promoted the succession training plan to establish a good corporate governance structure. Currently, more than half of the directors do not serve as employees or managers. Xu Yuan has also planned to increase the number of independent directors in future director elections in order to further strengthen the effectiveness of the board of directors and play a good role as the highest decision-making body and substantive supervisory function.

b. Major shareholders of corporate shareholders

March 29, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio
Xu Yao Investment Co., Ltd.	Huang Nan-Yuan	100%
Xu Hung Investment Co., Ltd.	Chuang Ya-Ping	100%

c. If the major shareholder in the above table is a legal person, its major shareholder: None

d. Information on the professional qualifications of directors and supervisors and the independence of independent directors:

April 26, 2025

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Other public offerings Number of independent directors of the Company
Huang Nan-Yuan	The current chairman of the Company has served at Xu Yuan Packaging for more than 21 years. In order to enhance his management capabilities, he obtained a bachelor's degree in technology management from Chung Hua University. Must have more than five years of work experience required by the Company's business.	Please refer to the table below: Independence status	-
Chuang Ya-Ping	The current President of the Company has worked at Xu Yuan Packaging for over 21 years and obtained an EMBA from National Yang Ming Chiao Tung University. Must have more than five years of work experience required by the Company's business.	Please refer to the table below: Independence status	-
Representative of Xu Yao Investment Co., Ltd.: Yang Su-Huan	The current Chief Financial Officer of the Company graduated from the Department of International Trade of Taichung University of Commerce. Previously served as Accounting Manager of Jiamao Precision Co., Ltd., Accounting Manager of Xiang Sheng Enterprise Co., Ltd., and Manager of Finance Department of Kun Hui Technology Co., Ltd.. Must have more than five years of work experience required by the Company's business.	Please refer to the table below: Independence status	-
Representative of Xu Hung Investment Co., Ltd. Hu Wen-Lung	Graduated from Chien Hsin University of Science and Technology with a degree in Mechanical Engineering. Currently, he is the Chairman of Hong Tai Trading Co., Ltd. Must have more than five years of work experience required by the Company's business.	Please refer to the table below: Independence status	-
Cheng Shu-Ching	She received a bachelor's degree in Technology Management from Chung Hua University and an EMBA from National Yang Ming Chiao Tung University. Currently, she is the Chief Financial Officer of Open Idea Digital Technology Co., Ltd. Must have more than five years of work experience required by the Company's business.	Please refer to the table below: Independence status	-

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Other public offerings Number of independent directors of the Company
Yang Ching-Hsiang	Graduated with MBA from University of Detroit Mercy, and EMBA from National Yang Ming Chiao Tung University He is currently the Chairman and CEO of XIN YUAN DEVELOPMENT CO., LTD. Must have more than five years of work experience required by the Company's business.	Please refer to the table below: Independence status	-
Chih Yi-Tan	Graduated from College of Law and Business, Department of Accounting, National Chung Hsing University. Currently, she is a certified public accountant of CYCPA Accounting Firm. The applicant must have more than five years of working experience in the Company and have passed the CPA qualification exam.	Please refer to the table below: Independence status	1
Chang Yu-Chu	Graduated from Department of Applied Business, National Taichung University of Science and Technology Currently serving as Assistant Vice President, Moores Rowland CPAs Must have more than five years of work experience required by the Company's business.	Please refer to the table below: Independence status	-
Lin Chin-Huang	Graduated from the doctoral program of the Institute of Business Administration of National Yang Ming Chiao Tung University He has been a professor at the Department of Technology Management at Chung Hua University for 26 years. Must have more than five years of work experience required by the Company's business.	Please refer to the table below: Independence status	-

Criteria Name (Note 1)	Compliance with independence (Note 2)											
	1	2	3	4	5	6	7	8	9	10	11	12
Huang Nan-Yuan								√	√		√	√
Chuang Ya-Ping								√	√		√	√
Representative of Xu Yao Investment Co., Ltd.: Yang Su-Huan			√	√	√			√	√	√	√	
Representative of Xu Hung Investment Co., Ltd. Hu Wen-Lung	√	√	√	√	√	√	√	√	√	√	√	√
Cheng Shu-Ching	√			√	√			√	√	√	√	√
Yang Ching-Hsiang	√	√	√	√	√	√	√	√	√	√	√	√
Chih Yi-Tan	√	√	√	√	√	√	√	√	√	√	√	√

Chang Yu-Chu	V	V	V	V	V	V	V	V	V	V	V	V
Lin Chin-Huang	V	V	V	V	V	V	V	V	V	V	V	V

Note 2: If any director or supervisor meets the following conditions in the two years before his/her election and during his/her term of office, please tick the blanks below the condition codes.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or its affiliated enterprises (however, this does not apply to independent directors appointed by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with this Act or the laws of the country where the Company is located).
- (3) A natural person shareholder who is not the individual, his/her spouse, minor children or another person and holds 1% or more of the total issued shares of the Company or is one of the top ten shareholders.
- (4) Not the spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the manager listed in (1) or the personnel listed in (2) or (3).
- (5) A director, supervisor or employee of a corporate shareholder who does not directly hold 5% or more of the total issued shares of the Company, or who is one of the top five shareholders or a corporate shareholder who has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraphs 1 or 2 of the Company Act (but this does not apply to independent directors appointed by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with this Act or local laws).
- (6) Not a director, supervisor, or employee of another company where a majority of the Company's director seats or voting shares and those of another company are controlled by the same person (except for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).
- (7) A director (board member), supervisor (auditor) or employee of another company or institution who is not the same person or spouse of the Company's chairman, President or person of equivalent position (however, this does not apply to independent directors appointed by the Company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or local laws and regulations).
- (8) Not a director (board member), supervisor (auditor), manager or shareholder holding 5% or more of the shares of a specific company or institution that has financial or business dealings with the Company (however, if a specific company or institution holds more than 20% but less than 50% of the total issued shares of the Company, and is an independent director appointed by the Company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or the laws of the local country, this restriction does not apply).
- (9) Professionals, sole proprietors, partnerships, owners, partners, directors, supervisors, managers and their spouses of companies or institutions that do not provide audit services to the Company or its affiliated companies, or that have received remuneration for business, legal, financial, accounting or other related services totaling no more than NT\$500,000 in the past two years. However, this restriction does not apply to members of the Remuneration Committee, the Public Tender Offer Review Committee, or the Merger and Acquisition Special Committee who perform their duties pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) No spouse or relative within the second degree of kinship with other directors.
- (11) None of the circumstances set out in Article 30 of the Company Act exists.
- (12) Not the government, legal person, or representative shall be elected as per Article 27 of the Company Act.

e. Description and implementation of diversity and independence of the board of directors:

The Company has clearly stipulated in the "Corporate Governance Best Practice Principles" that that the composition of the Board of Directors should take into account diversity, without restrictions on gender, race or nationality.

In addition to the necessary knowledge, skills and qualities necessary to perform their duties, the board of directors as a whole should also possess the following capabilities to achieve the ideal goal of corporate governance, including 1.Operational judgment ability. 2. Accounting and financial analysis. 3. Business management. 4. Crisis management ability. 5. Industry knowledge. 6. International market perspective. 7. Leadership. 8. Diversified professional background such as decision-making ability.

The current implementation of the diversity policy of the board by individual directors of the Company is as follows:

Diversified core projects Name of director	Nationality	Gender	Age	Employee status	Operational judgment	Accounting and Finance	Business Management	Crisis management	Industry knowledge	International Market view	Leadership and decision-making
Huang Nan-Yuan	Republic of China	Male	61	Yes	V		V	V	V	V	V
Chuang Ya-Ping	Republic of China	Female	50	Yes	V	V	V	V	V	V	V
Yang Su-Huan	Republic of China	Female	62	Yes	V	V	V	V	V	V	V
Hu Wen-Lung	Republic of China	Male	70	No	V		V	V	V	V	V
Cheng Shu-Ching	Republic of China	Female	58	No	V	V	V	V		V	V
Yang Ching-Hsiang	Republic of China	Male	46	No	V	V	V	V		V	V
Chih Yi-Tan	Republic of China	Female	50	No	V	V	V	V		V	V
Chang Yu-Chu	Republic of China	Female	55	No	V	V	V	V		V	V
Lin Chin-Huang	Republic of China	Male	64	No	V		V	V	V	V	V

There are 9 current board members, including 3 independent directors, 5 female directors and 3 employee directors, accounting for 33.3%, 55.5% and 33.3% of all board members, respectively. As of the end of 2024, 1 director was between 40 and 49 years old; 4 directors were between 50 and 59 years old, and the remaining directors were over 60 years old.

In order to implement the policy of diversity of the composition of the board of directors to improve the Company's overall performance, and in response to the initiative that independent directors should not serve more than three consecutive terms in the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, the three seats (more than half) of the independent directors of the Company have not served more than three consecutive terms. All independent directors meet the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors. For relevant information on the education background, gender, professional qualifications, work experience and diversity of each director, please refer to the Directors’ Information in III. Corporate Governance Report.

Future diversification goals include but are not limited to the following three aspects:

1. Basic conditions and values: gender, age, nationality, ethnicity and culture, etc. The Company's 2022 shareholders' meeting held the 7th re-election of directors and elected 5 female independent directors. In the future, we will retain at least one female director seat and aim to have one-third of the board members be female, and make a balanced plan in terms of age requirements (this has now been achieved).
2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.
3. Independent directors should serve for more than half of the terms, but not more than three terms, in order to maintain their independence (this has been achieved so far).

Note 1: The professional qualifications and experience of each director and supervisor shall be disclosed. For those who are members of the Audit Committee and possess expertise in accounting or finance, their accounting or financial background and work experience must be specified. In addition, it must be stated whether they are free from any of the circumstances listed under Article 30 of the Company Act: No such situation

Note 2: For independent directors, their compliance with independence requirements must be disclosed, including but not limited to: whether the individual, their spouse, or relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any of its affiliates; the number and percentage of shares of the Company held by the individual, their spouse, or relatives within the second degree of kinship (including holdings under other's name); whether they serve as a director, supervisor, or employee of any company having a specific relationship with the Company (with reference to Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received in the past two years for providing business, legal, financial, or accounting services to the Company or its affiliates.

Note 3: Please refer to the examples of best practice principles on the website of the Corporate Governance Center of the Taiwan Stock Exchange for disclosure methods.

(2) Information on President, Vice President, Assistant Vice President and heads of departments and branches

March 26, 2025; Unit: Shares

Job title	Nationality	Name	Gender	Elected (onboard) date	Shareholding		Shareholding of spouse or minor		Shareholding in the		Major education and experience	Current employment with other companies	Managers who are spouses or have a relationship within the second degree of kinship			Remarks
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
President	Republic of China	Chuang Ya-Ping (Note 1)	Female	10/27/2004	3,155,015	5.76%	3,505,739	6.40%	—	—	Graduated from EMBA, National Yang Ming Chiao Tung University	Director, Hong Yuan Packaging Technology Co., Ltd. Chairman, Xu Hung Investment Co., Ltd. Director, XYPD DO BRASIL EMBALAGENS LTDA. Director, Sleeve Seal, LLC. Director, XYP JAPAN CO., LTD. Director, XU YUAN Packaging Technology (India) Private Limited Director, PT. XUYUAN PACKAGING TECHNOLOGY INDONESIA Director, PT. CHENG HONG PACKAGING TECHNOLOGY INDONESIA Director, PT. CHENG KUANG MACHINE PACKAGING TECHNOLOGY INDONESIA	Chairman	Huang Nan-Yuan	Husband	Note 1
													Industrial Safety Division Assistant Vice President	Chuang Shih-He	Brother	
Chief Financial Officer	Republic of China	Yang Su-Huan	Female	03/20/2015	20,499	0.04%	3,075	0.01%	—	—	Graduated from Department of International Trade, Taichung College of Business Finance Manager, Jiamao Precision Co., Ltd. Finance Manager, SETEC CORPORATION Manager, Finance Department, UNIBRIGHT CHEMICAL CO., LTD.	Director, Hong Yuan Packaging Technology Co., Ltd. Director, XYPD DO BRASIL EMBALAGENS LTDA. Director, PT. CHENG KUANG MACHINE PACKAGING TECHNOLOGY INDONESIA	None	None	None	—

Job title	Nationality	Name	Gender	Elected (onboard) date	Shareholding		Number of shares or minority	Shareholding in the		Major education and experience	Current employment with other companies	Managers who are spouses or have a relationship within the second degree of kinship			Remarks
					Number of shares	Shareholding Ratio		Number of shares	Shareholding Ratio			Job title	Name	Relationship	
R&D Department Special Assistant	Republic of China	Tai Hao	Male	10/27/2004	71,562	0.13%	—	—	—	Graduated from Department of Mechanical Engineering, Ming Hsin University of Science and Technology Chief of Engineering Department, JOHNSON & JOHNSON TAIWAN LTD.	Director, Hong Tai Trading Co., Ltd.	None	None	None	—
Assistant Vice President of Chiayi Manufacturing Center	Republic of China	Cheng Jui-Shu	Female	10/27/2004	28,873	0.05%	—	—	—	Graduated from Department of International Trade, Overseas Chinese University Assistant Manager of Southern Plant, DASE-SING PLASTICS CO., LTD.	—	None	None	None	—
Senior Manager, Industrial Safety Division	Republic of China	Chuang Shih-He	Male	02/26/2012.	46,432	0.08%	24,959	0.05%	—	Master of Industrial Engineering, University of Technology, Sydney, Australia Manager of Industrial Safety Department, HIGH POWER OPTOELECTRONICS, INC.	Supervisor, Hong Yuan Packaging Technology Co., Ltd.	President	Chuang Ya-Ping	Sister	—
												Chairman	Huang Nan-Yuan	Brother-in-law	

Job title	Nationality	Name	Gender	Elected (onboard) date	Shareholding		Shareholding of spouse or minor	Shareholding in the		Major education and experience	Current employment with other companies	Managers who are spouses or have a relationship within the second degree of kinship			Remarks
					Number of shares	Shareholding Ratio		Number of shares	Shareholding Ratio			Number of shares	Shareholding Ratio	Job title	
Overseas Business Department Assistant Vice President	Republic of China	Wu Lai-Fa	Male	06/29/2023	—	—	—	—	—	<p>Graduated with EMBA from the University of Texas at Austin</p> <p>QPM Manager, CATCHER TECHNOLOGY CO., LTD.</p> <p>Deputy Sales Manager, PRO-DATA PRECISION TECHNOLOGY CORP.</p> <p>US Operations Manager, King Shan Wire Co.</p> <p>Maintenance Engineer, KUOTU MOTOR CO., LTD.</p>	—	None	None	None	—

Job title	Nationality	Name	Gender	Elected (onboard) date	Shareholding		Shareholding of spouse or minor		Shareholding in the		Major education and experience	Current employment with other companies	Managers who are spouses or have a relationship within the second degree of kinship			Remarks
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
Senior manager of business department	Republic of China	Chen Jung-Pin	Male	06/29/2023	1,025	0.002%	1,732	0.003%	—	—	Graduated from Minth University of Science and Technology, majoring in Industrial Engineering Sales Manager, Dase-Sing Packaging Technology Co., Ltd. Regional Manager, Pu Shuo HR Agency Co., Ltd. Maintenance engineer, Jiemin Moving Machinery Co., Ltd.	—	None	None	None	—

Job title	Nationality	Name	Gender	Elected (onboard) date	Shareholding		Shareholding of spouse or minor		Shareholding in the		Major education and experience	Current employment with other companies	Managers who are spouses or have a relationship within the second degree of kinship			Remarks
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Job title	Name	Relationship	
Senior Manager of Management Department	Republic of China	Yang Sheng-Fa	Male	4/13/2023	2,245	0.004%	—	—	—	—	Graduated from the Department of Statistics, Feng Chia University Administrative Assistant Manager, Joyin Co., Ltd. Head of Human Resources Department, Walsin Technology Corp Administrative Director, LEADSUN GREENTECH CORPORATION Administrative Specialist, CHINA GENERAL PLASTICS CORPORATION	—	None	None	None	—

Note 1: In order to respond to the rapid changes in the global business environment, strengthen the Company's competitiveness, and adjust the Company's organizational structure so that the chairman and President can have more time to respond to changes in the overall market and lead the Company to continue to grow steadily and profitably, the board of directors approved the appointment of the Company's Vice President Chuang Ya-Ping to the position of President on March 18, 2022. Although the President and the chairman are spouses, they each have industry experience and different professional skills, which will have a positive impact on the Company's overall business development.

Note 2: Xu Yuan has actively promoted the succession training plan to establish a good corporate governance structure. Currently, more than half of the directors do not serve as employees or managers. Xu Yuan has also planned to increase the number of independent directors in future director elections in order to further strengthen the effectiveness of the board of directors and play a good role as the highest decision-making body and substantive supervisory function.

2. Remuneration paid to directors, President and Vice President in the most recent year

a. Remuneration to directors (including independent directors)

(a) Remuneration to directors (including independent directors)

Unit: NTD thousands

Job title	Name	Remuneration to directors								“The aggregate amounts of items A, B, C, and D, and their percentage of net income after tax (Note 10).”		Remuneration received for serving as an employee concurrently				“The aggregate amounts of items A, B, C, and D, and their percentage of net income after tax (Note 10).”		Remuneration received from invested businesses other than subsidiaries or from the parent company (Note 11)				
		Remuneration (A) (Note 2)		Severance and pension (B)		Remuneration to directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonus and special expenses, etc. (E) (Note 5)		Severance and pension (F)					Employee remuneration (G) (Note 6)			
		The Company	All companies included in the Financial Report (Note 7)	The Company	All companies included in the Financial Report (Note 7)	The Company	All companies included in the Financial Report (Note 7)	The Company	All companies included in the Financial Report (Note 7)	The Company	All companies included in the Financial Report (Note 7)	The Company	All companies included in the Financial Report (Note 7)	Cash amount	Stock amount	Cash amount	Stock amount		The Company	All companies included in the financial statements (Note 7)		
Chairman	Huang Nan-Yuan	240	240	—	—	—	—	36	36	276 0.34	276 0.34	3,653	3,653			320	—	320	—	4,249 5.21	4,249 5.21	—
Director	Chuang Ya-Ping	240	240	—	—	—	—	36	36	276 0.34	276 0.34	3,375	3,375			320		320		3,971 4.87	3,971 4.87	—
Director	Xu Yao Investment Co., Ltd. Representative: Yang Su-Huan	240	240	—	—	—	—	36	36	276 0.34	276 0.34	2,267	2,267	108	108	240		240		2,783 3.41	2,783 3.41	—

Director	Xu Hung Investment Co., Ltd. Representative: Hu Wen-Lung	240	240	-	-	-	-	36	36	276 0.34	276 0.34	-	-	-	-	-	-	-	276 0.34	276 0.34	-
Director	Cheng Shu-Ching	240	240	-	-	-	-	36	36	276 0.34	276 0.34	-	-	-	-	-	-	-	276 0.34	276 0.34	-
Director	Yang Ching-Hsiang	240	240	-	-	-	-	36	36	276 0.34	276 0.34	-	-	-	-	-	-	-	276 0.34	276 0.34	-
Independent Director	Chih Yi-Tan	360	360	-	-	-	-	102	102	462 0.57	462 (0.03)	-	-	-	-	-	-	-	462 0.57	462 0.57	-
Independent Director	Chang Yu-Chu	360	360	-	-	-	-	102	102	462 (0.03)	462 (0.03)	-	-	-	-	-	-	-	462 0.57	462 0.57	-
Independent Director	Lin Chin-Huang	360	360	-	-	-	-	102	102	462 (0.03)	462 (0.03)	-	-	-	-	-	-	-	462 0.57	462 0.57	-

(1) Please describe the policy, system, standards and structure for the payment of remuneration to independent directors, and describe the correlation between the responsibilities, risks, time invested, etc. and the amount of remuneration paid:

According to the Company's Articles of Incorporation, the remuneration of all directors is authorized by the Board of Directors to be determined based on the directors' level of participation in the Company's operations and the value of their contributions, with reference to industry standards.

The Articles of Incorporation also stipulates that the annual pre-tax net profit before deducting employee remuneration and director remuneration should be set aside for director remuneration of no more than 4%. The payment of director remuneration shall be handled in accordance with the "Regulations Governing the Distribution of Directors' Remuneration".

(2) Other than those disclosed in the above table, remuneration received by the Company's directors for services rendered in the most recent year (such as serving as consultants to parent company/all companies included in the financial report/invested businesses who are not employees, etc.): No such situation.

Remuneration range table

Ranges of remuneration paid to each director of the Company	Name of director			
	Total remuneration of the first four items (A+B+C+D)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Below NT\$1,000,000	Huang Nan-Yuan, Chuang Ya-Ping, Representative of Xu Yao Investment Co., Ltd.: Yang Su-Huan, Representative of Xu Hung Investment Co., Ltd.: Hu Wen-Lung, Cheng Shu-Ching, Yang Ching-Hsiang, Chih Yi-Tan, Chang Yu-Chu, Lin Chin-Huang	Huang Nan-Yuan, Chuang Ya-Ping, Representative of Xu Yao Investment Co., Ltd.: Yang Su-Huan, Representative of Xu Hung Investment Co., Ltd.: Hu Wen-Lung, Cheng Shu-Ching, Yang Ching-Hsiang, Chih Yi-Tan, Chang Yu-Chu, Lin Chin-Huang	The representative of Xu Hung Investment Co., Ltd.: Hu Wen-Lung, Cheng Shu-Ching, Yang Ching-Hsiang, Chih Yi-Tan, Chang Yu-Chu, Lin Chin-Huang	The representative of Xu Hung Investment Co., Ltd.: Hu Wen-Lung, Cheng Shu-Ching, Yang Ching-Hsiang, Chih Yi-Tan, Chang Yu-Chu, Lin Chin-Huang
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	—	—	—	—
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	—	—	Representative of Xu Yao Investment Co., Ltd.: Yang Su-Huan	Representative of Xu Yao Investment Co., Ltd.: Yang Su-Huan
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	—	—	Huang Nan-Yuan, Chuang Ya-Ping	Huang Nan-Yuan, Chuang Ya-Ping
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	—	—	—	—
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	—	—	—	—
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	—	—	—	—

NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	9 people	9 people	9 people	9 people

- Note 1: The names of directors should be listed separately (corporate shareholders should list the names of corporate shareholders and representatives separately), and general directors and independent directors should be listed separately, and the amounts of various payments should be disclosed in a summarized manner. If a director also serves as President or Vice President, he should fill in this table and the following table (3-1), or the following tables (3-2-1) and (3-2-2).
- Note 2: The remuneration of directors in the most recent year (including director salary, position allowance, severance pay, various bonuses, incentives, etc.) paid to directors in the most recent year (including salaries, additional pay, severance pay, various bonuses, incentives).
- Note 3: The amount of directors' remuneration distributed by the Board of Directors in the most recent year shall be recorded.
- Note 4: Refers to the relevant business execution expenses of the directors in the most recent year (including travel expenses, special expenses, various allowances, dormitories, cars and other in-kind provisions, etc.). If housing, cars, other means of transportation, or personal expenses are provided, the nature and cost of the assets provided, actual or fair market value of rent, gas, and other payments should be disclosed. If there is a driver, please provide a note indicating the relevant remuneration paid by the Company to the driver, which shall not be included in the remuneration.
- Note 5: It refers to the compensation received by directors and employees who also serve as directors (including President, Vice President, other managers and employees) in the most recent year, including salaries, position allowances, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, cars and other in-kind provisions. If housing, cars, other means of transportation, or personal expenses are provided, the nature and cost of the assets provided, actual or fair market value of rent, gas, and other payments should be disclosed. If there is a driver, please provide a note indicating the relevant remuneration paid by the Company to the driver, which shall not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-based Payments", including employee stock option certificates, restricted employee rights shares and participation in cash capital increase share subscriptions, should also be included in remuneration.
- Note 6: This refers to directors concurrently serving as employees (including those concurrently serving as President, Vice President, other managers, and employees) who received employee compensation (including stock and cash) in the most recent fiscal year. The amount of employee compensation approved by the Board of Directors for distribution in the most recent fiscal year must be disclosed. If the amount cannot be estimated, the proposed distribution amount for the current year should be calculated based on the distribution ratio from the previous year. In addition, Table 1-3 must be completed.
- Note 7: The total amount of remuneration paid to the directors of the Company by all companies (including the Company) included in the consolidated report shall be disclosed.
- Note 8: The total amount of remuneration paid by the Company to each director is disclosed in the grade to which the director is assigned.
- Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the name of the director should be disclosed in the grade to which he is assigned.

Note 10: Net profit after tax refers to the net profit after tax of the most recent year's individual or separate financial reports.

Note 11: a. This column should clearly record the amount of remuneration received by the Company's directors from investment businesses other than subsidiaries or from the parent company (if none, please fill in "None").

b. If Company directors receive compensation from investee enterprises other than subsidiaries, or from the parent company, such compensation received from investee enterprises other than subsidiaries or from the parent company must be included in Column I of the remuneration grade table, and the column heading must be amended to “Parent Company and All Investee Enterprises”.

c. Remuneration refers to remuneration, compensation (including remuneration to employee, director and supervisor) and business execution expenses received by the Company's directors as directors, supervisors or managers of subsidiaries, investees or parent companies.

\*The remuneration disclosed in this table is different from the concept of income in the Income Tax Act, so this table is intended for information disclosure and not for taxation purposes.

2. Remuneration to the President and Vice President  
 (1) Remuneration to the President and Vice President

Unit: NTD thousands

Job title	Name	Salary (A) (Note 2)		Severance and pension (B)		Bonuses and special expenditures (C) (Note 3)		Amount of employee remuneration (D) (Note 4)				Sum of A, B, C, and D and their percentage in net profit after tax (%) (Note 8)	
		The Company	All companies included in the Financial Report (Note 5)	The Company	All companies included in the Financial Report (Note 5)	The Company	All companies included in the Financial Report (Note 5)	The Company		All companies included in the Financial Report (Note 5)		The Company	All companies included in the Financial Report (Note 5)
								Cash Amount	Stock Amount	Cash Amount	Stock Amount		
President	Chuang Ya-Ping	2,923	2,923	—	—	452	452	320	—	320	—	3,695 4.53	3,695 4.53

Remuneration range table

Range of remuneration paid to the President and Vice President of the Company	Name of President/Vice President	
	The Company (Note 6)	All companies within the financial statements (Note 7) E
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)	—	—
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Chuang Ya-Ping	Chuang Ya-Ping
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	—	—
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	—	—

NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	—	—
Over NT\$100,000,000	—	—
Total	1 person	1 person

Note 1: The names of the President and Vice President shall be listed separately, and the the amounts of various payments should be disclosed in a summary manner. If the director is also the President or Vice President, please fill in this table and the above table (1-1), or (1-2-1) and (1-2-2).

Note 2: Fill in the salary, position allowance and severance pay of the President and Vice President in the most recent year.

Note 3: The information is filled in with the amounts of various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, cars and other in-kind provisions and other remuneration received by the President and Vice President in the most recent year. If housing, cars, other means of transportation, or personal expenses are provided, the nature and cost of the assets provided, actual or fair market value of rent, gas, and other payments should be disclosed. If there is a driver, please provide a note indicating the relevant remuneration paid by the Company to the driver, which shall not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-based Payments", including employee stock option certificates, restricted employee rights shares and participation in cash capital increase share subscriptions, should also be included in remuneration.

Note 4: Fill in the employee remuneration amount (including stocks and cash) distributed to the President and Vice President in the most recent year approved by the Board of Directors. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated based on the proportion of the actual distribution amount last year, and Table 1-3 shall be filled in separately.

Note 5: The total amount of remuneration paid to the President and Vice President of the Company by all companies in the consolidated report (including the Company) should be disclosed.

Note 6: The total amount of remuneration paid by the Company to each President and Vice President shall be disclosed in the grade to which they are assigned.

Note 7: The total amount of remuneration paid to each President and Vice President of the Company by all companies in the consolidated report (including the Company) shall be disclosed, and the names of the President and Vice President shall be disclosed in the corresponding grades.

Note 8: Net profit after tax refers to the net profit after tax of the most recent individual or separate financial report.

Note 9: a. This column should clearly record the amount of remuneration received by the Company's President and Vice President from reinvested businesses other than subsidiaries or from the parent company (if none, please fill in "None").

b. If the Company's President or Vice President receive compensation from investee enterprises other than subsidiaries or from the parent company, such compensation must be included in Column E of the remuneration grade table, and the column heading must be amended to "Parent Company and All Investee Enterprises".

c. Compensation refers to the remuneration, payments (including remuneration to employee, director, and supervisor), and business execution expenses received by the Company's President and Vice President for serving as directors, supervisors, or managers of investee enterprises other than subsidiaries or the parent company.

\*The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. Therefore, this table is intended for information disclosure and not for taxation purposes.

3. Remuneration to the top 5 executives with the highest pay of TWSE/TPEX listed companies (names and compensation methods disclosed individually)  
(Note 1)

Unit: NTD thousands

Job title	Name	Salary (A) (Note 2)		Severance and pension (B)		Bonuses and special expenditures (C) (Note 3)		Amount of employee remuneration (D) (Note 4)				Sum of A, B, C, and D and their percentage in net profit after tax (%) (Note 6)		Remuneration received from invested businesses other than subsidiaries or from the parent company (Note 7)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the Financial Report (Note 5)		The Company	All companies included in the financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Chuang Ya-Ping	2,923	2,923	0	0	452	452	320	—	320	—	3,695 4.53	3,695 4.53	—
Chief Financial Officer	Yang Su-Huan	1,955	1,955	108	108	312	312	240	—	240	—	2,615 3.2	2,615 3.2	—
Senior Manager,	Chuang Shih-He	1,479	1,479	83	83	150	150	80	—	80	—	1,792 2.2	1,792 2.2	—
Senior manager of	Chen Jung-Pin	1,245	1,245	73	73	1,429	1,429	160	—	160	—	2,907 3.56	2,907 3.56	—
Overseas Business	Wu Lai-Fa	1,446	1,446	73	73	200	200	160	—	160	—	1,879 2.3	1,879 2.3	—

Note 1: The term "Top Five Highest-Paid Officers" refers to the Company's managerial officers. The definition of managerial officers shall be determined in accordance with the scope of application for "managerial officers" as set out in the letter Tai-Tsai-Cheng-San No. 0920001301 issued by the Securities and Futures Commission of the Ministry of Finance on March 27, 2003. As for the principles for calculating and determining the "Top Five Highest-Paid" officers, it is based on the total amount of salary, severance and retirement payments, bonuses, special expense allowances, and employee remuneration received by the Company's managerial officers from all companies included in the consolidated financial statements (i.e., the sum of items A+B+C+D). The officers are then ranked in order of total compensation, and the top five highest-paid individuals are identified accordingly. If a director also serves as the former supervisor, he should fill in this table and the above table (1-1).

Note 2: Fill in the salary, position allowance, and severance pay of the top five highest-paid executives in the most recent year.

Note 3: This section shall record the amounts of various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, cars and other in-kind provisions and other remunerations of the top five highest-paid executives in the most recent year. If housing, cars, other means of transportation, or personal expenses are provided, the nature and cost of the assets provided, actual or fair market value of rent, gas, and other payments should be disclosed. If there is a driver, please provide a note indicating the relevant remuneration paid by the Company to the driver, which shall not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-based Payments", including employee

stock option certificates, restricted employee rights shares and participation in cash capital increase subscription shares, should also be included in remuneration.

Note 4: Fill in the employee remuneration amount (including stocks and cash) of the top five highest-ranking executives approved by the Board of Directors in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated based on the proportion of the actual distribution amount last year, and Table 1-3 shall be filled in separately.

Note 5: The total amount of remuneration paid to the top five highest paid executives of the Company by all companies in the consolidated report (including the Company) shall be disclosed.

Note 6: Net profit after tax refers to the net profit after tax of the most recent year's individual or separate financial reports.

Note 7: a. This column should clearly record the amount of remuneration received by the Company's top five highest-paid executives from investment businesses other than subsidiaries or from the parent company (if none, please fill in "None").

b. Compensation refers to the remuneration (including remuneration to employee, director and supervisor) and business execution expenses received by the five most highly compensated executives of the Company as directors, supervisors or managers of subsidiaries, investees or parent companies.

\*The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. Therefore, this table is intended for information disclosure and not for taxation purposes.

4. Name of the manager who distributes employee remuneration and the distribution status:

December 31, 2024; Unit: NTD thousands

Job title	Name	Stock amount	Cash amount	Total	Total amount as a percentage of net profit after tax (%)
President	Chuang Ya-Ping				
Chief Financial Officer	Yang Su-Huan				
Special Assistant to the R&D Department	Tai Hao				
Assistant Vice President of Chiayi Manufacturing Center	Cheng Jui-Shu				
Senior Manager, Industrial Safety Division	Chuang Shih-He	—	1190	1190	1.46
Senior manager of business department	Chen Jung-Pin				
Senior manager of Overseas Business Department	Wu Lai-Fa				
Senior Manager of Management Department	Yang Sheng-Fa				

Note 1: Individual names and titles should be disclosed, but profit distribution may be disclosed in aggregate form.

Note 2: Fill in the amount of employee remuneration (including stocks and cash) distributed to managers in the most recent year approved by the Board of Directors. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the proportion of the actual distribution amount last year. Net profit after tax refers to the net profit after tax of the most recent year. For those that have adopted International Financial Reporting Standards, net profit after tax refers to the net profit after tax of the most recent year's individual or separate financial reports.

Note 3: The scope of "managerial officers" shall be determined in accordance with the provisions set forth in the letter Tai-Tsai-Cheng-San No. 0920001301 issued by the Securities and Futures Commission of the Ministry of Finance on March 27, 2003, and the scope is as follows:

- (1) President and equivalent
- (2) Vice President and equivalent
- (3) Assistant Vice Presidents and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other persons authorized to manage the affairs of the Company and sign signatures

Note 4: If the director, President or Vice President receives employee remuneration (including stocks and cash), he/she shall complete this table in addition to completing Table 1-2.

Note 5: Tai Hao, the special assistant to the R&D Department, resigned on October 29, 2024.

5. Provide a comparative explanation of the total compensation paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents over the most recent two fiscal years, in relation to the percentage of after-tax net profit of individual or separate financial reports. Also, explain the policies, standards, and structure of the remuneration, the procedures for determining remuneration, and its correlation with business performance and future risks.

- (1) The total amount of remuneration paid to directors, supervisors, President and Vice Presidents in the most recent two years accounts for the proportion of net profit after tax in the individual or separate financial reports:

Unit: NTD thousands

	2023		2024	
	The Company	Consolidated statements	The Company	Consolidated statements
Total remuneration to directors	7,856	7,856	3,042	3,042
Total directors' remuneration as a percentage of net profit after tax %	(0.32)	(0.32)	3.73	3.73
Total remuneration of supervisors	—	—	—	—
Percentage of total remunerations for supervisors in net profit after tax	—	—	—	—
Total remuneration for President and Vice President	3,574	3,574	3,695	3,695
Total remuneration to the President and Vice Presidents as a percentage of net profit after tax (%)	(0.15)	(0.15)	4.53	4.53

- (2) The policy, standards and composition of remuneration, the procedure for setting remuneration and its relationship with operating performance and future risks:

In accordance with Article 24-1 of the Company's Articles of Incorporation, directors' remuneration shall be allocated at no more than four percent of the pre-tax net profit for the year. Reasonable remuneration is granted by taking into account the Company's operating results and the directors' contributions to the Company's performance. The policy for granting remuneration to the President and Vice President is based on the Company's "Regulations Governing Performance Appraisal", the market salary level for similar positions in the industry, the scope of authority and responsibility of the position within the Company, and their contributions toward achieving the Company's operational goals. The procedures for determining remuneration follow the Company's "Regulations Governing Performance Appraisal" and "Regulations Governing the Payment of Remuneration to Directors". In addition to considering the overall operating performance, industry risks, and future development trends, the Company also takes into account individual performance achievement rates and contributions to Company performance in granting reasonable remuneration. The related performance evaluations and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors. The Company also continuously reviews the remuneration system based on actual operating conditions and relevant laws and regulations to ensure a balance between sustainable corporate operations and risk management.

### 3. Corporate governance operations:

#### (1). Operation of the Board of Directors:

In the most recent year (2024), the board of directors held 6 (A) meetings, and the attendance of directors was as follows:

Job title	Name	Actual attendance (number of attendances) (B)	Number of attendance by proxy	Actual attendance rate (%)【B/A】	Remarks
Chairman	Huang Nan-Yuan	6	0	100%	Re-elected at the shareholders' meeting on June 8, 2022
Director	Chuang Ya-Ping	6	0	100%	Re-elected at the shareholders' meeting on June 8, 2022
Director	Xu Yao Investment Co., Ltd. Representative Yang Su-Huan	6	0	100%	Re-elected at the shareholders' meeting on June 8, 2022
	Xu Hung Investment Co., Ltd. Representative Hu Wen-Lung	6	0	100%	Re-elected at the shareholders' meeting on June 8, 2022 Appointed Hu Wen-Lung as the corporate director representative on June 8, 2022
Director	Cheng Shu-Ching	3	3	50%	Re-elected at the shareholders' meeting on June 8, 2022
Director	Yang Ching-Hsiang	6	0	100%	Re-elected at the shareholders' meeting on June 8, 2022
Independent director	Chih Yi-Tan	6	0	100%	Re-elected at the shareholders' meeting on June 8, 2022
Independent director	Chang Yu-Chu	6	0	100%	Re-elected at the shareholders' meeting on June 8, 2022
Independent director	Lin Chin-Huang	6	0	100%	Re-elected at the shareholders' meeting on June 8, 2022

Additional information:

I. If the operation of the board of directors has any of the following circumstances, the date, period, content of the proposals, opinions of all independent directors and the Company's handling of the opinions of independent directors shall be stated: For the following two circumstances, please refer to pages 43-44.

(I) Matters specified in Article 14-3 of the Securities and Exchange Act.

(II) In addition to the above matters, other matters resolved by the Board of Directors that were opposed or reserved by the independent directors and for which records or written statements were made: None.

II. The implementation of directors' recusal of resolutions related to their interests shall state the director's name, resolution content, reason for recusal and voting status: The relevant resolutions and implementation status in 2024 are as follows:

Proposal	Name of director	Reasons for recusal due to conflicts of interests	Voting status
January 11, 2024 2023 year-end bonus for managers of the Company	Huang Nan-Yuan Chuang Ya-Ping Yang Su-Huan	Three directors are managers of the Company and recused themselves according to law	The acting chairperson consulted with the other directors and independent directors present and approved the proposal without objection.
April 9, 2024 Discussion on employee compensation for directors and managers of the Company	Huang Nan-Yuan Chuang Ya-Ping Yang Su-Huan Cheng Shu-Ching Hu Wen-Lung Yang Ching-Hsiang Chang Yu-Chu Lin Chin-Huang Chih Yi-Tan	The discussion of the proposals is related to the interests of the directors, and the directors shall leave the meeting in accordance with the law.	The acting chairperson consulted with the other directors and independent directors present and approved the proposal without objection.
August 8, 2024 Discussion on the payment of employee compensation to managers of the Company	Huang Nan-Yuan Chuang Ya-Ping Yang Su-Huan	Three directors are managers of the Company and recused themselves according to law	The acting chairperson consulted with the other directors and independent directors present and approved the proposal without objection.

III. TPEX listed companies shall disclose the evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self-evaluation (or peer evaluation), and fill in the implementation status of the board of directors' evaluation: The board of directors reported on the implementation status of the board evaluation on March 12, 2025.

Evaluation cycle	evaluation period	Assessment scope	Assessment method	Assessment content
once a year	113.01.01~ 113.12.31	1. Board of Directors 2. Individual Board Members 3. Performance Evaluation of Functional Committees (Audit Committee and Remuneration Committee)	Self-assessment by all board members	1. Board of Directors Performance Evaluation 2. Individual Director Performance Evaluation 3. Audit Committee Performance Evaluation 4. Compensation Committee Performance Evaluation

### 2024 Board of Directors Performance Evaluation Report

- (I) Rationale: In order to implement corporate governance and enhance the functions of the Company's Board of Directors, the Company has conducted the 2024 Board of Directors Performance Evaluation in accordance with the provisions of the Company's "Guidelines for Evaluation of the Performance of the Board of Directors".
- (II) Scope of evaluation: The scope of board evaluation may include performance evaluation of the entire board, individual directors and functional committees.
- (III) Evaluation method: Self-evaluation by all board members.
- (IV) Outcomes of the questionnaire assessment:
  - 1. The results of the board performance evaluation questionnaire cover five major dimensions, with an average score of 4.74 points/full score of 5.00 points for each dimension.

Assessment items	Number of questions	Average score
Participation in the operation of the Company	12	4.79
Improvement of the quality of the board of directors' decision making	12	4.70
Composition and structure of the board of directors	7	4.65
Election and continuing education of the directors	7	4.76
Internal control	7	4.78
Total/Average Score	45	4.74

2. The performance evaluation questionnaire for individual board members covers six dimensions, with an average score of 4.85 points out of a total of 5.00 points for each dimension.

Assessment items	Number of questions	Average score
Understanding of company goals and tasks	3	4.89
Awareness of the duties of a director	3	4.93
Participation in the operation of the Company	8	4.76
Internal relationship management and communication	3	5.00
Professional and Continuing Education for Directors	3	4.81
Internal control	3	4.81
<b>Total/Average Score</b>	<b>23</b>	<b>4.85</b>

3. The audit committee performance evaluation questionnaire covers five dimensions, with an average score of 4.94 points for each dimension.  
/Full score 5.00.

Assessment items	Number of questions	Average score
Participation in the operation of the Company	4	4.92
Awareness of the duties of the audit committee	5	4.93
Improving the decision-making quality of the Audit Committee	7	4.95
Composition of the Audit Committee and election of its members	3	5.00
Internal control	3	4.89
<b>Total/Average Score</b>	<b>22</b>	<b>4.94</b>

4. The performance evaluation questionnaire of the Remuneration Committee covers four aspects, with an average score of 4.91 for each aspect score  
/Full score 5.00.

Assessment items	Number of questions	Average score
Participation in the operation of the Company	4	4.92
Awareness of the duties of the remuneration committee	5	4.87
Improving the decision-making quality of the remuneration committee	7	4.90
Composition of the Remuneration Committee and election of its members	3	5.00
Total/Average Score	19	4.91

(V) Conclusion:

Overall, the Board of Directors and various functional committees are operating well. The Company will use the results of this self-evaluation performance assessment as an internal improvement and continue to improve the functions of the Board of Directors and various functional committees to enhance corporate governance effectiveness. The relevant assessment content and results will be disclosed on the Company's website and annual report.

IV. Goals for strengthening the functions of the board of directors in the current year and the most recent year (e.g. establishment of an audit committee, improvement of information transparency, etc.) and implementation status assessment:

1. The Company established an Audit Committee on December 5, 2013,
2. A dedicated unit is responsible for the disclosure of monthly revenue and important information, and regular announcements are made in accordance with regulations,
3. In order to enhance the professional knowledge of directors and implement corporate governance, we continue to arrange directors' training courses on December 3, 2024 and disclose the training status in accordance with regulations.
4. On April 13, 2023, the Company established a corporate governance director to implement corporate governance, provide support to directors in performing their duties, and enhance the effectiveness of the board of directors.

(2) The operations of the Audit Committee:

1. In the most recent year (2024), the 4th Audit Committee held 6 meetings (A), and the attendance of independent directors was as follows:

Job title	Name	Actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Independent director	Chih Yi-Tan	6	0	100%	Elected at shareholders' meeting on June 8, 2022
Independent director	Chang Yu-Chu	6	0	100%	Re-elected at shareholders' meeting on June 8, 2022
Independent director	Lin Chin-Huang	6	0	100%	Re-elected at shareholders' meeting on June 8, 2022

2. Major work of the year:

The Audit Committee of the Company is composed of three independent directors. The Audit Committee is responsible for assisting the Board of Directors in fulfilling its responsibility to monitor the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial controls.

The main matters reviewed by the Audit Committee are as follows:

- (1) Review of financial statements
- (2) Review the internal audit plan
- (3) Review of amendments to the internal control system
- (4) Amendment to the "Procedures for Loaning of Funds to Others"
- (5) Review of loaning of funds
- (6) Review of overdue accounts receivable
- (7) Assess the independence of CPAs
- (8) Approval of the Declaration of Internal Control System.

Additional information:

- I. If the operation of the Audit Committee involves any of the following circumstances, the date, period, content of the board of directors' meeting, the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinion shall be stated.

- (I) Conditions described in Article 14-5 of the Securities and Exchange Act.

Audit Committee	Contents of proposal and subsequent actions taken	Article 14-5 of the Securities and Exchange Act Items listed	Matters that have not been approved by the Audit Committee but have been agreed upon by more than 2/3 of all directors
4th term	The Company's 2024 operating budget planning.	~	None
9th meeting	Discussion about the Company's application for bank	~	None

January 11, 2024	credit limit.		
	2023 year-end bonus for managers of the Company.	✓	None
	Independent directors' opinions: None.		
	The Company's response to independent directors' opinions: None.		
	Resolution result: All directors present agreed to pass all these proposals.		
4th term 10th meeting March 7, 2024	The Company's 2023 business report.	✓	None
	Approval of the Company's 2023 annual financial statements.	✓	None
	Discussion about the overdue accounts receivable of the Company.	✓	None
	Loaning of funds by the Company to others.	✓	None
	The Company's 2023 internal control declaration	✓	None
Audit Committee	Contents of proposal and subsequent actions taken	Article 14-5 of the Securities and Exchange Act Items listed	Matters that have not been approved by the Audit Committee but have been agreed upon by more than 2/3 of all directors
	The appointment, dismissal and independence assessment of the Company's CPA.	✓	None
	Partial amendments to the Company's "Articles of Incorporation"	✓	None
	Partial amendment to the Company's "Rules of Procedure for Shareholders' Meeting"	✓	None
	The Company's "Key points of the matters that should be complied with in the establishment and exercise of powers of the board of directors"	✓	None
	Independent directors' opinions: None.		
	The Company's response to independent directors' opinions: None.		
	Resolution result: All directors present agreed to pass all these proposals.		
4th term 11th meeting April 9, 2024	Proposal for 2023 Deficit Compensation.	✓	None
	Discussion of the Company's 2023 Employee and Director Remuneration	✓	None
	Discussion on simplified merger of subsidiary Hung Tai Trading Co., Ltd.	✓	None
	Independent directors' opinions: None.		
	The Company's response to independent directors' opinions: None.		
Resolution result: All directors present agreed to pass all these proposals.			
4th term 12th meeting May 9, 2024	The Company's 2024 first quarter financial statements.	✓	None
	Discussion on the merger and dissolution base date of the subsidiary Hung Tai Trading Co., Ltd.	✓	None
	Discussion about the overdue accounts receivable of the Company.	✓	None
	Loaning of funds by the Company to others.	✓	None
	Independent directors' opinions: None.		
	The Company's response to independent directors' opinions: None.		
Resolution result: All directors present agreed to pass all these proposals.			
4th term 13th meeting August 8, 2024	The Company's 2024 second quarter financial statements.	✓	None
	Discussion about the Company's application for a joint credit loan from a bank.	✓	None
	Discussion about the Company's application for bank credit limit.	✓	None
	Discussion about the overdue accounts receivable of the Company.	✓	None
	Loaning of funds by the Company to others.	✓	None
	The Company intends to purchase the equity of its Indonesian subsidiary.	✓	None

	The Company's employees' compensation proposal for the managers.	✓	None
	Independent directors' opinions: None.		
	The Company's response to independent directors' opinions: None.		
	Resolution result: All directors present agreed to pass all these proposals.		
4th term 14th meeting November 12, 2024	The Company's 2024 third quarter financial statements.	✓	None
	Discussion about the Company's application for bank credit limit.	✓	None
	Discussion about the overdue accounts receivable of the Company.	✓	None
	Loaning of funds by the Company to others.	✓	None
	Proposal to pre-approve PwC Taiwan and its affiliated enterprises to provide non-assurance services to the Company and its subsidiaries.	✓	None
	The Company's 2025 audit plan.	✓	None
	Formulate the company's "Sustainable Information Management Operating Procedures" and audit rules	✓	None
	Partial amendments to the "Ethical Corporate Management Best Practice Principles".	✓	None
	Salary increase proposal for managers of the Company	✓	None
	Independent directors' opinions: None.		
	The Company's response to independent directors' opinions: None.		
	Resolution result: All directors present agreed to pass all these proposals.		

(II) In addition to the above matters, other matters that have not been approved by the Audit Committee but have been agreed upon by more than two-thirds of all directors are: None.

II. The independent director's recusal of a proposal with a conflict of interest should include the independent director's name, proposal content, reason for recusal, and voting participation: None.

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

1. The head of internal audit regularly attends the audit committee and the board of directors to make audit business reports.
2. When the internal audit chief delivers the audit report to the independent directors for review, if the independent directors have any doubts about the content of the report, they may seek explanation and response from the Company through the audit chief at any time.
3. Independent directors may review the Company's financial and business performance at any time. If they have any questions about the Company's related operations, they may immediately communicate with the relevant department heads and conduct reviews and improvements.
4. If the independent directors have any questions about the financial and business conditions of the Company, they may communicate with the Company's CPAs at any time and guide the relevant units of the Company to conduct reviews and improvements.

Note:

- \* If an independent director resigns before the end of the year, the date of resignation shall be noted in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during his/her tenure and the number of times he/she actually attended the meetings.
- \* If there is a re-election of independent directors before the end of the year, both the new and old independent directors should be listed, and the remarks column should indicate whether the independent director is the old, new or re-elected and the date of re-election. The actual attendance rate (%) is calculated based on the number of audit committee meetings held during the term of office and the number of actual attendances.

(3) The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Assessment items	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and discloses the principles on the Market Observation Post System and the Company's website.	No significant difference
II. The Company's shareholding structure and shareholders' equity (I) Does the Company have established internal operating procedures to handle shareholder suggestions, doubts, disputes and litigation, and implement them in accordance with the procedures? (II) Does the Company have a list of the major shareholders who actually control the Company and the ultimate controllers of the major shareholders? (III) Does the Company establish and implement risk control and firewall mechanisms with related companies? (IV) Does the Company have internal rules prohibiting company insiders from using undisclosed information in the market to buy or sell securities?	✓  ✓  ✓  ✓		(I) In order to protect the interests of shareholders, the Company has a spokesperson and acting spokesperson responsible for properly handling shareholder suggestions, doubts and disputes.  (II) The Company keeps track of the shareholdings of directors, managers and major shareholders holding more than 10% of the shares at all times, and reports the shareholdings of major shareholders on a timely basis.  (III) The Company establishes the "Procedures for Transactions between Related Parties and Group Enterprises" and the "Regulations Governing the Monitoring and Control of Subsidiaries" between the Company and its affiliated enterprises, and the affiliated enterprises operate independently and under the control of the Company management and auditing.  (IV) The Company has established the "Procedures for Ethical Management", "Code of Ethical Conduct", and "Procedures for Prevention of Insider Trading", which are applicable to the Company's directors, managers, and employees. Relevant information update and promotion is conducted from time to time.	No significant difference

Assessment items	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the Board of Directors formulate the diversity policy and specific management goals and implement them with respect to the composition of the board of directors?</p> <p>(II) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?</p> <p>(III) Does the Company establish performance evaluation methods for the board of directors and</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The "Corporate Governance Best Practice Principles" established by the Company contains the diversity policy in the chapter "Enhancing the Functions of the Board of Directors". The Company's nomination and selection of board members is in accordance with the Articles of Incorporation, the "Procedures for Election of Directors" and the "Corporate Governance Best Practice Principles" to ensure the diversity and independence of the board members. All members of the Board of Directors of the Company are strong in leadership, operational judgment, business management, and crisis management, and have industry knowledge and international market perspective; among them, Director Chih Yi-Tan is qualified as an accountant, and independent directors Yang Ching-Hsiang and Chang Yu-Chu are good at industry knowledge, administrative management, and accounting expertise. The Company's directors who are employees accounting for 33%, independent directors accounting for 33%, female directors accounting for 55%, 2 independent directors have served for 3 to 6 years, 1 independent director has served for 9 to 12 years, 4 directors are over 60 years old, 4 are between 50 and 59 years old, and 1 is between 40 and 49 years old. The Company places emphasis on corporate governance and will add an independent director in the 8th board election to achieve this goal. The board of directors' policy on diversity in membership composition is disclosed on the Company's website and MOPS.</p> <p>(II) In addition to establishing a Remuneration Committee in accordance with the law, the Company has also established an Audit</p>	<p>No significant difference</p>

Assessment items	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
<p>conduct performance evaluations regularly every year, and submit the results of performance evaluations to the board of directors and use them as a reference for individual director remuneration and nomination for re-election?</p> <p>(IV) Does the Company regularly assess the independence of the CPAs?</p>	√		<p>Committee in accordance with its OTC commitments. The rest of the corporate governance operations are the responsibility of each department in accordance with their respective responsibilities. Other functional committees have not yet been established, and will be evaluated and established as needed in the future.</p> <p>(III) In order to implement corporate governance and enhance the functions of the Company's Board of Directors, and to establish performance targets to strengthen the efficiency of the Board's operations, the Company plans to formulate a performance evaluation method for the Board of Directors this year in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>(IV) The Company's Finance Department conducts a self-assessment of the independence of the CPAs once a year and submitted the results to the Audit Committee and the Board of Directors for review and approval on March 12, 2024. According to the assessment of the Finance Department, both CPAs Wu Wei-Hao and Cheng Ya-Hui of PwC Taiwan met the Company's independence assessment criteria (Attachment 2), and are qualified to serve as the Company's CPAs.</p>	
<p>IV. Does the listed company have an appropriate number of qualified corporate governance personnel and designate a corporate governance supervisor to be responsible for corporate governance-related matters (including but not</p>	√		<p>The Company's board of directors approved the appointment of a corporate governance supervisor on April 13, 2023 and is responsible for corporate governance related matters, including providing directors with the information they need to perform their duties, handling matters related to the board of directors and shareholders' meetings in accordance with the law, handling company registration and change registration, and preparing minutes of board of directors and shareholders' meetings.</p>	No significant difference

Assessment items	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
limited to providing directors and supervisors with information required to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board and shareholders meetings in accordance with the law, and preparing minutes of board and shareholders meetings, etc.)?				
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a stakeholder area on the Company's website, and appropriately respond to important corporate social responsibility issues of concern to stakeholders?	✓		The Company has set up an investment and stakeholder area on its corporate website. In addition to maintaining interaction with stakeholders through various types of activities for daily business, it also has relevant telephone and email mailboxes to provide feedback from stakeholders. The main communication channels are roughly divided into: investor relations, customer area, supplier area and employee area, etc., in order to appropriately respond to important corporate issues of concern to stakeholders.	No significant difference
VI. Does the Company appoint a professional stock affairs agency to handle the affairs related to shareholders' meetings?	✓		The Company has appointed a professional stock affairs agency, First Securities Co., Ltd., to handle shareholder meeting affairs.	No significant difference
VII. Information disclosures (I) Has the Company set up a website to disclose information on financial, business and corporate governance? (II) Does the Company adopt other methods of	✓  ✓		(I) The Company has established a website at <a href="http://www.xuyuanpack.com">http://www.xuyuanpack.com</a> and discloses relevant information from time to time in the investor and stakeholder area in accordance with regulations. (II) The Company has set up Chinese and English company websites, and has a spokesperson and	No significant difference

Assessment items	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
<p>information disclosure (such as setting up an English website, designating a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, placing corporate briefings on the Company's website, etc.)?)</p> <p>(III) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its first, second and third quarter financial reports and monthly operating results in advance of the prescribed deadline?</p>	√		<p>acting spokesperson to uniformly announce company-related information to the public. There is also a dedicated unit responsible for the collection, disclosure and updating of information on shareholders, laws, investments and markets. In addition, the audio and video files and presentation materials of the corporate briefings that the Company participated in have been compiled and placed on the Market Observation Post System for the convenience of all parties to inquire.</p> <p>(III) The first, second and third quarter financial reports will be announced and submitted in advance before the prescribed deadline. The Company is currently studying and working on the annual financial reports.</p>	
<p>VIII. Does the Company have other important information that is helpful in understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training, implementation of risk management policies and risk measurement standards, implementation</p>	√		<p>1. Employee rights: The Company has established an Employee Welfare Committee and formulated a number of employee welfare policies and management procedures in compliance with local laws and regulations on labor-management relations, labor conditions and social responsibilities to protect the rights and interests of employees.</p> <p>2. Employee care: The Company implemented employee health checks on May 30, 2024 and provides medical consultations to employees regularly to maintain their physical and mental health.</p> <p>3. Investor relations: Disclose information through public information observatories and the Company's websites to allow investors to fully</p>	No significant difference

Assessment items	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?			<p>understand the Company's operating conditions, and communicate with investors through shareholders' meetings and spokespersons. In addition, the audio and video files and presentation materials of the corporate briefings that the Company participated in have been compiled and placed on the Market Observation Post System for the convenience of all parties to inquire.</p> <p>4. Supplier relations: The Company's procurement department manages matters related to suppliers and maintains relationships.</p> <p>5. Stakeholders' rights: The Company has a spokesperson and stakeholders may communicate through the Company's website, telephone and fax. In terms of customers: Value customer opinions and meet their needs. In terms of shareholders: The Company strives to fully protect the interests of shareholders.</p> <p>6. Continuing education for directors: All directors of the Company have industry professional background and practical experience in business management, and participate in further education on a regular basis (Attachment 1).</p> <p>7. Implementation of risk management policies and risk measurement standards: The Company focuses on its core business and implements various policies in accordance with relevant laws and regulations.</p> <p>8. Implementation of customer policy: The Company maintains a stable and good relationship with its customers and adheres to the customer-first policy to create profits.</p> <p>9. The Company purchases liability insurance for directors and supervisors: The Company purchases liability insurance for all directors every year to strengthen the protection of shareholders' rights and interests.</p>	
IX. Please explain the improvements that have been made based on the corporate	√		The Company complies with relevant regulations to disclose information in a timely manner. Information is also disclosed in the annual report	No significant difference

Assessment items	Operations (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority improvement items and measures for those that have not yet been improved. (Not required for companies not included in the rating)			and on the Company's website. In the Company's governance evaluation results hosted by the Taiwan Stock Exchange and the TPEX for 2023, the Company was ranked in the range of 36%-50% for over-the-counter companies. Through continuous improvements in related areas, the Company's 2024 governance evaluation results showed a significant improvement, with the Company now ranked in the range of 21%-35% for over-the-counter companies.	
Note 1: Regardless of whether "Yes" or "No" is selected, the operational situation should be explained in the summary description field.				

Attachment 1: Directors' continuing education

Job title	Name	Date of further education	Organizer	Course title	Hours of continuing education
Director	Huang Nan-Yuan	December 3, 2024	Taiwan Corporate Governance Association	Current global economic and financial situation	3.0
		December 3, 2024	Taiwan Corporate Governance Association	How to draw a roadmap for corporate sustainability	3.0
Director	Chuang Ya-Ping	December 3, 2024	Taiwan Corporate Governance Association	Current global economic and financial situation	3.0
		December 3, 2024	Taiwan Corporate Governance Association	How to draw a roadmap for corporate sustainability	3.0
Representative of corporate director	Yang Su-Huan	December 3, 2024	Taiwan Corporate Governance Association	Current global economic and financial situation	3.0
		December 3, 2024	Taiwan Corporate Governance Association	How to draw a roadmap for corporate sustainability	3.0
Representative of corporate director	Hu Wen-Lung	December 3, 2024	Taiwan Corporate Governance Association	Current global economic and financial situation	3.0
		December 3, 2024	Taiwan Corporate Governance Association	How to draw a roadmap for corporate sustainability	3.0
Director	Cheng Shu-Ching	December 3, 2024	Taiwan Corporate Governance Association	Current global economic and financial situation	3.0
		December 3, 2024	Taiwan Corporate Governance Association	How to draw a roadmap for corporate sustainability	3.0
Director	Yang Ching-Hsiang	December 3, 2024	Taiwan Corporate Governance Association	Current global economic and financial situation	3.0
		December 3, 2024	Taiwan Corporate Governance Association	How to draw a roadmap for corporate sustainability	3.0
Independent director	Chang Yu-Chu	December 3, 2024	Taiwan Corporate Governance Association	Current global economic and financial situation	3.0
		December 3, 2024	Taiwan Corporate Governance Association	How to draw a roadmap for corporate sustainability	3.0

Job title	Name	Date of further education	Organizer	Course title	Hours of continuing education
Independent director	Lin Chin-Huang	December 3, 2024	Taiwan Corporate Governance Association	Current global economic and financial situation	3.0
		December 3, 2024	Taiwan Corporate Governance Association	How to draw a roadmap for corporate sustainability	3.0
Independent director	Chih Yi-Tan	June 14, 2024	CPA ASSOCIATIONS R.O.C. (TAIWAN)	International development trends and practices in prevention of money laundering	3.0
		October 7, 2024	The Chinese National Association of Industry and Commerce, Taiwan	2024 Taishin Net Zero Summit	3.0

Attachment 2: Criteria for assessing the independence of CPAs

2024 CPA Appointment and Independence Assessment Form

Assessment of CPAs: Wu Wei-Hao, Cheng Ya-Hui

Accounting firm: PwC Taiwan

Item	Assessment items	Yes	No	Assessment description
1	Has not served as the Company's CPA for seven consecutive years.	V		CPA Wu Wei-Hao is in his first year in the position in 2024. CPA Cheng Ya-Hui is in his first year in the position in 2024.
2	The accounting firm does not rely excessively on the Company as a source of remuneration.	V		PwC is an internationally renowned accounting firm that serves a wide range of companies. The Company is not its sole client, so we do not have such concerns.
3	He/she does not perform regular work for the Company, receive a fixed salary, or serve as a director or supervisor.	V		The CPAs are only responsible for audit certification and consulting services and have no other cooperation or dealings with the Company.
4	No non-audit and consulting services are provided to the Company that would affect the independence of the firm, its affiliates or the members of the audit services team.	V		
5	Not having served as a director, supervisor, manager or employee of the Company who has a significant impact on auditing work, and not having been away from the Company for less than two years.	V		
6	A natural person shareholder who is not the individual, his/her spouse, minor children, or another person and holds 1% or more of the total issued shares of the Company or is one of the top ten shareholders.	V		
7	The person is not a spouse, direct relative by blood, direct relative by marriage, or collateral relative within the second degree of kinship with the person in charge, manager, or other director.	V		
8	A director, supervisor or employee of a corporate shareholder who does not directly hold 5% or more of the total issued shares of the Company, or a director, supervisor or employee of the top five corporate shareholders.	V		
9	Not a director, supervisor, manager or shareholder holding 5% or more of a specific	V		

	company or institution that has financial or business dealings with the Company.			
10	The CPA or his/her spouse or minor children have no relationship with the Company in terms of loan, investment or sharing of financial interests.	V		
11	When performing professional services, CPAs maintain an impartial and objective attitude and their professional judgment is not affected by bias, conflict of interest or vested interests.	V		
12	CPAs, members of the audit services team, other co-practitioners or shareholders of corporate accounting firms, accounting firms, firm-affiliated companies and affiliated firms shall maintain independence from the Company.	V		

Valuation unit: Finance Department

Evaluation opinion: CPAs Wu Wei-Hao and Zheng Ya-Hui met the requirements for the above independence assessment items.

(4) If the Company has established a remuneration committee, the composition, responsibilities, and operations of the committee shall be disclosed:

1. Information on members of the Remuneration Committee

Title (Note 1) Name		Criteria	Professional qualifications and experience (Note 2)	Independence (Note 3)	The number of other publicly listed companies in which the individual concurrently serves as a member of the remuneration committee
Independent director	Chih Yi-Tan		See pages 9-10	See Note 3 below	None
Independent director	Chang Yu-Chu		See pages 9-10	See Note 3 below	None
Independent director	Lin Chin-Huang		See pages 9-10	See Note 3 below	None

Note 1: Please indicate whether you are an independent director or others.

Note 2: Please refer to pages 9-10.

Note 3:

If each member meets the following conditions in the two years before election and during the term of office, please put a "V" in the space below the condition code	Chih Yi-Tan	Chang Yu-Chu	Lin Chin-Huang
(1) Not an employee of the Company or its affiliated enterprises.	V	V	V
(2) Not a director or supervisor of the Company or its affiliated enterprises (however, this does not apply to independent directors appointed by the company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with this Act or the laws of the country where the Company is located).	V	V	V
(3) A natural person shareholder who is not the individual, his/her spouse, minor children or another person and holds 1% or more of the total issued shares of the Company or is one of the top ten shareholders.	V	V	V
(4) Not the spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the manager listed in (1) or the personnel listed in (2) or (3).	V	V	V

If each member meets the following conditions in the two years before election and during the term of office, please put a "V" in the space below the condition code	Chih Yi-Tan	Chang Yu-Chu	Lin Chin-Huang
(5) A person who is not a direct shareholder of 5% or more of the total issued shares of the Company, or a director, supervisor or employee of the top five shareholders or a corporate shareholder who has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (but this does not apply to persons who concurrently hold the position of independent director of the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or the laws of the country where the Company is located).	V	V	V
(6) Directors, supervisors, or employees of another company who are not in control of more than half of the Company's board seats or voting shares by the same individual (however, this does not apply to independent directors who concurrently serve in the Company, its parent company, subsidiaries, or subsidiaries under the same parent company as set by this law or local laws).	V	V	V
(7) Directors (or council members), supervisors, or employees of other companies or institutions who are not the same person as, or the spouse of, the Company's chairman, CEO, or persons holding equivalent positions (however, this does not apply to independent directors who concurrently serve in the Company, its parent company, subsidiaries, or subsidiaries under the same parent company as set by this law or local laws).	V	V	V
(8) Directors (or council members), supervisors (or auditors), managers, or shareholders holding more than 5% of the shares of a specific company or institution that do not have financial or business dealings with the Company (however, this does not apply if the specific company or institution holds more than 20% but less than 50% of the Company's issued shares, and if they are independent directors who concurrently serve in the Company, its parent company, subsidiaries, or subsidiaries under the same parent company as set by this law or local laws).	V	V	V

If each member meets the following conditions in the two years before election and during the term of office, please put a "V" in the space below the condition code	Chih Yi-Tan	Chang Yu-Chu	Lin Chin-Huang
(9) Professionals, sole proprietors, partners, company owners, council members, supervisors, managers, and their spouses who have not provided auditing services to the Company or its related enterprises, or have not received cumulative remuneration exceeding NT\$500,000 in the past two years for business, legal, financial, accounting, or other related services. However, this restriction does not apply to members of the Remuneration Committee, the Public Tender Offer Review Committee, or the Merger and Acquisition Special Committee who perform their duties pursuant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act.	V	V	V
(10) None of the circumstances set out in Article 30 of the Company Act occurs.	V	V	V

## 2. Authority

- (1) Review the procedure regularly and propose amendments.
- (2) Establish and regularly review the annual and long-term performance targets and remuneration policies, systems, standards and structures for the Company's directors and managers.
- (3) Regularly evaluate the achievement of performance targets for the Company's directors and managers and determine the content and amount of their individual remuneration.

## 3. Information on the operation of the Remuneration Committee

- (1) There are three members in the Remuneration Committee.
- (2) Term of office of current committee members: June 8, 2022 to June 7, 2025. The Remuneration Committee held three meetings in the most recent fiscal year (A).

The qualifications and attendance of the committee members are as follows:

Job title	Name	Attendance in person (B)	Attendance by proxy Frequency	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Lin Chin-Huang	3	0	100%	Re-elected at shareholders' meeting on June 8, 2022
Member	Yang Jung-Ching	0	0	100%	Re-elected/retired at the shareholders' meeting on June 8, 2022
Member	Chang Yu-Chu	3	0	100%	Re-elected at shareholders' meeting on June 8, 2022
Member	Chih Yi-Tan	3	0	100%	Elected at shareholders' meeting on June 8, 2022

Additional information:

I. The content of the Remuneration Committee's proposals and resolutions in the past year, as well as the Company's handling of the Remuneration Committee's opinions

Remuneration Committee Meeting	Contents of proposal and subsequent actions taken	Resolution results	The Company's handling of the opinions of the Remuneration Committee
7th meeting of the 5th term January 11, 2024	1. Review the 2023 year-end bonus for the Company's managers	Approved as proposed by all committee members present without objection.	Approved as proposed by all committee members present without objection.
8th meeting of the 5th term August 8, 2024	1. Review the distribution of remuneration to the Company's managerial officers	Approved as proposed by all committee members present without objection.	Approved as proposed by all committee members present without objection.
9th meeting of the 5th term November 12, 2024	1. Review the annual salary increase proposal for the Company's managers	Approved as proposed by all committee members present without objection.	Approved as proposed by all committee members present without objection.

II. If the Board of Directors does not adopt or amend the Remuneration Committee's recommendation, it shall state the date, period, content of the proposal, the result of the Board of Directors' resolution, and the Company's handling of the Remuneration Committee's opinion (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's recommendation, the difference and reasons shall be stated): None.

III. If a member objects to or reserves an opinion on a resolution of the Remuneration Committee and there is a record or written statement, the date, term, content of the resolution, opinions of all members, and the handling of the opinions of the members shall be stated: None.

Note: (1) If a member of the Remuneration Committee resigns before the end of the year, the date of resignation should be noted in the remarks column.

The actual attendance rate (%) will be calculated based on the number of Remuneration Committee meetings held during his/her tenure and the number of times he/she actually attended.

(2) If a re-election of the Remuneration Committee is held before the end of the year, the new and old members of the Remuneration Committee shall be listed, and the remarks column shall indicate whether the member is a former, new, or re-elected member, as well as the date of re-election. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings held during the employee's tenure and the number of actual attendances.

(5) Implementation of sustainable development and differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (or part-time) unit to promote sustainable development? Has the board of directors authorized senior management to handle it, and has the board of directors provided supervision? (For TWSE/TPEX listed companies, the status of implementation shall be filled in instead of compliance or interpretation.)	V		<p>(I). Our company has established a "Sustainable Development Code of Practice." To achieve sustainable development goals and strengthen the company's risk management mechanisms, the company changed its sustainability structure on March 12, 2025. Through each board of directors, the company has restructured its sustainability team into: Environmental and Occupational Safety Team, Green Operations Team, Human Resources Team, Innovation Team, and Social Relations Team. Members are drawn from relevant company departments. The general manager serves as the chairman, and mid- and senior-level managers are designated to oversee the team's overall work and handle related matters. Each functional group sets goals and discusses implementation directions based on their respective responsibilities. They actively promote and implement corporate governance, environmental sustainability, social welfare, and corporate social responsibility disclosure, as well as the implementation of the company's risk management policies.</p> <p>(II). The Sustainability Development Group shall be chaired by the General Manager or Head of Corporate Governance, and shall assist the</p>	No significant difference

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
			<p>Committee in implementing and promoting various sustainability management plans and report on the implementation of sustainability development to the Board of Directors. An annual implementation report shall be submitted to the Board of Directors at least once a year. The Board of Directors shall review the annual ESG strategy and goal setting and, when necessary, urge the management team to implement the plan.</p> <p>(III). The Subcommittee has completed stakeholder identification and material themes and will gradually implement ESG-related work through the development of management policies and action plans, and the control, preventive, and corrective implementation of indicators and targets.</p> <p>(IV). Operational Status:</p> <ul style="list-style-type: none"> <li>• The organizational structure was revised by the Board of Directors on March 12, 2025. Sustainability implementation will be reported to the Board of Directors at least annually.</li> <li>• The Sustainability Information Management Operating Procedures were submitted to the Board of Directors for approval on November 12, 2024.</li> <li>• The 2014 Sustainability Report is expected to be submitted to the Board of Directors for review by the end of</li> </ul>	

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
			August 2025.	
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations based on the principle of materiality, and establish relevant risk management policies or strategies? (For TWSE/TPEX listed companies, the status of implementation shall be filled in instead of compliance or interpretation.) (Note 3)	V		In accordance with the "Sustainable Development Best Practice Principles" established internally, the Company attaches importance to environmental, social and corporate governance factors while pursuing sustainable management and profitability, and incorporates them into the Company's management policies and operational activities.	No significant difference
III. Environmental issues (I) Has the Company set up an appropriate environmental management system as per its industrial characteristics?	V		(I) In order to fulfill its corporate responsibility for sustainable development, the Company emphasizes environmental protection and the safety and health of its employees. Based on the need for maintaining a sustainable environment and managing pollution prevention in the factory, the Company established environmental management system frameworks and organizations at its Hsinchu and Chiayi branches in 2011, in accordance with the requirements of the ISO-14001 international standard. The	No significant difference

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
			<p>Company also established occupational health and safety management system frameworks and organizations at these locations, in accordance with the requirements of the OHSAS 18001 international standard and the CNS 15506 Taiwan standard. In October 2012, both the Hsinchu and Chiayi branches passed ISO-14001, OHSAS 18001, and CNS 15506 certifications, which were revised in September 2015. In 2016, the Company set goals for reducing waste ink and ink waste disposal and monitoring the energy consumption per unit of production in the ISO-14001 management system, with established sustainable environmental goals and regular progress tracking. We use the ISO-14001 international standard environmental management system framework for continuous monitoring and management to effectively control air pollution, water pollution, waste and other environmental pollution generated during the production and manufacturing process of our Hsinchu plant and Chiayi branch, and apply for relevant licenses from local authorities. 1. Air pollution management: Obtain a "stationary pollution source operation permit"</p>	

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
			<p>issued by the environmental protection authority, install prevention and control equipment to treat air pollution exhaust gas, meet the statutory emission standards after proper and effective treatment, and regularly entrust the Environmental Protection Agency-approved testing agency to conduct emission pipeline testing and reporting. 2. Water pollution management: The Company does not generate wastewater through its production process. Its general domestic wastewater meets the management standards of the sewage treatment plants in Hsinchu Industrial Park and Chiayi Dapumei Industrial Park, and is discharged to the sewage treatment plants in Hsinchu Industrial Park and Chiayi Dapumei Industrial Park respectively. The sewage treatment plant inspection unit conducts regular management discharge inspection and reporting. 3. Waste management: Obtain a "waste disposal plan" approved by the environmental protection authority, implement waste reduction and classification management, entrust a legal waste disposal agency approved by the Environmental Protection Agency to handle business waste, and regularly report</p>	

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
(II) Is the Company committed to improving energy efficiency and using recycled materials with low environmental impact?	V		<p>the amount and flow of waste.</p> <p>(II) The electricity and water resources used in the factory are planned, maintained and repaired by a dedicated unit, and energy conservation and carbon reduction plans are implemented to reduce electricity consumption. The Company has established clear waste management principles to improve waste recycling and reuse rates, and has appointed qualified manufacturers to recycle and process waste.</p>	
(III) Does the Company assess the potential risks and opportunities that climate change poses to the business now and in the future, and take measures to address climate-related issues?	V		(III) When carrying out daily operations, the Company always pays attention to the risks that may be caused by climate change and takes corresponding measures when necessary.	
(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management?	V		<p>(IV) The reduction targets proposed for the year are as follows:</p> <ul style="list-style-type: none"> <li>● By using computers to adjust the proportions, the printing process inks and organic solvents are adjusted to a reasonable range to reduce the amount of waste printing ink waste, reducing the annual amount of waste printing ink waste by 20-30%, and reducing the cost of waste printing ink disposal by approximately \$1.6 million.</li> <li>● The VOC waste gas treatment and</li> </ul>	

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
			<p>waste heat recovery systems were built, and through energy efficiency monitoring and management, high-efficiency air supply equipment and lighting equipment were gradually replaced, reducing electricity by 838,605 kWh and carbon emissions by 420.98 metric tons CO<sub>2</sub>e/year, reducing greenhouse gas emissions, and achieving energy conservation, carbon reduction and greenhouse gas reduction effects.</p> <ul style="list-style-type: none"> <li>● Our company has long been concerned about water conservation and environmental protection. Our water conservation initiatives begin with comprehensive water conservation in daily life, maximizing the benefits of available water resources. In 2024, our water consumption was 16,735 cubic meters, sourced from tap water (80.16%) and recycled water from process cooling (19.84%). We are increasing rainwater recycling, air conditioning condensate, and process cooling water recovery. Average water consumption increased by 8.67% compared to 2023 due to the addition of process equipment. We will continue to consider water recycling and explore innovative methods to improve overall water efficiency.</li> <li>● As of the publication date of the annual report, the 2024 greenhouse</li> </ul>	

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
			gas inventory is in progress. Progress will be reported on the ESG Information Disclosure Platform of the Public Information Observatory before the end of June.	
IV. Social issues				
(I) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(I) The Company has established employee work rules and various management rules and regulations, and complies with relevant labor laws and regulations to protect the legal rights and interests of employees. Its relevant management methods and procedures include: 1. Provide employees with a reasonable salary and bonus system. 2. Organize employee education and training. 3. Implement the leave and attendance system.	No significant difference
(II) Does the Company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflect operating performance or results in employee remuneration?	V		(II) Employee welfare measures 1. Leave system: two days off per week, special leave, paternity leave for male employees, and prenatal check-up leave. 2. Insurance: 6% contribution to labor pension, labor insurance, national health insurance, employee group insurance (fully borne by the Company), accident insurance (including overseas business trips).	

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
(III) Does the Company provide employees with a safe and healthy working environment and provide regular safety and health education to employees?	V		<p>3. Domestic and overseas business trip subsidies. 4. Education and training: Personal professional functions, supervisor management skills and professional certification training. 5. Free annual health checkup. 6. Three festival gift certificates (gold), birthday gift money, wedding and funeral subsidies, childbirth subsidies, and hospitalization allowance subsidies. 7. Employee dormitories. 8. Organize and subsidize domestic travels for employees. 9. The Company held a year-end company party and lucky draw activity for employees. 10. Salary adjustment: Salary is adjusted according to individual performance at the end of the fiscal year. 11. Year-end bonus: Approved at the end of the fiscal year depending on the operational performance of the Company and individual work performance. 12. Overtime and meal allowances. 13. Employee surplus stock allocation/dividend bonuses. 14. The Company's vehicle for the use of work</p> <p>(III) 1. The working environment shall be measured every six months in accordance with regulations. 2. Regular health check-up arrangements for employees every year. 3. Purchase</p>	

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor										
	Yes	No	Summary (Note 2)											
(IV) Does the Company establish an effective career development training program for its employees?	V		<p>employee accident and medical insurance. 4. Employees are required to attend environmental safety and health related courses according to their job responsibilities. 5. The Company has an emergency response team and conducts regular drills every year. 6. The number of employee occupational accidents in fiscal 2024 was 0</p> <p>(IV) In order to strengthen human resources and corporate competitiveness, the Company not only strengthens comprehensive employee training and provides learning channels to help employees grow and improve, but also further enhances the professional capabilities of employees and the core competitiveness of the Company to achieve the goal of sustainable operation.</p> <p>The Company held the following education and training sessions in 2024:</p> <table border="1"> <thead> <tr> <th>Items</th> <th>Number of sessions</th> <th>Number of persons</th> <th>Number of hours</th> <th>Fees (NTD)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Items	Number of sessions	Number of persons	Number of hours	Fees (NTD)						
Items	Number of sessions	Number of persons	Number of hours	Fees (NTD)										

Assessment items	Operations (Note 1)				Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor																				
	Yes	No	Summary (Note 2)																						
<p>(V) Regarding issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant laws and regulations and international standards, and has established relevant policies and complaint procedures to protect the rights of consumers or customers?</p> <p>(VI) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and what is its implementation status?</p>	V	V	<table border="1"> <tr> <td>Training for new recruits</td> <td>9</td> <td>9</td> <td>9</td> <td>0</td> </tr> <tr> <td>Professional training</td> <td>14</td> <td>222</td> <td>200</td> <td>39,200</td> </tr> <tr> <td>Occupational safety and health training</td> <td>9</td> <td>12</td> <td>188</td> <td>45,360</td> </tr> <tr> <td>Total</td> <td>32</td> <td>243</td> <td>397</td> <td>84,560</td> </tr> </table>		Training for new recruits	9	9	9	0	Professional training	14	222	200	39,200	Occupational safety and health training	9	12	188	45,360	Total	32	243	397	84,560	<p>(V) According to the internal "Ethical Corporate Management Best Practice Principles", the Company complies with relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and has formulated relevant policies and complaint procedures to protect consumer rights.</p> <p>(VI) I. The Company has established a supplier management policy and requires suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and arranges supplier assessments every year.</p> <p>II. The Company currently uses environmental, labor, human rights, social impact and other sustainable development indicators as one of</p>
			Training for new recruits	9	9	9	0																		
Professional training	14	222	200	39,200																					
Occupational safety and health training	9	12	188	45,360																					
Total	32	243	397	84,560																					

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
			<p>the considerations for screening new suppliers and evaluating suppliers, and requires new suppliers to sign relevant commitments and comply with the following items:</p> <ol style="list-style-type: none"> <li>1. Labor and human rights: No forced labor, prohibition of child labor, provision of proper wages and benefits, protection of workers' working hours and rest time, elimination of workplace sexual harassment, bullying and workplace discrimination, and non-use of conflict minerals.</li> <li>2. Health and safety: including necessary measures such as providing occupational safety, emergency response, industrial hygiene, machine protection, public health, food and accommodation, and health and safety information.</li> <li>3. Environment: Including environmental operating permits, pollution prevention and resource conservation, hazardous substances, sewage, non-hazardous solid waste, noise, exhaust emissions, product and service restrictions, energy/resource consumption and greenhouse gas emissions.</li> <li>4. Ethical standards include: operating with integrity, respecting intellectual property rights,</li> </ol>	

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	
			<p>complying with relevant confidentiality agreements, protecting privacy, and avoiding conflicts of interest.</p> <p>As of the end of 2024, a total of 89 suppliers have returned letters of commitment. The Company has gradually required suppliers to sign and abide by the letters of commitment, and will include the signing of the letters of commitment as one of the new supplier documents.</p>	
V. Does the Company prepare sustainability reports and other reports that disclose the Company's non-financial information by referring to internationally accepted reporting standards or guidelines? Has the above-mentioned report obtained confirmation or assurance from a third-party verification agency?	V		The Company strictly complies with relevant corporate sustainable development standards and requirements, but has not yet prepared a corporate social responsibility report.	No significant difference
<p>VI. If the Company has its own sustainability development guidelines based on the "Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies", please specify the differences between its operations and the established guidelines: The Company's board of directors approved the "Corporate Social Responsibility (CSR) Best Practice Principles" in January 2014 as a long-term guiding principle for promoting CSR. In April 2022, the board of directors revised the Company's "Corporate Social Responsibility Best Practice Principles" to the "Sustainability Development Best Practice Principles" in accordance with the revised "Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies". There is no difference between the actual operation and the established guidelines. Each department shall do its best to fulfill its sustainable development responsibilities within the scope of its duties.</p>				

Assessment items	Operations (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary (Note 2)	

VII. Other important information that helps to understand the implementation of sustainable development:

1. To strengthen the fulfillment of corporate sustainability responsibilities, starting from 2017, the Hsinchu and Chiayi branches of the Company have respectively joined the Hsinchu County Fire Friends Association and the Chiayi Dalin Fire Brigade Volunteer Firefighting Organization based on the local fire authority's structure and organization. They serve as advisors to these volunteer firefighting organizations and actively participate in disaster prevention and cooperation with local fire authorities.
2. Sponsored the Hsinchu County Fire Friends Association with NT\$30,000 and the Chiayi County Fire Brigade with NT\$20,000.
3. Sponsored the "ESG Investment Boom - Benchmark Enterprise List" event of anue website with a fund of \$80,000 to support corporate sustainable development issues and promote the exchange and practice of environmental, social and corporate governance (ESG) concepts.
4. Sponsored a batch of materials to the Ruo-Zhu-Er Education Foundation, a private institution affiliated with the Chiayi County Ruo-Zhu-Er Intelligent Development Center, and actively participated in caring for and assisting disadvantaged organizations.
5. Sponsored \$10,000 to the Jupu Community Development Association in Xinpu Township, Hsinchu County, participated in local community development and public welfare activities, and promoted local exchange and sustainable development.

Note 1: If you select “Yes” for implementation, please specify the important policies, strategies, measures and implementation status adopted; if you select “No” for implementation, please explain the differences and reasons in the column “Differences and reasons from the Sustainable Development Best Practice Principles of TWSE/TPEX Listed Companies” and explain the plans for the adoption of relevant policies, strategies and measures in the future. However, with regard to promoting items 1 and 2, listed companies should clearly describe the governance and supervisory framework for sustainable development, including but not limited to management policies, strategy and goal setting, and review measures. Also describe the Company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and their assessment status.

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

Note 3: Please refer to the examples of best practice principles on the website of the Corporate Governance Center of the Taiwan Stock Exchange for disclosure methods.

(6) Climate-related information implementation:

Evaluation cycle	evaluation period	Assessment scope	Assessment method	Assessment content
once a year	113.01.01~ 113.12.31	1. Board of Directors 2. Individual Board Members 3. Performance Evaluation of Functional Committees (Audit Committee and Remuneration Committee)	Self-assessment by all board members	1. Board of Directors Performance Evaluation 2. Individual Director Performance Evaluation 3. Audit Committee Performance Evaluation 4. Compensation Committee Performance Evaluation

Project	Execution situation			
1. Describe the board of directors and management's oversight and governance of climate-related risks and opportunities.	The Sustainability Group, established under the Board of Directors, comprises senior executives from all departments and is responsible for planning and driving the company's overall sustainability efforts. To strengthen the integration and implementation of sustainability governance, Deputy Manager Su of the Information Department has been appointed as the Chief Sustainability Officer. This officer oversees ESG business development, cross-group coordination, and oversight. Reporting directly to the General Manager, Su serves as a key liaison between governance and execution.			
2. Describe how the identified climate risks and opportunities will affect the company's business, strategy and finances (short-term, medium-term and long-term).	short term impact			
	Risk	Business	Strategy	Finance
	extreme climate events	May cause supply chain disruptions, transportation difficulties and delivery delays, etc.	Collaborate with supply chain partners to ensure a diversified supply of critical raw materials.	Increased operating costs and emergency logistics expenses
	Chance	Business	Strategy	Finance
Use low carbon energy	Due to ESG issues, we have closer cooperation with international manufacturers	Establishing carbon assets in advance will benefit future carbon trading revenue	Adjust order structure to improve profitability	

Project	Execution situation			
		ers and expanded our market share.		
	medium term impact			
	Risk	Business	Strategy	Finance
	Shifting consumer preferences	The low-carbon trend and increasing awareness of sustainable consumption may lead to a decline in market demand for traditional products.	Conduct market research and adjust product mix to meet consumer demand for low-carbon products.	If competitors introduce green packaging earlier, it may cause brand value to decline and orders to be lost.
	Chance	Business	Strategy	Finance
	Develop green energy technologies	Adopting renewable energy can help enhance corporate image and collaboration opportunities with international brands, and is in line with the net-zero emissions trend.	By introducing solar energy, renewable energy, etc., we can reduce our dependence on traditional energy, which helps control operating costs and reduce carbon emissions.	Through cooperation opportunities with international brands, we can increase overall market share and boost profitability simultaneously.
	long term effects			
Risk	Business	Strategy	Finance	

Project	Execution situation			
	Transformation Risk Policies and Regulations	Rising operating costs have caused product prices to be higher than those of competitors, affecting the ability to receive orders.	Energy saving and process improvement	As the government implements the carbon fee policy, businesses will have to pay additional fees for greenhouse gas emissions generated by their operations, resulting in increased operating costs.
	Chance	Business	Strategy	Finance
	Efficient material application	Reduce product carbon footprint and enhance market competitiveness	Establish a green supply chain to meet customer and regulatory requirements for environmentally friendly materials.	Strive for more orders and improve long-term benefits.
3. Describe the financial impact of extreme climate events and transition actions.	<p>Financial Impacts of Extreme Weather Events:</p> <ol style="list-style-type: none"> <li>1. Supply Chain Disruption: Extreme weather can lead to shortages of raw materials and energy, halting production, increasing raw material costs, and impacting operations.</li> <li>2. Equipment Damage: Extreme weather events can cause damage to production facilities, warehouses, and office spaces.</li> </ol> <p>Financial impacts of transformation actions:</p> <ol style="list-style-type: none"> <li>1. Establishing a green supply chain may be time-consuming, and switching to environmentally friendly materials may increase procurement costs.</li> <li>2. Investing in R&amp;D for high-efficiency materials to reduce product carbon footprints and meet customer and regulatory requirements for environmentally friendly materials may increase</li> </ol>			

Project	Execution situation
	R&D expenses, but it will help meet market demand and enhance bargaining power, thereby facilitating market expansion.
4. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The integration of climate risk identification, assessment, and management processes into the overall risk management system is as follows:</p> <ol style="list-style-type: none"> <li>1. The Sustainability Team conducts regular climate risk identification and assessment annually, ranking key risks based on their impact. Further scenario analysis and management planning are conducted for high-risk projects, and these are incorporated into the action strategies of each unit.</li> <li>2. The Board of Directors oversees and makes decisions, while the Sustainability Team conducts risk assessments and returns, and provides guidance and coordination for implementation across all units.</li> </ol>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors and main financial impacts used should be explained.	The Company has not yet used scenario analysis to assess its resilience to climate change risks.
6. If there is a transition plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	<ol style="list-style-type: none"> <li>1. We comply with the environmental regulations of the governments of the countries where we operate our factories and take necessary measures, such as equipment replacement and the installation of wastewater treatment systems, to address the risks of climate change.</li> <li>2. We install energy-saving and emission-reduction equipment at our factories, such as solar panels and RTO equipment.</li> <li>3. We recycle and reuse waste to reduce our environmental impact.</li> </ol>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	The Company currently does not use internal carbon pricing as a planning tool.
8. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	The Company currently does not use carbon offsets or renewable energy certificates (RECs) to achieve its targets.
9. Greenhouse gas inventory and confirmation status, reduction targets, strategies and specific action plans.	Our company, with capitalization of less than NT\$5 billion, will complete greenhouse gas inventories for both individual and consolidated companies starting in 2026, in accordance with the Sustainability Roadmap for Listed.



Assessment items	Operations (Note)			Deviation from the Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>carry a higher risk of dishonest behavior, and has it formulated a plan to prevent dishonest behavior based on the risk, and has it at least covered the preventive measures for each of the behaviors in Article 7, Paragraph 2 of the "Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(III) Does the Company clearly define operating procedures, behavioral guidelines, disciplinary measures for violations, and complaint systems in its plan to prevent dishonest behavior, and does it implement them and regularly review and revise the above-mentioned plan?</p>	V		<p>to improve the effectiveness of the Company's ethical management.</p> <p>(III) Based on the business philosophy of integrity, transparency and responsibility, the Company has clearly and comprehensively established plans to prevent dishonest behavior in its code of conduct. The Company also organizes educational training and promotion activities for directors, managers, employees and actual controllers from time to time.</p>	
<p>II. Implementation of ethical management</p> <p>(I) Does the Company evaluate the ethical records of its trading partners and clearly stipulate the</p>	V		<p>(I) The Company has stipulated in its newly revised Ethical Management Regulations that the integrity records of its trading partners should be evaluated, and it is also required that the contracts signed</p>	No significant difference

Assessment items	Operations (Note)			Deviation from the Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>terms of good faith behavior in the contracts signed between its trading partners?</p> <p>(II) Does the Company have a dedicated unit under the board of directors to promote corporate ethical management, and does it regularly (at least once a year) report to the board of directors on its ethical management policy and plan to prevent dishonest behavior and the status of supervision of its implementation?</p> <p>(III) Does the Company have a policy to prevent conflicts of interest, provide appropriate channels for representation, and implement it?</p> <p>(IV) Has the Company established an effective</p>	<p>V</p> <p>V</p>		<p>with trading partners should clearly stipulate the terms of ethical behavior.</p> <p>(II) In order to improve the management of ethical business operations, the Management Department of the Company is responsible for the formulation and supervision of the implementation of ethical business policies and prevention plans, and reports to the Board of Directors from time to time. The implementation status was reported at the 16th meeting of the 7th Board of Directors on November 12, 2024.</p> <p>(III) The directors of the Company shall be highly self-disciplined and may state their opinions and answer questions regarding proposals listed by the Board of Directors that have a conflict of interest with themselves or the legal person they represent, which may be detrimental to the interests of the Company. They may not participate in discussions or votes, and shall recuse themselves from discussions and votes, and may not exercise voting rights on behalf of other directors.</p> <p>(IV) The Company has established effective accounting systems and internal control</p>	

Assessment items	Operations (Note)			Deviation from the Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>accounting system and internal control system to implement ethical business operations? Has the internal audit unit formulated relevant audit plans based on the results of the assessment of dishonest behavior risks and used them to verify compliance with the plan to prevent dishonest behavior, or has it entrusted a CPA to perform the audit?</p> <p>(V) Does the Company hold regular internal and external education and training on ethical management?</p>	V		<p>systems, which are audited regularly by the internal audit unit or entrusted to CPAs.</p> <p>(V) The responsible unit conducts irregular publicity and arranges internal and external education and training depending on the actual situation. In 2024, a three-hour ethical management education and training was held.</p>	
<p>III. Implementation of the Company's whistleblowing system</p> <p>(I) Does the Company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and assigns appropriate personnel to handle reports?</p> <p>(II) Does the Company have a standard operating procedure for investigating reports, follow-up measures to be taken after the</p>	V	V	<p>The Company has established a detailed system of whistleblowing and rewards in its "Procedures for Ethical Management and Guidelines for Conduct" to provide convenient channels for reporting. The responsible unit will keep the identity of the whistleblower and the content of the report confidential, and let employees know that the Company will do its utmost to protect the safety of the whistleblower and will not allow retaliation against those who make reports in good faith.</p>	No significant difference

Assessment items	Operations (Note)			Deviation from the Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>investigation is completed, and related confidentiality mechanisms?</p> <p>(III) Does the Company take measures to protect whistleblowers from being improperly treated as a result of whistleblowing?</p>	V			
<p>IV. Enhanced information disclosure</p> <p>Does the Company disclose the content of its established ethical management code and the effectiveness of its promotion on its website and MOPS?</p>	V		<p>The Company has placed the provisions of the Ethical Management Code on the Company's website and MOPS to provide ethical management information to employees and the Company's customers, suppliers, and other external parties, and reported on the implementation status at the 16th meeting of the 7th Board of Directors on November 12, 2024.</p>	No significant difference
<p>V. If the Company has formulated its own Ethical Management Best Practice Principles as per the Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies, please specify the difference between its operation and the principles:</p> <p>1. There are no major differences. The Company has revised the "Ethical Management Operating Procedures and Behavior Guidelines" and assigned dedicated units. In the future, it will gradually implement its due operations according to actual conditions.</p> <p>2. The Company has established "Procedures for Handling Material Internal Information" to prevent insider trading and protect the rights and interests of stakeholders. This operation is not significantly different from the "Procedures for Handling Internal Material Information".</p>				
<p>VI. Other important information that helps to understand the Company's ethical management operations (such as the Company's review and revision of its established ethical management best practice principles, etc.): In accordance with the letter of the competent authority, the Company's board of directors passed a resolution on May 14, 2015 to revise some provisions of the "Ethical Management Operating Procedures" and submitted it to the shareholders' meeting on June 30, 2015. The revised content has been disclosed on the Company's website and MOPS.</p>				

(8) Other important information that can enhance understanding of the Company's governance operations:

The Company has established "Management Procedures for Prevention of Insider Trading", which include the Company's major information processing and disclosure mechanisms and other operating procedures, and the Company's directors, managers and employees are not allowed to inquire about or collect the Company's undisclosed internal major information that is not related to their personal duties from those who know the Company's internal major information, and are not allowed to disclose the Company's undisclosed internal major information to others for reasons other than business execution, in order to protect investors and safeguard the rights and interests of the Company. In addition, in conjunction with the implementation of the "Informational Trading Suspension Mechanism" for listed companies, the Company has established the "Procedures for Applying for Trading Suspension and Resumption" in accordance with the regulations of the competent authorities, and it was approved by the Board of Directors on December 25, 2015.

(9) Matters that should be disclosed regarding the implementation of the internal control system:

1. Internal Control Statement:

Xu Yuan Packaging Technology Co., Ltd.

Statement of the Internal Control System

Date: March 12, 2025



Based on the results of our own evaluation, we hereby declare the following about our internal control system for 2024:

- I. The Company acknowledges that it is the responsibility of the Company's Board of Directors and managers to establish, implement and maintain an internal control system, and the Company has established such a system. Its purpose is to provide reasonable assurance of the achievement of operational effectiveness and efficiency (including profitability, performance and asset security), reliability, timeliness, transparency of reporting and compliance with relevant standards and laws and regulations.
- II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism, and once deficiencies are identified, the Company will take corrective action.
- III. The Company determines whether the design and implementation of the internal control system are effective based on the internal control system effectiveness judgment items stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Guidelines"). The internal control system judgment items adopted in the "Processing Criteria" are divided into five components based on the management control process: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervision operations. Each component includes several items. Please refer to the "Processing Guidelines" for the above items.
- IV. The Company has adopted the above internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the results of the preceding assessment, the Company believes that the Company's internal control system (including supervision and management of subsidiaries) as of December 31, 2024, including the design and implementation of the internal control system to understand the effectiveness of operations and the degree to which efficiency goals are achieved, reliable, timely, and transparent reporting, and compliance with relevant standards and laws and regulations, is effective and can reasonably ensure the achievement of the above goals.
- VI. This statement will become the main content of the Company's annual report and public prospectus and will be made public. If the above-mentioned public content contains any

illegal acts such as falsehood or concealment, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This statement has been approved by the board of directors of the Company on March 12, 2025. Among the nine directors present (including those attending by proxy), no one raised any objection and all agreed with the contents of this statement and hereby declare it.

Xu Yuan Packaging Technology Co

President: Chuang Ya-Ping

Chairman: Huang Nan-Yuan



2. Those who entrust a certified public accountant to conduct a special audit of the internal control system shall disclose the certified public accountant's audit report:  
None.

(10) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report

Meeting of the Board of Directors as of the date of publication of the Annual Report in 2024:

Date	Important resolutions and summary	Matters under Article 14-3 of the Securities and Exchange Act	Objection or reservation by independent directors	Matters under Article 14-5 of the Securities and Exchange Act	Matters that have not been approved by the Audit Committee but have been agreed upon by more than 2/3 of all directors
January 11, 2024	1. The Company's 2024 operating budget plan				
	2. Discussion about the Company's application for bank credit limit.				
	3. 2023 year-end bonus for managers of the Company.				
	Independent directors' opinions: None.				
	The Company's response to independent directors' opinions: None.				
	Resolution result: All directors present agreed to pass all these proposals.				
March 7, 2024	1. Approval of the Company's 2023 business report.			√	
	2. Approval of the Company's 2023 annual financial statements.			√	
	3. Discussion on the Company's overdue accounts receivable.	√		√	
	4. Loaning of funds by the Company to others.	√		√	
	5. To formulate matters related to the convening of the 2024 Annual General Meeting of Shareholders of the Company.				
	6. The Company's 2024 Annual Shareholders' Meeting accepted shareholder proposals for discussion				
	7. Approval of the Company's internal control system statement for 2023.			√	
	8. Appointment and dismissal of CPAs and evaluation of the independence of CPAs.	√		√	
	9. Amendments to some articles of the Company's Articles of Incorporation.			√	
	10. Amendments to some of the provisions of the Company's "Shareholders Meeting Management Procedures".			√	
	11. Proposal to amend some of the provisions of the Company's "Key Points to be Observed in the Establishment and Exercise of Powers of the Board of Directors".			√	
	Independent directors' opinions: None.				
The Company's response to independent directors' opinions: None.					
Resolution result: All directors present agreed to pass all these proposals.					
April 9, 2024	1. The Company's loss allowance proposal for 2023.	√		√	
	2. Discussion proposal on the Company's employee remuneration and directors' remuneration for 2023.	√		√	
	3. Discussion on the simplified merger of subsidiary Hong Tai Trading Co., Ltd.	√			

Date	Important resolutions and summary	Matters under Article 14-3 of the Securities and Exchange Act	Objection or reservation by independent directors	Matters under Article 14-5 of the Securities and Exchange Act	Matters that have not been approved by the Audit Committee but have been agreed upon by more than 2/3 of all directors	
	Independent directors' opinions: None.					
	The Company's response to independent directors' opinions: None.					
	Resolution result: All directors present agreed to pass all these proposals.					
May 9, 2024	1. Approval of the Company's first quarter 2024 financial report.			✓		
	2. Discussion on the merger and dissolution base date of the subsidiary Hong Tai Trading Co., Ltd.	✓				
	3. Discussion on the Company's overdue accounts receivable.	✓		✓		
	4. Loaning of funds by the Company to others.	✓		✓		
	Independent directors' opinions: None.					
	The Company's response to independent directors' opinions: None.					
	Resolution result: All directors present agreed to pass all these proposals.					
August 8, 2024	1. Approval of the Company's second quarter financial report for 2024.			✓		
	2. Discussion on the application of the Company for joint credit loan from the bank	✓		✓		
	2. The Company applies for a bank line of credit discussion.					
	3. Discussion on the Company's overdue accounts receivable.	✓		✓		
	4. Loaning of funds by the Company to others.	✓		✓		
	5. Discussion on the Company's Proposed Purchase of Equity Interests of its Indonesian Subsidiary	✓				
	6. Discussion on the payment of employee remuneration to the Company's managers					
Independent directors' opinions: None.						
The Company's response to independent directors' opinions: None.						
Resolution result: All directors present agreed to pass all these proposals.						
November 12, 2024	1. Approval of the Company's third quarter 2024 financial report.			✓		
	2. Discussion about the Company's application for bank credit limit.					
	3. Discussion on the Company's overdue accounts receivable.	✓		✓		
	4. Loaning of funds by the Company to others.	✓		✓		
	Proposal to pre-approve PwC Taiwan and its affiliated enterprises to provide non-assurance services to the Company and its subsidiaries.					
	6. The Company's 2025 annual audit plan.	✓		✓		
	7. Formulate the Company's "Sustainable Information Management Operating Procedures" and audit rules.	✓		✓		
	8. Partial amendments to the "Corporate Governance Best Practice Principles".	✓		✓		
	9. Adjustment for the salary of the Company's managers.					
	Independent directors' opinions: None.					
	The Company's response to independent directors' opinions: None.					
Resolution result: All directors present agreed to pass all these proposals.						

Date	Important resolutions and summary	Matters under Article 14-3 of the Securities and Exchange Act	Objection or reservation by independent directors	Matters under Article 14-5 of the Securities and Exchange Act	Matters that have not been approved by the Audit Committee but have been agreed upon by more than 2/3 of all directors
January 13, 2025	1. The Company's 2024 operating budget planning.				
	2. The Company's endorsement and guarantee for subsidiaries.	✓		✓	
	3. 2024 year-end bonus to the Company's managers.				
	Independent directors' opinions: None.				
	The Company's response to independent directors' opinions: None.				
March 12, 2025	1. Approval of the Company's 2024 Annual Business Report			✓	
	2. Approval of the Company's 2024 Annual Financial Statements			✓	
	3. Discussion on the Company's overdue accounts receivable	✓		✓	
	4. Loaning of funds by the Company to others.	✓		✓	
	5. Discussion on the application for bank credit line by the Company				
	6. Proposal on the comprehensive re-election of the company's directors (including independent directors) and announcement of acceptance of shareholders' nominations of directors (including independent directors)				
	7. Lifting the restriction on directors' non-competition				
	8. Plan the matters related to the convening of the 2025 Annual Shareholders Meeting of the Company				
	9. The Company's 2025 Annual Shareholders' Meeting accepted written proposals from shareholders for discussion				
	10. Approval of the Company's 2024 internal control system statement			✓	
	11. Appointment of the Company's 2025 CPAs and the assessment of the independence of the CPAs	✓		✓	
	Independent directors' opinions: None.				
The Company's response to independent directors' opinions: None.					
Resolution result: All directors present agreed to pass all these proposals.					
April 7, 2025	1. Proposal on the Company's 2024 profit distribution	✓		✓	
	2. Discussion of the company's 2024 employee compensation and director compensation	✓		✓	
	3. The Company's Board of Directors nominates and reviews the list of candidates nominated by shareholders for the 2025 election of directors (including independent directors)	✓		✓	
	4. Amendment to the reasons for convening the 2025 Annual Shareholders Meeting of the Company				
	5. Amendment to lift restrictions on directors' non-competition prohibition				
	6. Partial amendments to the Company's "Articles of Incorporation"	✓		✓	
	7. Amendments to some provisions of the Company's "Board of Directors Meeting Operation Management Procedures"	✓		✓	

Date	Important resolutions and summary	Matters under Article 14-3 of the Securities and Exchange Act	Objection or reservation by independent directors	Matters under Article 14-5 of the Securities and Exchange Act	Matters that have not been approved by the Audit Committee but have been agreed upon by more than 2/3 of all directors
	8. Amendments to some provisions of the Company's "Audit Committee Organization Charter"	✓		✓	
	Independent directors' opinions: None.				
	The Company's response to independent directors' opinions: None.				
	Resolution result: All directors present agreed to pass all these proposals.				

(11) In the most recent year and up to the date of publication of the annual report, the directors have different opinions on important resolutions passed by the board of directors and there are records or written statements, the main contents of which are: None.

#### 4. Information on professional fees of CPAs:

(1) If the non-audit expenses paid to a certified public accountant, a certified public accountant's firm, or its affiliated companies are more than one-fourth of the audit expenses, the amount of audit and non-audit expenses and the content of non-audit services shall be disclosed:

Unit: NTD thousands

Certified Public Accountant Name of accounting firm	CPA's Name	CPA Audit Period	CPA fees	Non-audit public expenses (Note)	Total	Remarks
PwC Taiwan	Wu Wei-Hao	2024	2,700	0	2,700	
	Cheng Ya-Ling	2024				
Deloitte Taiwan Taiwan	Lin Hsin-Tung	2023	3,130	250	3,380	
	Ming-Hui Chen	2023				

Note: Non-audit fees include transfer pricing and other fees.

(2) If the audit fee paid in the year of change is reduced compared to the audit fee paid in the year before the change, the amount of audit fee paid before and after the change and the reason should be disclosed: The audit fee paid after the change of the firm was reduced by NT\$430,000 compared to before the change, which was mainly due to the adjustment made in response to the needs of the Group's long-term strategic development and internal management.

(3) If the audit fee is reduced by more than 10% compared with the previous year, the amount, percentage and reason of the reduction in audit fee shall be disclosed: The audit fee after the change of the audit firm was reduced by NT\$430,000 compared with the period before the change, and the reduction ratio was 13.74%, which was mainly due to the adjustment made in response to the needs of the long-term strategic development and internal management of the Group.

#### 5. Information on change of CPAs:

(1) About the former CPA

Date of replacement	From the first quarter of 2024.		
Replacement reason and description	In response to the Group's long-term strategic development and internal management needs		
Indicates that the client or accountant terminates or does not accept the appointment	Party Situation	Certified Public Accountant	Principal
	Initiate termination of appointment		V
	No longer accepting (continuing) appointment		
Independent Auditors' Report other than unqualified audit reports issued within the last two years and reasons	None		
Are there any disagreements with the issuer?	Yes	Accounting principles or practices	
		Disclosures in the financial statements	
		Audit Scope or Procedure	
		Others	
	None	V	
	Explanation		
Other disclosures Article 10, Paragraph 6, Item 1-4 to Item 1-7 of these Regulations (Those who should be disclosed)	None		

(III) Information about the succeeding auditor

Name of accounting firm	PwC Taiwan
Name of CPA	CPA Wu Wei-Hao Wu and Cheng Ya-Hui
Date of appointment	From the first quarter of 2024.
Pre-appointment accounting for specific transactions Treatment methods or accounting principles and Possible opinions on financial reports Consultation matters and results	No opinion
Successor Accountant to Former Accountant Written opinion on matters of disagreement	No opinion

(III) Reply from the former CPA regarding item 1 and item 2-3 of Article 10, paragraph 6 of these Standards: No comments.

6. If the company's chairman, general manager, or manager responsible for financial or accounting affairs has worked for the CPA firm or its affiliated companies within the past year, their names, job titles, and the period of service at the CPA firm or its affiliated companies shall be disclosed:  
None.

7. Changes in equity transfers and equity pledges by directors, managers, and shareholders holding more than 10% of the shares in the most recent year and up to the date of publication of the annual report:

(I) Movements in shareholdings of directors, managers, and major shareholders:

Unit: Shares

Job title	Name	2024		2025 April 30	
		Number of shares held Increase (decrease) number	Number of pledged shares Increase (decrease) number	Number of shares held Increase (decrease) number	Number of pledged shares Increase (decrease) number
Chairman	Huang Nan-Yuan	—	—	(354,000)	—
President	Chuang Ya-Ping	(3,000)	—	(87,000)	—
Director	Xu Yao Investment Co., Ltd.	—	—	—	—
Director	Cheng Shu-Ching	—	—	—	—
Director	Chuang Wen-Chiu (Note 2)	—	—	—	—
Director	Chang, Tse-Hong (Note 2)	—	—	—	—
Director	Yang, Ching-Hsiang (Note 1)	—	—	—	—
Director	Xu Hung Investment Co., Ltd. (Note 1)	—	—	—	—
Director	Hu, Wen-Lung (Note 1)	—	—	—	—
Independent director	Yang, Jung-Ching (Note 2)	—	—	—	—
Independent director	Chang Yu-Chu	—	—	—	—
Independent director	Lin Chin-Huang	—	—	—	—
Independent director	Chih, Yi-Tan (Note 1)	—	—	—	—
Special Assistant, R&D Department	Tai Hao	—	—	—	—
Assistant Vice President of Chiayi Manufacturing Center	Cheng Jui-Shu	—	—	—	—
Senior Manager, Industrial Safety Division	Chuang Shih-He	—	—	(277,804)	—
Chief Financial Officer	Yang Su-Huan	—	—	—	—

Job title	Name	2024		2025 April 30	
		Number of shares held Increase (decrease) number	Number of pledged shares Increase (decrease) number	Number of shares held Increase (decrease) number	Number of pledged shares Increase (decrease) number
Chief Corporate Governance Officer	Yang, Sheng-Fa (Note 3)	—	—	—	—
Senior manager of Overseas business department.	Wu Lai-Fa (Note 4)	—	—	—	—
Senior manager of business department	Jung Bin Chen (Note 4)	—	—	—	—

Note 1: The Company re-elected directors at the shareholders' meeting on June 8, 2022. The new directors are Yang Ching-Hsiang, Xuhong Investment Co., Ltd., Hu Wen-Long, Chih Yi-Tan

Note 2: The Company re-elected directors at the shareholders' meeting on June 8, 2022. The resigned directors are Zhuang Wen-Chiu, Chang Tse-Hong and Yang Rong-Ching

Note 3: The Company's Board of Directors approved the appointment of the Company's Chief Corporate Governance Officer on April 13, 2023

Note 4: The board of directors of the Company approved the appointment of the Company's managers on June 29, 2023

If the counterparty of the equity transfer is a related party, the name of the counterparty, the relationship with the company, directors, shareholders holding more than 10% of the shares, and the number of shares acquired shall be disclosed:

March 29, 2025

Name	Equity Transfer Reason for transfer (Note 1)	Transaction date	Transaction Counterparty	Transaction counterparties, companies and directors, supervisors, managers and shareholders holding more than 10% of the shares	Number of shares	Transaction price
Huang Nan-Yuan	Gift	02/25/2025	Huang, Yi-Ting	Children	118,000	Not applicable.
Huang Nan-Yuan	Gift	02/25/2025	Huang, Yi-Hsuan	Children	118,000	Not applicable.
Huang Nan-Yuan	Gift	02/25/2025	Huang, Sheng-Kai	Children	118,000	Not applicable.
Chuang Ya-Ping	Gift	02/25/2025	Huang, Yi-Ting	Children	29,000	Not applicable.
Chuang Ya-Ping	Gift	02/25/2025	Huang, Yi-Hsuan	Children	29,000	Not applicable.
Chuang Ya-Ping	Gift	02/25/2025	Huang, Sheng-Kai	Children	29,000	Not applicable.
Chuang Shih-He	Gift	02/24/2025	Chuang Tse-Yu	Children	277,804	Not applicable.

Note 1: Please fill in Acquisition or Disposal.

(IV) If the counterparty of the equity pledge is a related person, the name of the counterparty, the relationship with the company, directors, shareholders holding more than 10% of the shares, and the number of shares pledged should be disclosed: None.

8. Information on whether the top ten shareholders in terms of shareholding ratio are related persons or spouses or relatives within the second degree of kinship:

March 29, 2025; Unit: Shares

Name	Personal Shareholding		Spouse and minor children Shareholding		Holding shares in total under the name of another person		If the top ten shareholders are related persons or spouses, or relatives within the second degree of kinship, their names or full names and relationship		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Name (or name)	Relationship	
Xu Yao Investment Co., Ltd.	9,081,949	16.57%	—	—	—	—	Xu Hung Investment Co., Ltd.	Note 1	—
Representative: Huang Nan-Yuan	2,165,464	3.95%	4,495,290	8.20%	—	—	Chuang Ya-Ping	Note 2	—
Xu Hung Investment Co., Ltd.	4,376,288	7.98%	—	—	—	—	Xu Yao Investment Co., Ltd.	Note 1	—
Representative: Chuang Ya-Ping	3,155,015	5.76%	3,505,739	6.40%	—	—	Huang Nan-Yuan	Note 2	—
Chuang Ya-Ping	3,155,015	5.76%	3,505,739	6.40%	—	—	Huang Nan-Yuan	Note 2	—
Chang Yu-Ming	2,275,000	4.15%	—	—	—	—	—	—	—
Huang Nan-Yuan	2,165,464	3.95%	4,495,290	8.20%	—	—	Chuang Ya-Ping	Note 2	—
Huang, Yi-Ting	1,340,279	2.45%	—	—	—	—	Huang Nan-Yuan Chuang Ya-Ping	Note 2	—
Huang, Yi-Hsuan	1,340,275	2.45%	—	—	—	—	Huang Nan-Yuan Chuang Ya-Ping	Note 2	—
Huang, Sheng-Kai	1,340,275	2.45%	—	—	—	—	Huang Nan-Yuan Chuang Ya-Ping	Note 2	—
Chang Chao Su Chu	829,000	1.51%	—	—	—	—	—	—	—
Citibank Berkeley Capital SBL/PB Investment Account	807,000	1.47%	—	—	—	—	—	—	—

Note 1: Huang Nan-Yuan, the representative of Xu Yuan Investment Co., Ltd., and Chuang Ya-Ping, the representative of Xu Hong Investment Co., Ltd., are husband and wife.

Note 2: Huang Nan-Yuan and Chuang Ya-Ping are husband and wife and are the parents of Huang Yi-Ting, Huang Yi-Hsuan and Huang Shengkai; Huang Yiting, Huang Yi-Hsuan and Huang Sheng-Kai are sisters and brothers.

9. The number of shares held by the company, its directors, managers and enterprises directly or indirectly controlled by the company in the same invested enterprise, and the combined shareholding ratio calculated:

Comprehensive shareholding ratio

March 31, 2025  
Unit: Thousand shares; %

Re-investment business (Note 1)	Investment by the Company		Investment by directors, managers, or any companies controlled either directly or indirectly by the Company		Comprehensive investment	
	Number of shares	Shareholdi ng ratio	Number of shares	Shareholdi ng ratio	Number of shares	Shareholdi ng ratio
Hong Yuan Packaging Technology Co., Ltd.	4,400	100%	—	—	4,400	100%
XU YUAN PACKAGING TECHNOLOGY CO.,LTD	700	100%	—	—	700	100%
SLEEVE SEAL, LLC.	210	35%	—	—	210	35%
Hongxu Packaging Machinery (Shanghai) Co., Ltd. (Note 2)	—	—	—	100%	—	100%
XU YUAN Packaging Technology (India) Private Limited	22	100%	—	—	22	100%
XYPD DO BRASIL EMBALAGENS LTDA.	4,608	51%	—	—	4,608	51%
PT. XU YUEN PACKAGING TECHNOLOGY INDONESIA (Note 3)	10,000	100%	—	—	10,000	100%
PT. CHENG HONG PACKAGING TECHNOLOGY INDONESIA	1	10%	1	90%	2	100%
PT. CHENG KUANG MACHINE PACKAGING TECHNOLOGY INDONESIA	9	95%	1	5%	10	100%

Note 1: It is an investment made by the Company using the equity method.

Note 2: This is the investee company indirectly acquired by the Company through its investment in XU YUAN PACKAGING TECHNOLOGY CO., LTD.

Note 3: Xu Yuan acquired 38% of the shares from minority shareholders in September 2024, thus accumulating 100% of the shares of PT. XU YUAN.

### III. Fundraising Status

#### I.

#### (1) Source of share capital

##### a. Share capital after formation

Unit: thousand shares; NTD thousand

Year/Month	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increased by assets other than cash	Others
2004.10	10	2,000	20,000	1,000	10,000	Initial share capital	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09332933090 dated October 26, 2004
2004.12	10	2,000	20,000	2,000	20,000	Capital increase in cash by NT\$10,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09333194800 dated December 15, 2004
2005.05	10	4,300	43,000	4,300	43,000	Capital increase in cash by NT\$23,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09432120390 dated May 13, 2005
2005.09	10	5,800	58,000	5,800	58,000	Capital increase in cash by NT\$15,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09432819310 dated 2005.9.14
2007.05	10	6,500	65,000	6,500	65,000	Capital increase in cash by NT\$7,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09632152680 dated May 24, 2007
2007.08	10	8,000	80,000	8,000	80,000	Capital increase in cash by NT\$15,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09632645780 dated August 21, 2007
2007.11	10	10,000	100,000	10,000	100,000	Capital increase in cash by NT\$20,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09633139820 dated November 29, 2007
2008.04	10	11,000	110,000	11,000	110,000	Capital increase in cash by NT\$10,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09732125620 dated April 23, 2008
2008.06	10	12,500	125,000	12,500	125,000	Capital increase in cash by NT\$15,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09732515030 dated June 27, 2008
2009.09	10	25,000	250,000	17,400	174,000	Capital increase in cash by NT\$49,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09832972550 dated September 22, 2009.

Year/Month	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increased by assets other than cash	Others
2010.01	10	25,000	250,000	19,000	190,000	Capital increase in cash by NT\$16,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09931545950 dated January 13, 2010
2010.06	10	25,000	250,000	20,710	207,100	Capitalization of earnings by NT\$17,100 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09932164290 dated June 11, 2010
2010.06	10.1	25,000	250,000	21,698	216,980	Capital increase by transfer of employee share subscription certificates for NT\$9,880 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09932228500 dated June 30, 2010
2010.07	18	25,000	250,000	23,298	232,980	Capital increase in cash by NT\$16,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09932289150 dated July 12, 2010
2010.08	34	45,000	450,000	26,298	262,980	Capital increase in cash by NT\$30,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 09932466070 dated 2010.8.17
2011.07	16.277	45,000	450,000	26,494	264,945	Capitalization of employee bonus by NT\$3,198 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10032198620 dated 2011.07.01
2011.07	10	45,000	450,000	28,598	285,983	Capitalization of earnings by NT\$21,038 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10032198620 dated 2011.07.01
2012.07	10	45,000	450,000	29,885	298,852	Capitalization of earnings by NT\$12,869 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10132317280 dated 2012.07.30
2012.09	21	45,000	450,000	33,885	338,852	Capitalization of earnings by NT\$40,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10132454780 dated 2012.09.03
2012.11	22	45,000	450,000	38,121	381,212	Capitalization of earnings by NT\$42,360 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10132785260 dated 2012.11.30
2013.08	10	65,000	650,000	38,502	385,024	Capitalization of earnings by NT\$3,812 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10233825670 dated 2012.08.21

Year/Month	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increased by assets other than cash	Others
2016.01	11	65,000	650,000	44,502	445,025	Cash capital increase of \$60,000 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 105330046510 dated 2016.01.05
2016.10	16.75	65,000	650,000	45,517	455,174	Convertible bonds \$10,149	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10534355860 dated 2016.10.05
2016.12	16.36	65,000	650,000	46,188	461,880	Convertible bonds \$6,707	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10534488170 dated 2016.12.07
2017.02	16.36	65,000	650,000	46,750	467,504	Convertible bonds \$5,632	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10633097030 dated 2017.02.22
2017.04	16.36	65,000	650,000	53,480	534,801	Convertible bonds \$67,298	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10601044210 dated 2017.04.17
2019.10	10	65,000	650,000	54,817	548,171	Capitalization of earnings by NT\$13,370 thousand	—	Approved by Letter Ref. Jing-Shou-Zhong-Zi No. 10801132560 dated 2019.10.01

## b. Types of shares

March 29, 2025

Share type	Authorized capital (Unit: shares)			Remarks
	Outstanding shares	Number of shares unissued	Total	
Registered ordinary shares	54,817,140	10,182,860	65,000,000	TPEX listed shares

c. For securities that have been approved to be raised and issued under the blanket reporting system, the approved amount, the scheduled issuance and issued securities shall also be disclosed: Not applicable.

## (2) List of major shareholders:

Name, shareholding amount and proportion of shareholders with a shareholding ratio of 5% or more or the top ten shareholders:  
March 29, 2025; Unit: Shares

Name of major shareholder	Share	Number of shares held	Shareholding ratio
Xu Yao Investment Co., Ltd.		9,081,949	16.57%
Xu Hung Investment Co., Ltd.		4,376,288	7.98%
Chuang Ya-Ping		3,155,015	5.76%
Chang Yu-Ming		2,275,000	4.15%
Huang Nan-Yuan		2,165,464	3.95%
Huang, Yi-Ting		1,340,279	2.45%
Huang, Yi-Hsuan		1,340,275	2.45%
Huang, Sheng-Kai		1,340,275	2.45%
Chang Chao Su Chu		829,000	1.51%
Citibank Berkeley Capital SBL/PB Investment Account		807,000	1.47%

## (3) The Company's dividend policy and implementation status

## a. The dividend policy stipulated in the Articles of Incorporation:

The Company shall set aside no less than 4% of its net profit before tax for the current period before deducting employee compensation and director compensation for the current period as employee compensation and no more than 4% as director compensation. However, if the Company still has accumulated losses, it shall reserve an amount to make up for the losses. The employee compensation referred to in the preceding paragraph may be in the form of stocks or cash, and the recipients may include employees of affiliated companies who meet certain conditions; the director compensation referred to in the preceding paragraph may only be in cash. The first two items shall be implemented by resolution of the board of directors and reported to the shareholders' meeting.

If the Company's annual final accounts contain net profits after tax for the current period, the accumulated losses shall be offset first and 10% shall be set aside as statutory surplus reserves in accordance with the law; however, this restriction does not apply if the accumulated statutory surplus reserves have reached the total paid-in capital of the company. The company shall then set aside or transfer special surplus reserves in accordance with laws or regulations or the provisions of the competent authorities. If there is still surplus, together with the undistributed surplus at the beginning of the period, the board of

directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of dividends to shareholders.

In the future, the Company will cooperate with the environment and growth stage, based on capital expenditure, business expansion needs and sound financial planning to achieve sustainable development. The Company's dividend policy will be based on the Company's future capital expenditure budget and funding needs. The dividends allocated to shareholders from the above-mentioned profit distribution will be distributed in the form of stock dividends and cash dividends, of which the ratio of cash dividends to all dividends will not be less than 10%.

b. The dividend distribution proposed at this shareholders' meeting:

The company's 2024 profit distribution plan has been approved by the board of directors on April 7, 2025, and will be finalized after the resolution of the shareholders' meeting on May 27, 2025.

c. Explanation of expected major changes in dividend policy:

There is no material change in the expected dividend policy.

(4) The impact of the free allotment proposed at this shareholders' meeting on the company's operating performance and earnings per share: No such situation.

(5) Remuneration to employees and directors

a. The percentage or range of remuneration to employees and directors as stated in the Articles of Incorporation:

The Company shall set aside no less than 4% of its net profit before tax for the current period before deducting employee compensation and director compensation for the current period as employee compensation and no more than 4% as director compensation. However, if the Company still has accumulated losses, it shall reserve an amount to make up for the losses. The employee compensation referred to in the preceding paragraph may be in the form of stocks or cash, and the recipients may include employees of affiliated companies who meet certain conditions; the director compensation referred to in the preceding paragraph may only be in cash. The first two items shall be implemented by resolution of the board of directors and reported to the shareholders' meeting.

b. The basis for estimating the employee and director remuneration for the current period, the number of shares for employee remuneration distributed in the form of stock, the basis for calculating the number of shares, and the accounting treatment when the actual distribution amount differs from the estimated amount:

The company has already recorded employee remuneration of NT\$154,343 and director remuneration of NT\$92,606.

All remuneration and directors' remuneration shall be paid in cash according to the account book amount. Employee remuneration and director remuneration have been expensed in 2024. The amount recorded as an expense is not different from the amount proposed by the Board of Directors.

c. The distribution of remuneration approved by the Board of Directors:

(1) If the amount of employee compensation and director compensation distributed in cash or stock differs from the estimated amount recognized as an expense for the year, the amount of the difference, the reason for the difference, and the treatment thereof shall be disclosed:

The company's 2024 distribution plan has been approved by the board of directors on April 7, 2025. The company's opening retained earnings for 2024 were NT\$117,279,200, the net profit after tax for 2024 was NT\$816,518, and the closing retained earnings was NT\$107,148,332. The company intends not to distribute dividends to shareholders.

(2) The amount of employee compensation distributed in the form of stock and its proportion to the total net profit after tax and total employee compensation in the current period or individual financial report:

The company's 2024 profit distribution proposal has been approved by the board of directors on April 7, 2025. It is distributed in cash and is therefore not applicable.

d. The actual distribution of employee and director remuneration in the previous year (including the number of shares distributed, amount and share price); if there is a discrepancy between the actual employee and director remuneration and the recognized employee and director remuneration, the discrepancy amount, reason and handling status shall be stated:

The Company's 2024 employee remuneration and director remuneration distribution plan has been approved by the board of directors on April 7, 2025. The Company has already recorded employee remuneration of \$154,343 and director remuneration of \$92,606 in its accounts. The above-mentioned employee remuneration and director remuneration will be paid in cash based on the recorded amounts. The above-mentioned employee remuneration and director remuneration have been expensed in 2024, and the amount recorded as expenses is no different from the amount proposed by the board of directors.

(6) In case of a company repurchasing its own shares, the Company shall state the purpose of the Company's application to repurchase its own shares, the repurchase period, the repurchase price range, the type, quantity and amount of shares repurchased, the number of shares cancelled and transferred, the cumulative number of shares held in the Company and the ratio of the cumulative number of shares held in the Company to the total number of issued shares in the most recent year and up to the date of publication of the annual report: None.

2. Circumstances for handling corporate bonds:

- a. Status of corporate bonds: None.
- b. Information on convertible bonds: None.
- c. Information on exchange of corporate bonds: None.
- d. Summary of the declaration of issuance of corporate bonds: None.
- e. Corporate bonds with warrants: None.

3. The handling of preferred shares shall include the preferred shares in circulation and in the process of being handled, and shall disclose the relevant issuance conditions, the impact on shareholders' rights and interests, and the matters stipulated in Article 157 of the Company Act. For private placement preferred shares, it shall be marked in a conspicuous manner: None.

4. The handling status of overseas depositary receipts shall include overseas depositary receipts that have participated in the issuance but have not been fully redeemed and those that are in the process of being handled, and shall disclose relevant matters such as the issuance date, total issuance amount, and rights and obligations of overseas depositary receipt holders. For private placement of overseas depositary receipts, it shall be marked in a prominent manner: None.

5. Employee stock option processing situation:

(1). The Company's unexpired employee stock warrants shall disclose the status of such warrants as of the publication date of the annual report and their impacts on shareholders' equity. For private placement employee stock warrants, it shall be prominently marked: None.

(2). Names, acquisition and subscription status of managers who have obtained employee stock option certificates as of the publication date of the annual report and the top ten employees who have obtained the certificates with the largest number of shares subscribed:

March 31, 2025 Unit: New Taiwan Dollar; Shares

	Job title (Note 1)	Name	Obtained number of subscriptions	The ratio of the number of subscribed shares to the total number of issued shares (Note 3)	Implemented				Not yet implemented			
					Number of Quantity	Number of Price (Note 5)	Number of Amount	Percentage of subscription amount to total	Number of subscriptions (Note 5)	Subscription price (Note 5)	Subscription amount	Percentage of subscription amount to total issued shares (Note 3)
Manager	President	Huang Nan-Yuan	268,000	0.70%	268,000	10.10	2,706,800	0.70%	—	—	—	—
	Vice President	Chuang Ya-Ping										
	Chief Financial Officer and Deputy General Manager of Overseas Business Unit (Resigned on January 30, 2015)	Fan, Chi-Gang										
	Assistant Vice President	Chuang Shih-He										
	Special Assistant, R&D Department	Tai Hao										
	Assistant Vice President of Chiayi Manufacturing Center	Cheng Jui-Shu										
	Senior Assistant Manager of Business Department (retired September 30, 2020)	Hu Wen-Lung										
Employee (Note 2)	Special Assistant, R&D Department	Tai Hao	348,000	0.91%	348,000	10.10	3,514,800	0.91%	—	—	—	—
	Senior Associate, Business Office (Retired September 30, 2020)	Hu Wen-Lung										
	Vice President	Chuang Ya-Ping										
	Chief Financial Officer and Deputy General Manager of Overseas Business Unit (Resigned on January 30, 2015)	Fan, Chi-Gang										

Assistant Vice President of Chiayi Manufacturing Center	Cheng Jui-Shu											
Technical consultant (Retired in October 2021)	Chang, Zhen-Sen											
Senior Manager	Chang, Kun-Cheng											
Division Chief	Chuang, Ya-Ling											

Note 1: Including managers and employees (those who have resigned or died should be indicated), their individual names and titles should be disclosed, but their acquisition and subscription information may be disclosed in an aggregated manner.

Note 2: The top ten employees who received stock option certificates with the highest number of subscribing shares are employees other than managers.

Note 3: The total number of issued shares refers to the number of shares listed in the change registration information of the Ministry of Economic Affairs.

Note 4: The subscription price of employee stock options that have been exercised should be disclosed at the time of exercise.

Note 5: The subscription price of unexercised employee stock options shall be disclosed after adjustment calculated in accordance with the issuance rules.

(3) The following matters shall be recorded in the case of restrictions on employee rights:

a. For any new shares with restricted employee rights that have not yet fully met the vested conditions, the processing status as of the date of printing of the annual report and the impact on shareholders' equity should be disclosed: None.

b. Names and circumstances of managers and the top ten employees who acquired new shares with restricted employee rights as of the publication date of the annual report: None.

6. Merger and acquisition or issuance of new shares by acquiring other companies' shares: None.

7. Implementation of the capital utilization plan: As of the quarter prior to the publication date of the annual report, all previous cash capital increase plans have been completed.

#### IV. Operation Overview

##### 1. Business Content

###### (1). Business scope

###### a. Main business activities of the Company:

- C805990 Other Plastic Products Manufacturing
- CB01010 Mechanical Equipment Manufacturing
- CQ01010 Mold and Die Manufacturing
- F107990 Wholesale of Other Chemical Products
- F113010 Wholesale of Machinery
- F206030 Retail Sale of Molds
- F207990 Retail Sale of Other Chemical Products
- F213080 Retail Sale of Machinery and Tools
- F401010 International Trading
- I501010 Product Designing
- F106030 Wholesale of Molds
- ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

###### b. Business proportion:

Unit: NTD thousands

Items	Year	2024	
		Amount	Percentage %
Sleeve/labeling equipment		94,175	7.70%
Heat shrinkable film label printing		1,109,154	90.67%
Transparent film and rubber particles		0	0.00%
Others		19,980	1.63%
Total		1,223,309	100%

###### c. The Company's current products (services):

- A. Sleeve/labeling equipment: vertical (horizontal) sleeve labeling machine, thin (lightweight) film sleeve labeling machine, bottle cap sleeve labeling machine, shrink oven, labeling machine, palm closing machine, re-inspection machine, slicer.
- B. Heat shrink film printing labels: printing on various materials (PVC, PET, OPS, OPP, PP, pearlescent paper) and colorful laminated bags.
- C. Transparent film materials and rubber particles: PVC transparent heat shrinkable film and PVC heat shrinkable rubber particles.

###### d. New products (services) planned to be developed:

- A. Various new types of sleeve/labeling equipment.
- B. Continuously improve the automated feeding system.
- C. Development of new materials and technologies in response to market trends.

## (2) Industry Overview

### a. Current status and development of the industry

#### A. Set (sticker) labeling equipment

Labeling is to put the label on the outside of the container, while labeling is to stick the label on the surface of the product. Both are packaging machines that combine product containers and labels. Traditionally, label overprinting and conversion require machine downtime. In recent years, in response to the needs of fast line change and diversified production, equipment is moving towards modularization, high compatibility and quick replacement design without downtime to simplify operation and shorten downtime. It can even be carried out without stopping the machine, thereby improving operational efficiency and reducing manpower dependence, which is in line with the trend of smart manufacturing.

Customers' demands for labeling equipment are moving towards customized design, high adaptability and packaging consistency, such as compatibility with various bottle shapes (flat, curved, asymmetric containers), different film materials and diversified production rhythms to meet the packaging needs of beverages, daily chemicals, health products and emerging functional beverage markets. Taiwan's machinery manufacturers of this type focus on in-depth development of their own technological fields. Although the degree of customization is high, the overall level of industry competition is relatively stable because the market segmentation is clear.

#### B. Heat shrinkable label

Heat shrink film products have a wide range of applications, covering the appearance packaging of beverages, food, medicines, cosmetics, electronics and stationery. With the increasing number of product brands, the degree of substitution is high and the market competition is fierce. Enterprises have increasingly stringent requirements on the visual effects, anti-counterfeiting technology and sustainable materials of packaging. Heat shrink film has good ductility, adhesion and anti-fouling properties, making it an important alternative to traditional labeling, especially suitable for packaging irregular or curved containers.

In recent years, with the rise of the ESG trend, brand owners prefer to use shrink films with good recyclability or single materials, such as PETG film, and use easy-to-tear designs to improve recycling efficiency.

#### C. Transparent film and rubber particles

Heat shrink film products are mainly used in collective packaging and shrink labels. They are commonly used in the outer packaging of PET bottles, canned drinks, glass bottles, cleaning products and other products. The main materials include PVC, PET, OPS and other heat shrink films. However, since PVC releases VCM toxins during processing, the European Union, Canada and Japan have gradually restricted the use of PVC films and replaced them with environmentally friendly PETG and OPS films.

Although PVC has advantages such as low cost and good color performance, the global market has gradually turned to alternative materials with better safety and sustainability. It is expected that as the circular economy trend expands in the future, the development and introduction of high-performance, biodegradable materials will be accelerated.

#### D. Laminated packaging bags

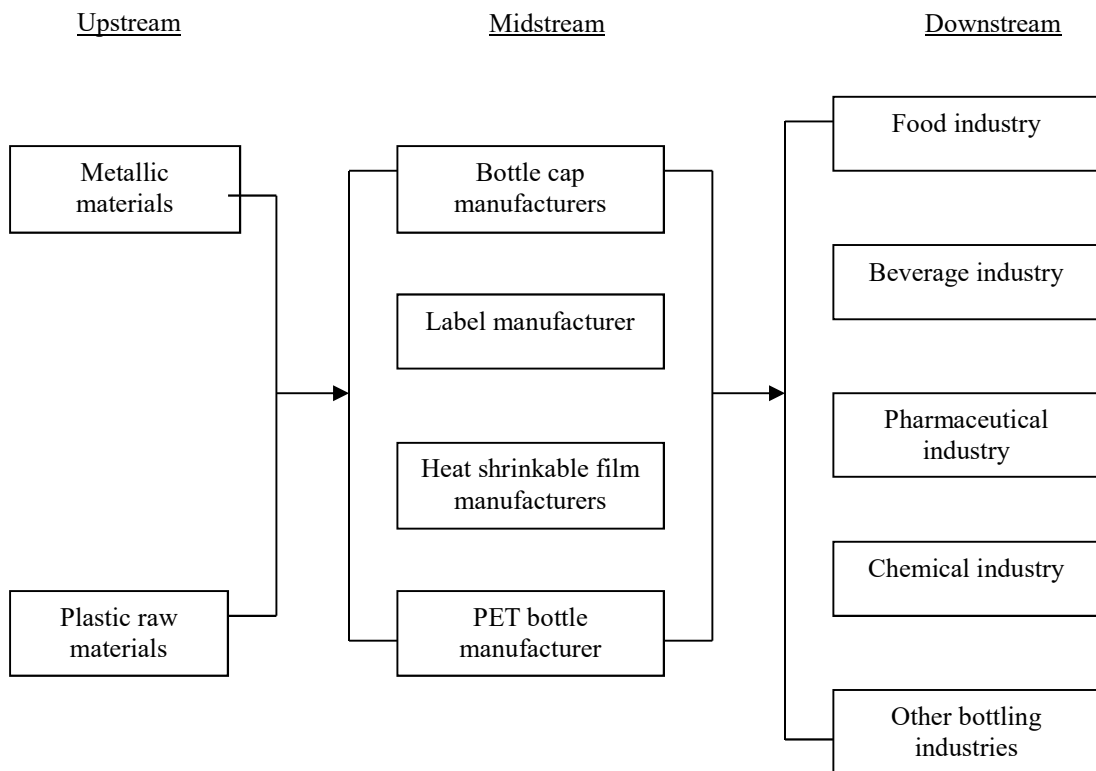
Laminated packaging bags (also known as flexible packaging) are widely used in food, medical supplies, personal care products, cosmetics and other markets.

Common packaging bags on the market include candy, biscuits, dried meat, instant beverage packaging and facial masks, etc. In order to meet the needs of customers and to adapt to different contents, common material combinations on the market include OPP, KOP, NY, KNY, PET, KPET, CPP, VMCPP, LLDPE, aluminum foil, paper, KOP and other composite material bags, which can effectively lock in the food odor and ensure the high quality of the contents, while also being strong and transparent. The trend of flexible packaging materials towards three-dimensional bag-type containers can not only replace the packaging form of hard boxes (cans), but also achieve consumers' environmental awareness of lightweight packaging and reduce resource waste. The flat-bottom bag has an elegant and stable posture when standing. The flat shape of the bottom of the bag is more conducive to product display and shelf display. Richer graphics can be designed on the front, back and sides, making the three-dimensional appearance of the product more attractive.

b. The correlation between upstream, midstream and downstream industries

The main system of labeling equipment is composed of electronic control, CNC processing parts, sheet metal parts and drive system, while heat shrink film labels are composed of film materials, inks and solvents, of which film materials account for more than 90% of the product structure. The upstream raw material industries of this industry mainly include metal material industry and plastic raw material industry, and the midstream industries mainly include bottle cap manufacturers, label manufacturers, heat shrink film manufacturers, PET bottle manufacturers and other bottling industries. After fruit juice, dairy products, tea beverages, sports drinks and related foods are filled into packaging containers, they are then labeled and capped and assembled into finished products for sale. The downstream industries mainly include food industry, beverage industry, pharmaceutical industry, etc.

The Company is located in the midstream of the integrated supply of packaging equipment and film materials, and maintains a stable cooperative relationship with upstream and downstream companies to provide one-stop sleeve labeling/labeling integrated solutions to improve customers' production line efficiency and packaging quality. The structure of the upstream, midstream and downstream industries in which the Company belongs is shown below:



### c. Product development trends and competition

#### ① Global beverage market

In the post-epidemic era, consumers will pay more attention to health, and the global functional beverage market will gain more growth momentum. According to surveys by SPINS, Euromonitor, Future Market Insights, Grand View Research and other institutions:

Functional drinks become mainstream: probiotic drinks, plant-based energy drinks, sugar-free electrolyte water, and soothing drinks containing adaptogens all continue to receive high attention. In particular, products targeting immunity enhancement, emotional relaxation and gastrointestinal health have become the focus of brand research and development.

Plant-based beverages are expanding rapidly: Plant-based dairy products, with oat milk as the main component, accounted for approximately 15% of the dairy beverage market in Europe and North America in 2023. Future Market Insights estimates that by 2027, the global oat milk market will have a compound annual growth rate (CAGR) of 8.2%. In addition, almond milk and soy milk also continued to grow.

The explosion of non-alcoholic beverages (NoLo Drinks): Younger generation consumers prefer a new lifestyle of "socializing without alcohol", which has led to the rise of non-alcoholic craft beer, sparkling grape drinks and healthy cocktails. SPINS statistics show that the annual sales growth rate of low-alcohol beverages in the United States will exceed 25% in 2023. Grand View Research estimates that by 2030, the global non-alcoholic beverage market will have a compound annual growth rate (CAGR) of 6%.

Ready-to-drink (RTD) and concentrated beverages are rising rapidly: As the home lifestyle continues, the market for instant beverages such as concentrated powders, foaming tablets, and liquid concentrated drinks has grown impressively, and functional niche designs targeting different ages and groups have begun to emerge.

Flavored water and sparkling water are growing significantly: According to the Nielsen 2023 Q4 report, the annual growth rate of flavored sparkling water in the European and American markets reached 19.8%. Its main selling point is "replenishing water while enjoying flavor", and it introduces functional ingredients such as added electrolytes, dietary fiber, and natural flavors, successfully attracting Generation Z consumers.

Sustainable packaging becomes a new competitive standard: In addition to the product itself, ESG elements such as recyclable bottles, carbon-neutral processes, and reduced plastic packaging have become key to brand competitiveness. Many international brands (such as Coca-Cola and Nestlé) have set the goal of fully adopting renewable packaging materials by 2025.

In the global bottled water market, the Asian market continues to maintain a rapid growth trend. Market research company Euromonitor pointed out that China's annual demand for bottled water has exceeded 37 billion liters, mainly due to urbanization and increased awareness of safe drinking water; markets such as India and Indonesia are also continuing to expand. As health awareness grows in the U.S. market, bottled water has been the number one non-alcoholic beverage in terms of sales for three consecutive years, while carbonated beverages have continued to shrink.

#### ② Taiwan Beverage Market

According to data from the Statistics Department of the Ministry of Economic Affairs and industry research institutions:

In 2023, the total output value of Taiwan's beverage industry will reach NT\$100.2 billion, with an annual growth rate of approximately 3.2%; among them, the largest growth rates are in mineral water (+9.4%) and functional sports drinks (+13.8%), and tea drinks will still be the largest category, accounting for approximately 32%.

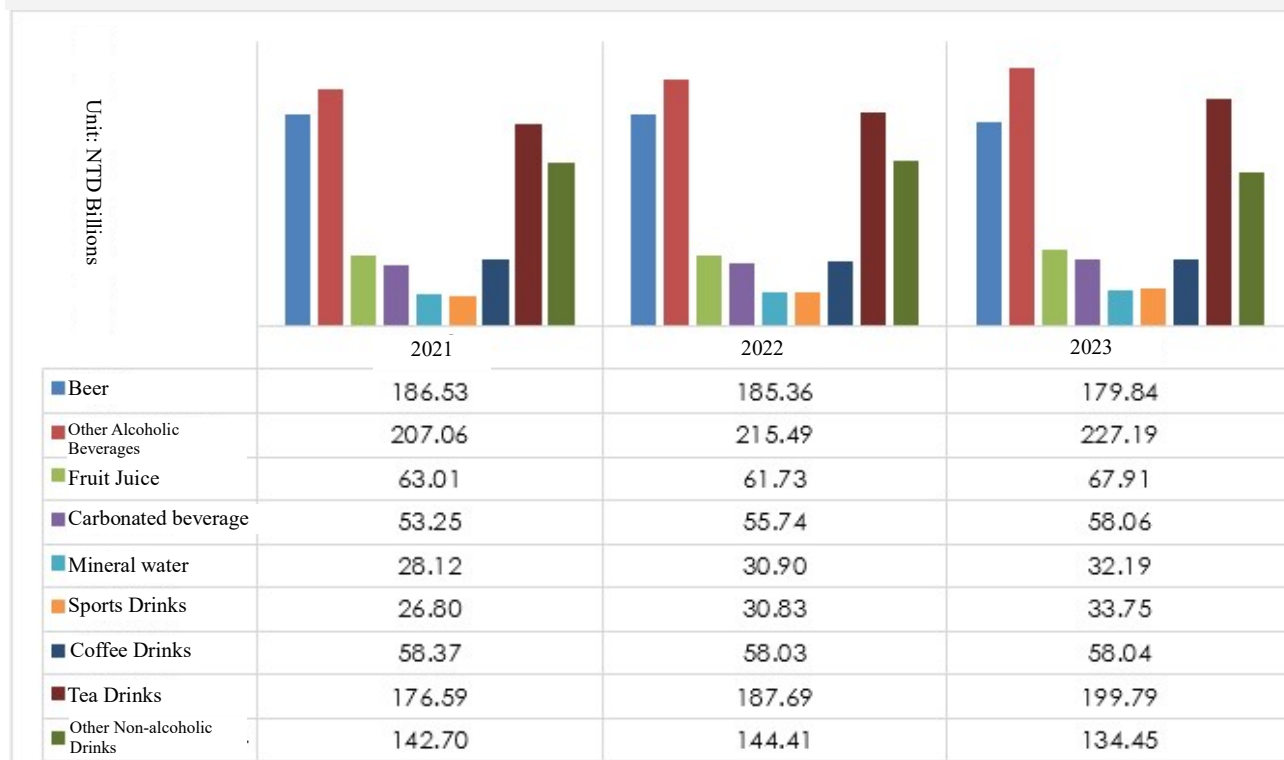
Sales channels are gradually divided: Convenience stores, hypermarkets and delivery platforms are the main sales channels, but the number of "hand-shaken beverage" stores continues to grow, dividing the market share of packaged beverages. According to statistics, the number of hand-shaken beverage shops in Taiwan has exceeded 22,000.

Consumers' health orientation affects new product development trends:

1. Low-sugar and sugar-free labels become standard
2. The proportion of new products with added vitamin C, electrolytes and dietary fiber increased
3. Healthy drinks such as non-alcoholic sparkling drinks and fermented fruit drinks are gradually gaining popularity

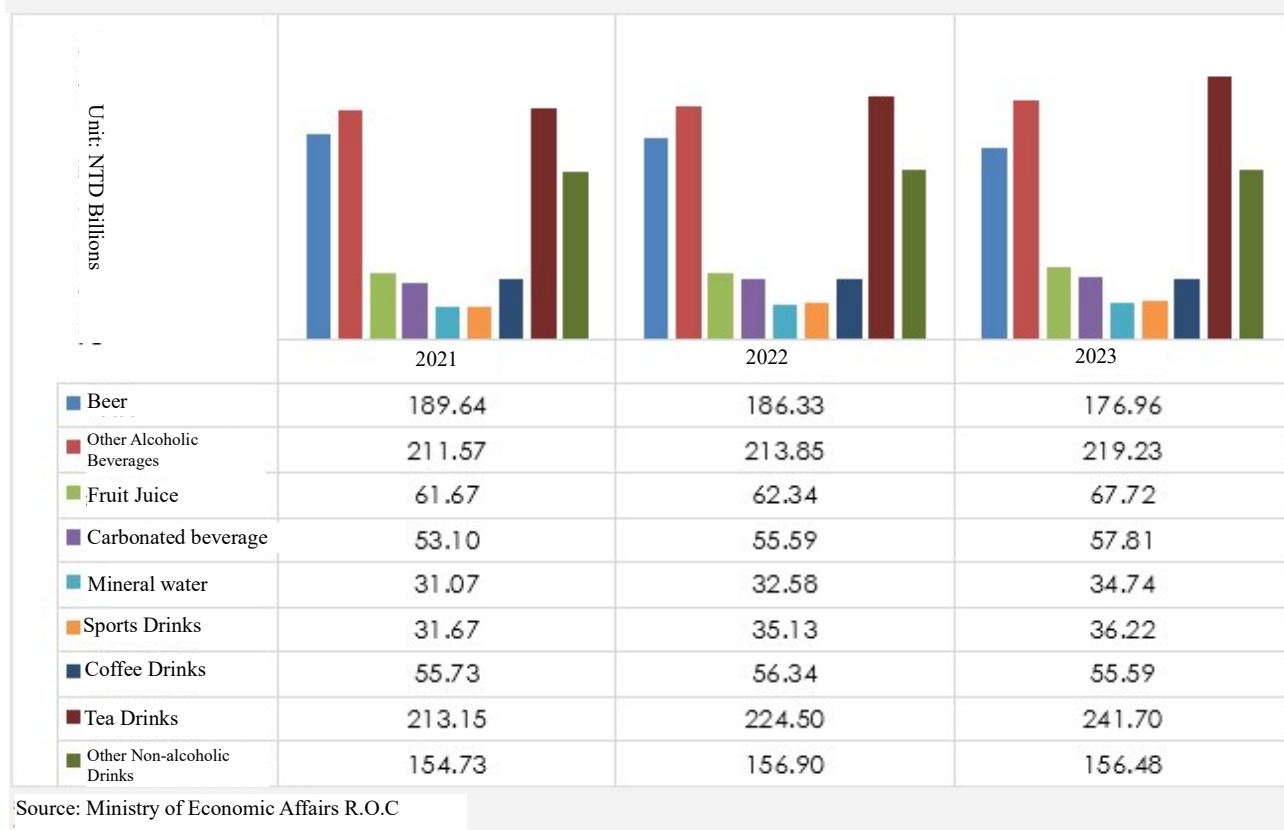
Overall, Taiwan's beverage market has entered a stage of high quality and differentiated competition, with consumers pursuing a comprehensive experience of health, deliciousness and brand stories. There is also increasing emphasis on innovative visual and sustainable design in packaging. The increasing popularity of flexible packaging, recycled plastic bottles and full-coverage heat shrink labels provides continuous demand momentum for the development of the Company's related products.

**"Figure 1" Taiwan's beverage production value in the past three years**



Source: Ministry of Economic Affairs R.O.C

**Figure 2: Sales of various beverages in Taiwan in the past three years**



**(3) Technology and R&D overview**

a. Research and development expenses in the most recent year and up to the date of publication of the annual report:

Items	Year	
	2023	2024
R&D expenses	7,508	7,508

Unit: NTD thousands

b. Technologies or products successfully developed in the most recent year and up to the date of publication of the annual report:

- (a) In response to the shortage of electronic control components for labeling machines, we increased the supply of other brands of components to meet functional requirements.
- (b) Complete the industry-academia cooperation on labeling machine and redesign it for specific modules.
- (c) Completed the cost reduction of the labeling machine mechanism module, and changed the material and design for workpieces with large usage.
- (d) Complete the R&D and mass production stage of high-speed automation equipment.
- (e) Automatic feeder.
- (f) Complete the development of key modules to save energy.
- (g) Discarded labels are recycled into plastic pellets.

**(4) Long-term and short-term business development plans**

#### a. Short-term plans

- A. Integrate group resources and strengthen customer partnerships  
Utilize the Group's overall resources to provide comprehensive services, sign long-term cooperation contracts with customers, adjust production capacity allocation flexibility, and expand the scale of operations.
- B. Establishing a sustainable development governance structure  
Formulate the Company's sustainable development strategy and management system, covering aspects such as environment, society, and corporate governance (ESG) as the foundation for promoting sustainable operations.
- C. Process improvement and technological innovation  
Continue to invest in R&D, optimize printing technology and key processes, and introduce automated equipment to improve yield, reduce production costs, and improve product consistency and quality stability.
- D. Strengthening human capital and organizational culture  
Actively recruit outstanding talents, strengthen internal training and career development systems, and improve performance appraisal and welfare mechanisms to enhance employee cohesion and overall operational performance.

#### b. Long-term plan

- A. Develop high-end and differentiated products to expand market share  
Based on customer needs and global industry trends, we continue to develop more advanced, sophisticated and differentiated new products to increase our global market share and competitive advantage. Introducing medium and low speed models for specific markets to expand application areas.
- B. Develop new materials and process technologies to improve overall efficiency  
Deepen the application of new materials and technological innovation, introduce smart manufacturing and green processes, continuously improve product quality and effectively control costs, and strengthen the competitiveness of the supply chain.
- C. Expand international customer base and promote global brand development  
We will deepen our partnership with internationally renowned beverage and packaging manufacturers, enhance brand visibility and penetration in the international market, and steadily promote our international development strategy.
- D. Deepen overseas layout and technology alliances to create economies of scale  
We will strengthen investment and market layout in emerging markets such as India and Indonesia, actively seek cooperation with domestic and foreign technology partners, focus on core technology upgrades and localization strategies, and expand the integration benefits of the industry chain and operational synergies.

## 2. Overview of the market and production and sales

### (1) Market analysis

#### a. Sales (provided) regions of the Company's main products (services)

Unit: NTD thousands; %

Sales area \ Year	2023		2024	
	Sales amount	%	Sales amount	%
Domestic sales	639,446	54.22	674,419	55.13
Export sales	539,947	45.78	548,890	44.87
Total	1,179,393	100.00	1,223,309	100.00

#### b. Market share

Domestic market: covering major fields of corporate customer groups such as: Uni-President, Vital, Guangquan, Taikoo, Weili, I-Mei, Jiligo, Hipps (Itochu), Geson Plastics, Kawamoto, Xiaomofang, Taixu, Lianhua Food, Ditiantai, Desheng Pharmaceutical, Gofu, Yurong, Weiquan, Fushou, Yonglisheng, Chengwei, Bafang, Luonong, Madison, Fresh Peel, Zhongtian, King Car, First Biotech, Taiwan Salt, Hongya, Fresh Peel, Huiyou, Huangjiang, Xinghui, Huayuan, Laoyang, Juping, Guansheng, Bangwei, Funai Biomedical, Mr. Marco, Smail, Zhongwei, Zhitong, Xinzhan Enterprise, Douzhijia, Elegant Food, Yifeng Industrial, Haixian Food, Yongxin Pharmaceutical, Rongjing Precision, Huaguang, Mingyuan, etc.

Overseas market: Covering customers from five continents around the world, such as: Nestlé, Coca-Cola, PepsiCo, Danone Group, Pfizer, Huiyuan, Yibibao, Tianwo, Zongjian, AJE Group, HP, KHS, SIPA, URC, TFJ, MNOP, THP, WATT, Dole, SIDEL, VITAL, SOPROLE, VOLTIC, BLOW, BULLION, Wings Food, DAI LOI, RUBBAN INDUSTRIAL COMPANY, INVERSIONES RAMAJA LIMITADA, JORDAN DAIRY, CLEANER, Singapore ANDERSON, Nigeria CYBELE, QBL, NATIONAL PACKAGING, MAYER BROTHERS, TAIPAK (Calgary), FINOS - PACO, ANNELITAS.A, TRAVERSO, SPP and other well-known companies.

### c. Future market supply and demand and growth

#### A. Strategic alliance with international giants is the future trend

Global brands continue to deepen their market presence in the Asia-Pacific region, particularly in Southeast Asia and South Asia as the focus of future growth momentum. According to the 2024 report by NielsenIQ and Euromonitor, the annual growth rate of beverage demand in markets such as Vietnam, Indonesia, and India is as high as 8% to 12%, attracting international brands such as Coca-Cola, PepsiCo, and Nestlé to increase investment in local production bases and logistics systems.

Taking the Chinese market as an example, brand concentration is still highly concentrated. The bottled water market is dominated by Master Kong and Nongfu Spring, carbonated beverages are monopolized by Coca-Cola and PepsiCo, and tea beverages are dominated by leading brands such as Uni-President, Master Kong and Wahaha, with a combined market share of more than 70%. In line with the global expansion of these international giants, joint development and technology integration through strategic alliances and OEM/ODM cooperation will have a key impact on the Company's increase in international revenue share and market voice.

#### B. Consumption trends drive innovation and development

Taiwan's beverage market is still affected by the high penetration rate of the hand-shaken beverage industry. According to statistics, the average annual purchase frequency of hand-shaken beverages per person in Taiwan exceeded 45 times in 2023, making it the main competitor in the packaged beverage market. Brand manufacturers must respond to market challenges with a high-frequency new product development strategy.

According to NielsenIQ Taiwan's ready-to-drink market data in 2023, the number of new packaged beverage launches annually will increase by more than 60% compared to 2020, concentrated in the areas of ready-to-drink tea, functional water and low-sugar juice. More than 58% of new products are launched before summer, reflecting a high degree of seasonality and synchronization with marketing rhythm. Brand owners emphasize product innovation and visual differentiation. For example, Coca-Cola launched a series of micro-bubble natural water, and the macaron-colored bottle encourages consumers to "collect"; Hey Pine launched low-sugar root beer with a minimalist bottle design to attract the young and mature generation.

In order to balance production capacity and quality stability, the manufacturing side must integrate production scheduling and packaging material design to improve product launch speed and brand flexibility.

#### C. The design of the labeling machine will pay more attention to flexibility

As the demand for customized packaging continues to grow, labeling equipment must be able to quickly change molds, switch without downtime, and have intelligent sensing control capabilities. In 2024, some manufacturers in the market have introduced AI algorithms to calibrate label positions and integrated human-machine collaboration (HRC) to improve the stability of packaging production lines.

The new generation of equipment emphasizes reducing the number of tool part conversions (or quick tool-free replacement), module design supports

multiple bottle types and irregular containers, and can cope with high-speed and multi-line simultaneous production and other functions.

The Company is also conducting research and development in the direction of "customization + modularization + automation" to help customers improve production line flexibility and packaging aesthetic consistency.

#### D. Environmental issues are becoming more and more widespread

Many countries around the world (EU, Canada, Japan, South Korea) have clearly legislated to restrict the use of PVC materials, promoting the packaging industry to introduce environmentally friendly materials such as PETG, OPS and PLA. In 2024, the European Union officially launched the draft "Packaging and Packaging Waste Regulation (PPWR)", requiring that all packaging must be recyclable or reusable by 2030, which will put structural pressure on traditional PVC heat shrink film.

According to the report of Markets and Markets, in the global heat shrink film market, the market share of PET films has surpassed that of PVC. OPS has gradually gained favor in food and beverage packaging due to its good flatness, low loss rate and easy printing. PETG material is considered the best alternative because it is compatible with existing printing and process equipment, can support high-speed and wide-format printing, and has good recycling compatibility.

As ESG and carbon footprint audits are increasingly valued, choosing low environmental impact materials has become a new indicator of brand competitiveness. The Company has fully introduced environmentally friendly recycled materials with 10% PCR added to PET shrink film raw materials as an innovation in our product line.

#### d. Competitive niche

##### A. Strengthen R&D capabilities and consistent production model

Our R&D team combines talents in mechanism design and automatic control design to independently develop labeling machines with various performance characteristics, and our technology is quite independent. In terms of process, since our subsidiary has the granulation technology of the film source, we can master the material processing characteristics, combine our own printing and post-processing, and become a consistent production model. In addition to controlling key quality links and reducing process variation, it can also effectively shorten the delivery time of customized products and improve overall production flexibility and efficiency.

##### B. Professional plate-making technology and printing quality assurance

The Company has a professional art and graphics production team and plate-making technology to provide various needs of front-end printing. Through the design of electronic or laser plates, we consider the most environmentally friendly and optimized parameter combination during the production process. In addition, our company has accumulated nearly 20 years of experience and technology in gravure printing, and uses fully automatic color matching and automated testing equipment. In addition, we are constantly committed to improving product quality and after-sales service, so that our company's product quality is stable and presents high-quality printed products.

##### C. Passed manufacturer and food safety system certification

The Company and its subsidiaries have driven orders from regional manufacturers by passing international certifications, and with the help of multiple business locations of multinational investment enterprises, as well as labeling machines and cross-label marketing, they have driven order growth. Currently, the Company has obtained cGMP food-grade factory certification from international giant Danone, and Danone Group is a global leader in fresh dairy products and bottled water. Cooperation with Danone Group will help expand domestic and international business. In addition, the Company has also obtained ISO 22000, FSSC 22000, HACCP and other food safety management certifications.

D. Master the key technologies of film blowing material manufacturing

As environmentally friendly shrink film materials are currently controlled by Japanese or Korean manufacturers, due to cost pressure and considerations for the implementation of localization of raw materials, the company, in addition to developing environmentally friendly material blown film technology based on the original PVC film material technology through its subsidiaries, has gradually mastered key technologies through improvements in raw materials and formulation ratios and integration with production equipment technology, and is expected to enter the market first and reduce the cost of obtaining key raw materials, thereby improving product competitiveness.

e. Favorable and unfavorable factors in the prospect of development and countermeasures

A. Favorable factors

(A) The global beverage market continues to expand, driving steady growth in packaging demand

According to the latest report by Euromonitor and NielsenIQ in 2024, the global non-alcoholic beverage market is expected to grow at an average annual rate of 5.8% until 2027, with Asia Pacific, Latin America and South Asia as the main driving forces. International brands such as Coca-Cola, PepsiCo, and Nestlé continue to expand their production lines and supply chain layout in Southeast Asia, India, and Africa, and the demand for high-efficiency packaging machines and heat shrink labels is also increasing.

The Company has established business and production bases in **Indonesia, India, Brazil, the United States and other places** through investment, consolidating the existing customer base in ASEAN, North America, Central and South America, Japan and China markets, and has the advantage of early layout, providing a solid foundation for operational expansion.

(B) Business opportunities for heat shrink film printing labels

Heat shrink film printed labels are mainly used on the outer packaging of beverages, food, chemical drugs, dairy products and other foods or beverages. Because its plastic material has the characteristics of impact resistance, oil resistance, moisture resistance, water immersion resistance, water temperature resistance, etc., it has a wider range of applications than general paper printed labels and can increase the value of packaging products. Therefore, heat shrink film printing labels play an extremely important role in the packaging materials of the people's livelihood industry. With the development of Taiwan's economy and the increase in national income, consumers have become more and more particular about product packaging.

In the face of fierce market competition, beverage, food and general supplies manufacturers have higher and higher requirements for the design of product packaging materials. Heat shrink film printing labels have become one of the indispensable packaging materials.

(C) Vertical integration of industries can provide differentiated and high value-added products

The Company is one of the few vertically integrated manufacturers in China that has mastered the entire process from raw material formula research and development, film material granulation, printing plate making, label design to label sleeve equipment production. We can provide full-process customized solutions based on customer needs, improve customer stickiness and product added value, and use independent technology to control production rhythm and costs, maintaining a high degree of flexibility and technical threshold in industry competition.

B. Unfavorable factors and countermeasures

(A) Environmental regulations are becoming stricter, limiting the use of PVC materials

With the changes in global policy trends and the promotion of circular economy, many countries (such as the European Union, Canada, and Japan) have explicitly restricted the use of PVC heat shrink film in food and beverage packaging. Taiwan's Environmental Protection Agency has also announced since March 2005 that it will gradually ban the use of PVC materials and increase the recycling fees for PVC bottles. Since 2008, the recycling fee for PVC shrink labels has been increased to 100%. Companies have begun to use environmentally friendly materials for cost considerations.

Countermeasures:

- a. The Company is committed to the development of PET and OPS material label printing technology to actively improve product quality and meet environmental protection requirements.
- b. As some countries still mainly use landfill as a method of waste disposal and there is no policy restriction on the use of PVC packaging, we continue to maintain long-term good cooperative relationships with end customers and agents, and explore emerging markets such as Brazil and Indonesia to expand our operating scale and diversify operating risks.
- c. The Company has fully introduced environmentally friendly recycled materials with 10% PCR added to the use of PET heat shrink film materials. In addition to doing our part for the earth's environment, it also enhances market competitiveness and establishes an advantage.

(B) Labor shortages and rising wage costs.

The global manufacturing industry is generally facing a technical labor gap and wage increase pressure. In particular, Indonesia and Taiwan have seen a decrease in the new generation of labor force, skill transfer and increased mobility, leading to challenges in stability and production efficiency.

Countermeasures:

- a. Actively introduce intelligent automation and improve existing machinery and equipment, strengthen unmanned production lines and data visualization, reduce dependence on labor and improve production line stability.

- b. Streamline human resource management and performance-oriented systems to strengthen incentives for talent retention and team cohesion.
- b. In response to labor demand, foreign workers are introduced to assist in production and improve the problem of labor shortage.

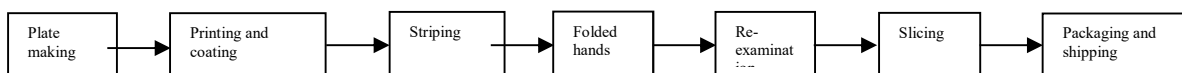
(2) Important uses and production processes of the main products

(a) Important uses of the main products

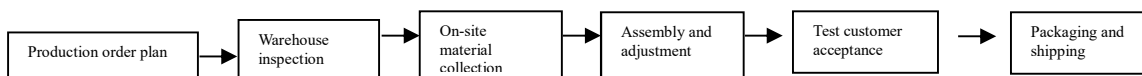
Product item	Product usage
Sleeve/labeling equipment	It can be applied to various bottle caps, bottles, and full-set labels for beverage, food, dairy, pharmaceutical, cosmetic and bottle blowing production line labeling needs.
Heat shrinkable film label printing	It includes packaging materials such as PVC, PET, OPS, PE, PP, OPP and heat shrink film printing labels, which can be widely used in outer packaging of beverages, food, etc.
Transparent film and rubber particles	Transparent PVC heat shrinkable film and PVC heat shrinkable rubber particles.

(b) Manufacturing process of main products

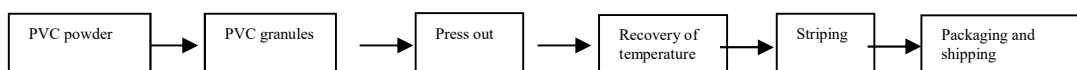
Heat shrink film printed labels:



Set/labeling equipment:



Transparent film material and plastic particles:



(3) Supply status of major raw materials

The main raw materials of the Company are film materials, inks, solvents, etc.; since the quality and perfection required for food processing products are higher than those of previously produced products, the requirements for film material quality are much higher than before. Whether it is the purity of the blank film raw materials or the film properties of the blank film, it will affect the yield of release, ink printing and client molding. Currently, there are more than two suppliers of PVC/PET/OPS blank films, and they continue to supply normally. In the future, we will actively continue to develop and test blank films with better film properties with suppliers.

(4) Names of customers who have accounted for more than 10% of the total purchases (sales) in any of the past two years, their purchase (sales) amounts and ratios, and explanation of the reasons for the increase or decrease

- a. The names of suppliers that accounted for more than 10% of the total purchases in any of the last two years, their purchase amounts and ratios, and the reasons for the increase or decrease

Data of major suppliers in the most recent two years      Unit: NTD thousands

Items	2023				2024			
	Name	Amount	As a percentage of the annual net purchase (%)	Relationship with the issuer	Name	Amount	As a percentage of the annual net purchase (%)	and relationship with the issuer
1	Far East	49,059	5.69	None	Far East	62,551	9.48	None
2	Others	813,517	94.31		Others	597,372	90.52	
	Net purchase amount	862,576	100.00		Net purchase amount	659,923	100.00	

Note 1: The names of suppliers who account for more than 10% of the total purchase amount in the most recent two years and their purchase amount and ratio shall be listed. However, if the supplier's name cannot be disclosed due to contractual provisions or the transaction partner is an individual and not a related party, a code name may be used.

#### Description of changes:

In order to disperse the risk of concentrated purchases, the Company purchases its main raw materials from two or more suppliers. Therefore, the purchase situation of suppliers does not change much. The changes in their purchase rankings are mainly due to the Company's appropriate adjustment of purchase quantities according to product requirements.

b. Name of customers who have accounted for more than 10% of total sales in any of the last two years, their sales amount and ratio, and explain the reasons for the increase or decrease: As of 2022 and 2023, the Company did not have any sales customers who accounted for more than 10% of sales.

3. Number of employees, average years of service, average age and educational background distribution ratio in the most recent two years and up to the date of publication of the annual report

Year		2023	2024	As of 2025 April 30
Number of employees	Direct personnel	122	115	116
	Indirect personnel	98	92	92
	Total	220	207	208
Average age		40	41	41
Average years of service		8.5	9.3	9.5
Educational background distribution ratio	Doctoral Degree	0%	0%	0%
	Master's Degree	5%	4%	4%
	College/University	40%	41%	40%
	Senior high school	50%	49%	50%
	Below senior high school	5%	6%	6%

#### 4. Information on environmental protection expenditure

(1) Total amount of losses (including compensation) and penalties incurred due to environmental pollution in the most recent year and up to the date of publication of the annual report: None.

(2) Future response measures (including improvement measures) and possible expenditures (including the estimated amount of losses, penalties and compensation that may occur if response measures are not taken. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained):

Improvement measures: Considering the existing waste storage area space in the factory, the production line is required to be in batches every day to avoid large amounts of waste being moved to the waste storage area and to avoid waste being piled up in the open air.

Possible expenditures: None.

## 5. Labor-management relations

- (1) List the Company's various employee welfare measures, further education, training, retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures:

In addition to complying with labor-related laws and regulations, the Company also provides employees with free group accident insurance and has established an employee welfare committee in accordance with the law to coordinate the planning and operation of various employee welfare measures to improve employee welfare.

### a. Employees' welfare measures:

- (a) Employee health check-up and health consultation: Free health check-ups are planned and implemented regularly every year.  
After the health checkup results are announced, we arrange for doctors and nurses to provide on-site health consultations.  
We also arrange for medical staff to provide on-site health service consultations once a month.
- (b) Labor safety and health education and training are provided to new employees upon their arrival, and labor safety and health seminars are held regularly for current employees each year to ensure the safety of employees, the environment, and equipment.
- (c) There is a medical room and a breastfeeding room.
- (d) Provide employees with free car and motorcycle parking spaces to meet parking needs.

### b. Welfare measures organized by the Employee Welfare Committee and their implementation status:

- (a) Welfare subsidies: wedding gifts, childbirth subsidies, hospitalization condolences, funeral condolences and gifts for the three major festivals.
- (b) Cultural and recreational activities: Year-end celebrations, travel activities, club activities.

### c. The Company's profit distribution to employees:

The Company's profit distribution and dividend rewards enhance and unite the employees so that they can work and grow together with the Company.

### d. Training and further education:

Human resources will be the key factor of corporate competitive advantage. Therefore, in order to strengthen human resources and corporate competitiveness, the Company not only strengthens the comprehensive training of employees and provides learning channels to help employees grow and improve continuously, but also further enhances the professional ability of employees and the core competitiveness of the Company to achieve the goal of sustainable operation and establish a complete education and training system to become the Company's internal core competitiveness.

The following table contains important training information for 2024:

Items	Number of times the training is held	Number of persons	Number of hours	Fees (NTD)
Training for new recruits	9	9	9	0
Professional training	14	222	200	39,200
Occupational safety and health training	9	12	188	45,360
Total	32	243	397	84,560

e. Retirement system and implementation status:

In accordance with the Labor Pension Act, the Company will set aside 6% of employees' monthly salary as employee pensions every month, in compliance with relevant laws and regulations.

f. Agreements between labor and management and various employee rights protection measures:

The Company has a harmonious and good labor-management relationship. Employees can communicate with the Company on various company systems and work environment issues through regular supervisor meetings, labor-management meetings and occupational safety meetings. These meetings serve as an important reference source for administrative management and maintain good interaction between labor and management. In addition, the Company has established an employee welfare committee to handle various employee welfare matters and organize various activities from time to time to enhance the harmonious working atmosphere and cohesion between the Company and its employees. The Company always attaches great importance to employee benefits and maintains harmonious labor-management relations.

- (2) List the losses incurred due to labor-capital disputes in the most recent year and up to the date of publication of the annual report, and disclose the estimated amounts and corresponding measures that may occur currently and in the future. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained: None.

6. Information security management

- (1) Describe the information and communications security risk management framework, information and communications security policies, specific management plans, and resources invested in information and communications security management, etc.:

a. Information and communications security risk management framework:

The Information Security Group within the Information Department has established dedicated information security supervisors and personnel to coordinate the formulation, implementation, risk management and compliance review of information security-related policies. The chief information security officer reports to the President annually on information security management results, information security-related issues and directions.

Information security practice in 2024:

We will continue to operate the information security management system, implement information security protection measures and optimize system and technical aspects.

The information security supervisor and dedicated personnel will cooperate with the annual plan to carry out various management tasks.

b. Information security policy:

The Company's information security policy is: "Maintain the Company's information security, promote information security policies and implement them, and enhance overall information security awareness".

The information security team promotes information security operations based on the PDCA management cycle (Plan-Do-Check-Action) and holds regular meetings to review the applicability of information security strategies and measures.

Plan: Refer to relevant information security systems to formulate information security policies and management methods.

Do: Multi-level information security protection and management (physical security, network security, and permission management).

Check: Information security continues to strengthen inspection-related systems.

Action: Review and improvement of information security measures, information security education, training and promotion.

c. Specific management plan:

Specific management plan (implementation in 2024)

- (a). Continue to strengthen network firewalls and network service control to reduce the risk of attacks.
- (b). Install applicable endpoint anti-virus software on all types of computer equipment and update virus codes regularly.
- (c). Regularly apply vulnerability patch updates to operating systems and applications.
- (d). The main system conducts disaster recovery drills three times annually.
- (e). Conduct information security promotion and social engineering drills to cultivate employees' information security awareness.

d. Invest resources in information security management:

Results of the implementation of corporate information security measures in 2024:

- (a) Completed host backup system enhancement and routine backup testing operations 3 times.
- (b) Held 2 information security promotion.
- (c) There were 0 major information security incidents that affected operations. Continue Chunghwa Telecom HiNet SOC intelligence reporting service to receive and process information security alerts. Strengthen the information security mechanism of each factory's information system and establish cross-factory backup capabilities.

(2) List the losses, possible impacts, and response measures incurred due to major information and communications security incidents in the most recent year and up to the date of publication of the annual report.

If a reasonable estimate is not possible, the fact that the estimate cannot be made reasonably should be explained:

- (a) Major information and communications security incidents: No major information and communications security incidents occurred in 2024.
- (b) Information and communication security risks and countermeasures:

In the face of increasingly severe information security threats (AI rapid generation of scripts) (such as ransomware, malicious programs, system attacks, etc.), the Company continues to take the following measures to enhance its defense capabilities, the Company continues to take the following measures to enhance its defense capabilities:

Evaluate the implementation of threat detection and response services (EDR/MDR).

Conduct vulnerability scanning and patch management regularly.

Continue to expand the number of dedicated information security personnel and plan information security certification training.

Strengthen information security systems and response mechanisms to ensure uninterrupted operations and information availability.

## 7. Important Contracts

List the parties, main contents, restrictive clauses and contract start and end dates of supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts that may affect shareholders' interests that are still valid as of the publication date of the annual report and expired in the most recent year

Nature of contracts	Parties involved	Contract Start and end date	Main contents	Restriction Terms
Operating Agreement Of Sleeve Seal, LLC	G.C. Evans Sales & Manufacturing Co., Inc., Daseal Packaging Technology LTDA.	August 27, 2010 -	Operating contract	—
Housing lease contract	Hong Yuan Packaging Technology Co., Ltd.	January 1, 2023 - December 31, 2025	Housing lease contract	—
Construction contract	Li Ming Construction Co., Ltd.	November 25, 2020 - Inspection and acceptance Warranty expires	Construction of additional platform for Chiayi Plant	—
Agency sales contract	Daseal Packaging Technology LTDA.	May 1, 2010 - May 1, 2021	Agency sales contract	—
Housing lease contract	LIN HANG PLASTIC CO., LTD.	2022.11.16~2027.11.30	Housing lease contract	
Lease contract for rooftop solar photovoltaic equipment	Xinriguang Co. Ltd.	2023.5.5~2043.12.31	Rooftop lease contract	
Financing contract	First Commercial Bank Co., Ltd.	November 15, 2024 - November 14, 2029	Joint credit agreement	Note 1

Note 1: The Company shall maintain the following financial ratios and requirements in the consolidated financial statements at the end of each year throughout the duration of the credit facility:

- a. The current ratio (Current assets/Current liabilities less medium and long-term liabilities due within one year) should be maintained at 100% or above;
- b. The debt ratio [(Debt less cash and cash equivalents)/Tangible net worth] should be maintained below 220% (inclusive).
- c. The principal and interest coverage ratio [(Net profit before tax + Interest expense + Depreciation + Amortization) / (Long-term loans due within one year in the previous period + Interest expense)] should be maintained at 1.1 times (inclusive) or above;
- d. The minimum tangible net worth (Net worth - Intangible assets - Deferred charges) should be maintained at NT\$600 million or above.

If the above requirements are not met, the Company shall make improvements and adjustments by cash capital increase or other means before providing the next annual consolidated financial report (hereinafter referred to as the "Improvement Period"). The Improvement Period will not be deemed as a breach of contract (but if the improvement is not completed within the Improvement Period, it will still constitute a breach of contract). However, during the Improvement Period, the interest rate on the credit balance of the syndicated loan case and the newly utilized credit balance must be increased by 0.10%. If the Company fails to complete the improvement within the above-mentioned Improvement Period, it shall still pay various interests at the above-mentioned agreed increased interest rate from the day next after the expiration of the Improvement Period to the day before the improvement is actually completed, and it shall be deemed to have breached this contract.

The Company's financial ratios as of December 31, 2024 and 2023 did not violate the above provisions.

## V. Review and Analysis of Financial Status and Financial Performance and Risk Issues

1. Financial position: The main reasons and impacts of major changes in assets, liabilities, and equity in the most recent two years. If the impact is significant, the future response plan should be explained.

Unit: NTD thousands

Item	Year		Changes in amount	Change %
	2023	2024		
Current asset	963,909	891,480	(72,429)	(7.51)
Property, plant and equipment	876,600	866,458	(10,142)	(1.16)
Intangible assets	13,714	3,165	(10,549)	(76.92)
Other assets	119,376	150,235	30,859	25.85
Total assets	1,973,599	1,911,338	(62,261)	(3.15)
Current liabilities	992,779	628,716	(364,063)	(36.67)
Non-current liabilities	68,459	472,972	404,513	590.88
Total liabilities	1,061,238	1,101,688	40,450	3.81
Equity attributable to owners of parent company	786,161	775,904	(10,257)	(1.30)
Share capital	548,171	548,171	0	0.00
Additional paid-in capital	89,341	89,343	2	0.00
Retained earnings	222,609	212,477	(10,132)	(4.55)
Other equity	(64,510)	(64,637)	(127)	0.20
Treasury shares	(9,450)	(9,450)	0	0.00
Non-controlling interests	126,200	33,746	(92,454)	(73.26)
Total equity	912,361	809,650	(102,711)	(11.26)
<p>Note: The financial information for 2023 and 2024 has been audited and certified by auditors.</p> <p>(1) Major changes (changes of more than 20% between the previous and the next period, and the amount of change is NT\$10 million) and their main reasons and impacts:</p> <ol style="list-style-type: none"> <li>1. Decrease in intangible assets: Mainly due to the recognition of goodwill impairment losses.</li> <li>2. Increase in other assets: Mainly due to the increase in prepaid equipment payments due to upgrading of machinery and equipment.</li> <li>3. Decrease in current liabilities: Mainly due to the completion of the renewal of syndicated loans, which reduced long-term loans due within one year.</li> <li>4. Increase in non-current liabilities: Mainly due to the increase in long-term loans as a result of the completion of the renewal of syndicated loans.</li> <li>5. Decrease in non-controlling interests: Mainly due to the acquisition of equity interests in the Indonesian subsidiary in 2024.</li> <li>6. Decrease in total equity: Mainly due to decrease in non-controlling interests</li> </ol> <p>(2) Response plans with significant influence:</p> <p>Looking ahead to 2025, with the complete production capacity configuration of Xu Yuan's overall product line, the gradual updating of high-performance equipment such as automation, and the improvement of efficiency and yield, it is expected that Xu Yuan's operations will continue to maintain a growth track.</p>				

2. Financial performance: The main reasons for significant changes in operating revenue, operating net profit and pre-tax net profit in the most recent two years, as well as the expected sales volume and its basis, the possible impact on the Company's future financial operations and the response plan.

Unit: NTD thousands

Item	Year		Changes in amount	Change %
	2023	2024		
Operating revenue	1,179,393	1,223,309	43,916	3.72
Gross operating profit	198,986	235,487	36,501	18.34
Operating profit or loss	(1,238)	34,438	35,676	2,881.74
Non-operating income and expenses	(4,667)	(28,820)	(24,153)	(517.53)
Net profit before tax	(5,905)	5,618	11,523	195.14
Net income from continuing operations in this period	(12,300)	(2,926)	9,374	76.21
Loss on discontinued operations	-	-	-	-
Net profit (loss) for the period	(12,300)	(2,926)	9,374	76.21
Other comprehensive income for the period (net of tax)	2,451	(2,016)	(4,467)	(182.25)
Total comprehensive income for this period	(9,849)	(4,942)	4,907	49.82
Net income attributable to owners of parent company	(24,624)	816	25,440	103.31
Net income attributable to non-controlling interests	12,324	(3,742)	(16,066)	(130.36)
Total comprehensive income attributable to owners of parent company	(24,388)	485	24,873	101.99
Total comprehensive income attributable to non-controlling interests	14,539	(5,427)	(19,966)	(137.33)
Earnings per share	(0.45)	0.02	0.47	104.44

Item	Year		Changes in amount	Change %
	2023	2024		

Note: The financial information for 2023 and 2024 has been audited and certified by auditors.

(1) Main reasons for major changes:

1. Increase in operating profit: Mainly due to the significant results achieved in 2024 by the Company in optimizing its order structure and improving process equipment to increase yield, as well as the continued growth in operating performance of its overseas subsidiaries.
2. Increase in non-operating income and expenses: Mainly due to the provision for impairment losses of investee companies.
3. The increase in net profit before tax, net income attributable to owners of the parent company and total comprehensive income attributable to owners of the parent company were mainly due to the growth in the operational management performance of the Company and its subsidiaries in 2024.
4. The decrease in net income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests was mainly due to the Company's acquisition of shares in its Indonesian subsidiary in 2024.

(2) Expected sales volume and its basis, possible impact on the Company's future financial operations and response plans:

Looking ahead to 2025, with the complete production capacity configuration of Xu Yuan's overall product line, the gradual updating of high-performance equipment such as automation, and the improvement of efficiency and yield, it is expected that Xu Yuan's operations will continue to maintain a growth track.

### 3. Cash flows

#### (1) Analysis and explanation of cash flow changes in recent years

Unit: NTD thousands

Beginning cash balance A	Net cash flow from operating activities for the year B	Annual cash inflow (outflow) C	Amount of cash surplus (deficit) A+B+C	Remedial measures for cash shortage	
				Investment plan	Financing plan
88,799	133,222	(136,463)	85,558	—	—
<p>1. Analysis of annual cash flow changes in 2024:</p> <p>(1) Operating activities: The main reason was the continuous and active collection of accounts receivable, resulting in a net cash inflow from operating activities for the full year.</p> <p>(2) Investing activities: Mainly due to the increase in financial assets measured at amortized cost and the increase in prepaid equipment payments, resulting in cash outflows from investing activities.</p> <p>(3) Financing activities: Mainly due to the repayment of long-term loans under the syndicated loan program, resulting in cash outflow from financing activities.</p> <p>2. Remedial measures for cash shortage and liquidity analysis: The liquidity of cash flows in the most recent year was not insufficient.</p>					

(2) Improvement plan for insufficient liquidity: None.

#### (3) Cash liquidity analysis for the coming year

Unit: NTD thousands

Beginning cash balance	Estimated full-year net cash flow from operating activities	Estimated annual cash inflow (outflow)	Estimated cash surplus (shortage) amount	Remedial measures for expected cash shortfall	
				Investment plan	Financial planning
85,558	174,500	(126,250)	133,808	—	—
<p>Analysis of cash flow changes in 2025:</p> <p>1. Operating activities: Mainly due to net inflow from operating activities.</p> <p>2. Investing activities: It is mainly due to the purchase of fixed assets, so investing activities represent cash outflow.</p> <p>3. Financing activities: Mainly cash inflow from increasing bank loans.</p>					

#### 4. Impact of major capital expenditures in recent years on financial operations:

##### (I) Utilization of major capital expenditures and funding sources

The Company's major capital expenditure in 2024 was approximately \$150,000, mainly for adding waste heat recovery devices and updating automation equipment to respond to the circular economy, which will have an improving effect on the Company's overall operations. The capital expenditure is sufficient to be covered by the Company's own funds plus long-term bank loans.

##### (II) Expected benefits

The capital expenditure in 2024 was mainly for the waste heat recovery device and the update of automation equipment. The above-mentioned major capital expenditure is required for future development, and it will help expand production capacity, reduce unit production costs and increase profits in response to environmental protection and energy conservation to create a circular economy.

5. Recent investment policy, main reasons for profit or loss, improvement plan and investment plan for the next year

a. Recent annual reinvestment policy, main reasons for profit or loss, and improvement plan:

Unit: NTD thousands

Re-investment business	Reinvestment policy	Investment gains and losses recognized in 2024	Main reasons for gain or loss	Improvement plan
Hong Yuan Packaging Technology Co., Ltd. Co., Ltd.	Upstream and downstream integration	6,406	Increase in orders	—
XU YUAN PACKAGING TECHNOLOGY CO.,LTD	Investment holding	(1,706)	Pure equity holding company	—
DASE-SEAL PACKAGING TECHNOLOGY CO., LTD	Expand overseas markets	6	Mainly the channel between Xu Yuan and end customers in Central and South America	Note 1
SLEEVE SEAL, LLC	Expand overseas markets	5,338	Sales were launched through the existing channels of the US cooperating shareholders, and the operating results were as shown	—
XYP JAPAN CO., LTD.	Expand overseas markets	6,874	Mainly to expand the Japanese channel	Note 2
XU YUAN PACKAGING TECHNOLOGY INDIA PVT LTD.	Expand overseas markets	(145)	Carry out business promotion and customer service in India, Central Asia and Africa, and transfer the developed customers to the parent company of Xu Yuan	Continue to develop new customers
XYPD DO BRASIL EMBALAGENS LTDA.	Expand overseas markets	555	As the Brazilian market gradually opens up, revenue and profit are growing steadily.	In addition to maintaining existing large customers, we also continue to develop new customers.
PT. XU YUAN PACKAGING TECHNOLOGY INDONESIA	Expand overseas markets	(13,931)	Revenue decline leads to losses	Continue to develop new customers

PT. CHENG HONG PACKAGING TECHNOLOGY INDONESIA	Expand overseas markets	580	—	—
PT. CHENG KUANG MACHINE PACKAGING TECHNOLOGY INDONESIA	Expand overseas markets	68	Newly established in 2017, not yet officially in operation	—
Hong Tai Global Trading Co., Ltd.	Upstream and downstream integration	49	Decrease in revenue	Note 3
HONG SHENG HOLDING LTD	Investment holding	—	—	Note 3

Note 1: DASE-SEAL PACKAGING TECHNOLOGY CO., LTD. was dissolved in November 2024.

Note 2: XYP JAPAN CO., LTD was liquidated and dissolved in June 2024.

Note 3: HONG SHENG HOLDING LTD completed its liquidation in March 2024 and distributed the remaining property to Hong Yuan Packaging Technology Co., Ltd., so Hong Yuan acquired 100% equity of Hong Tai. In addition, Hong Tai merged with Hong Yuan in June 2024, with Hong Tai being the dissolved entity.

b. Investment plans for the coming year:

The Group will vertically integrate its product lines in response to operational growth and factory expansion, and plans to upgrade its automated production equipment in the future.

6. Risk factors should be analyzed and assessed based on the following matters for the most recent fiscal year and up to the date of the annual report's publication:

(1) The impact of interest rate, exchange rate changes, and inflation on the Company's profit and loss and future response measures:

(a) Effect of interest rate changes

The Company has dealings with many financial institutions, and the loan interest rates are mostly between 1.56% and 3.35%. The interest expense accounted for 2.06% and 2.29% of the revenue in 2024 and 2023, respectively, which was not a large proportion. Therefore, the impact of interest rate changes on the Company's profit and loss is limited. The Company evaluates changes in market interest rates at any time and establishes close and good relationships with financial institutions, strives for the most appropriate interest rates at appropriate times and uses them in combination with short, medium and long-term financing limits to reduce interest expenses.

(b) Effect of exchange rate fluctuations

The Company's main income and part of its expenses are denominated in foreign currencies, so some assets and liabilities have a natural hedging effect. The net exchange gains and losses in 2024 and 2023 accounted for 0.1% and 1.61% of net operating income, respectively. In order to prevent the impact of large fluctuations in exchange rates, the Company will also convert asset

currencies in a timely manner depending on the exchange rate market conditions and possible future trends to avoid exchange rate risks.

(3) Impact of inflation

The Company maintains close and good interactive relationships with suppliers and customers, and pays close attention to changes in market prices at all times, adjusting sales prices when necessary; in addition, it continues to work towards vertical integration of upstream and downstream to reduce operating and manufacturing costs, thereby reducing the impact of inflation on rising raw material prices.

(2) Policies for high-risk, high-leverage investments, lending funds to others, endorsements and guarantees, and derivatives trading, the main reasons for profits or losses, and future response measures:

The Company's financial operations are prudent and conservative. It does not engage in high-risk and high-leverage investments. When engaging in derivative commodity transactions, it also aims to avoid operational risks. The hedging strategy is to avoid risks arising from business operations. The activities of lending funds to others, endorsement and guarantee, and derivatives trading are managed and evaluated regularly in accordance with the control system established by the Company. They are also handled in accordance with the relevant regulations of the competent authorities and the Company, and are regularly audited and reported publicly in accordance with the laws.

(3) Future R&D plans and estimated R&D expenses:

Future R&D plans:

Year	Future R&D plans
2025	1. Industry-academia cooperation for labeling machine, new cutter design, testing completed by the end of December 2. Optimize the automatic feeding module of the automatic material receiving machine and complete the test by the end of September

Estimated R&D expenses: In 2025, the Company expects to invest 1% of its revenue to develop the above-mentioned machinery and equipment.

(4) The impact of major domestic and international policy and legal changes on the Company's financial operations and the corresponding measures:

The execution of each of the Company's businesses is conducted in compliance with the laws and regulations of the competent authorities, and the Company is always aware of important policy changes and legal reforms at home and abroad to fully grasp external information. The Company has not been affected by any major domestic or international policy or legal changes that may affect its financial operations in the near future.

(5) Impact of technological and industrial changes on the Company's financial operations and corresponding measures:

In recent years, climate change has become increasingly serious, with extreme heat and drought becoming more frequent, prompting a steady growth in global consumer demand for ready-to-drink beverages, bottled water and functional hydration products. At the same time, issues such as sustainable packaging, low carbon footprint and recyclable materials have become the focus of beverage brands, driving the continuous upgrading of label materials, packaging technology and packaging equipment industries.

As the market for hand-shaken drinks and cupped drinks continues to expand due to their convenience and diverse flavors, and as ESG regulations become increasingly stringent, brand owners have begun to adjust packaging materials and design strategies, driving the Company's label and film technology to develop in the direction of "environmentally friendly, lightweight, and easy to separate".

In response to market changes, the Company has actively expanded its international market presence, strengthened its presence in emerging markets such as Indonesia, India, and Central and South America, and cooperated with international customers to promote the use of environmentally friendly film materials and automated packaging equipment. The proportion of exports has continued to increase steadily.

Overall, the Company's financial and business performance remained stable through strategies such as technology upgrades, product line expansion and market diversification, and no significant adverse impact was incurred. Looking ahead, we will continue to strengthen investment in green manufacturing and smart production lines to enhance our competitive resilience and sustainable operating capabilities.

(6) The impact of corporate image changes on corporate crisis management and response measures:

Since its establishment, the Company has strictly complied with relevant laws and regulations and maintained healthy competition with its peers. We actively strengthen internal management, improve employee quality, set up reward systems for each department's performance, and strive to maintain the Company's good image. In the most recent year and up to the date of publication of the annual report, there have been no events that have had an adverse impact on the corporate image.

(7) Expected benefits, possible risks and countermeasures of the merger and acquisition:

In September 2024, the Company acquired a 38% stake in PT XU YUAN PACKAGING TECHNOLOGY INDONESIA (hereinafter referred to as PT Xu Yuan) from a related party, increasing its shareholding ratio from 62% to 100%. The main purpose of the acquisition is to simplify the investment structure, integrate corporate resources, and increase the scale of operations, coupled with optimism about Indonesia's local demographic dividend and future development. Although PT Xu Yuan is currently making a loss, it plans to move into a new factory and officially start production in June 2025. By securing certification from international brand manufacturers and obtaining orders, this move will effectively improve PT Xu Yuan's operating performance.

Possible risks are that the process of obtaining factory inspection and certification from international brands takes a long time and has high technical standards. If it fails to be obtained as scheduled, it may affect the order growth expectations. The Company has already introduced food packaging material certifications such as ISO 22000 and HACCP in advance, and the head office's technical team has assisted in introducing a process and quality management system that meets brand requirements. At the same time, we are actively working with target customers to complete preliminary evaluations and accelerate the mass production acceptance process. The Company has also formulated a financial support and cost control plan to support initial operations through the integration of group resources, strengthen cost control, and improve production line yields to accelerate the transformation of PT Xu Yuan.

(8) Expected benefits, possible risks and countermeasures of factory expansion

In order to continuously improve its competitive advantage, the Company has purchased additional machinery and equipment after conducting feasibility and efficiency assessments to support market needs and meet customer order requirements. This will not only significantly increase output value and sales value, but will also help increase gross profit margin and net operating profit margin.

The possible risk is oversupply in the market. In addition to expanding production lines in batches according to market changes, the Company will actively develop new customers, improve yields and reduce costs in order to maximize the benefits of capacity expansion and establish a long-term competitive advantage.

(9) Risks faced by concentrated purchases or sales and countermeasures:

1. Risks faced by concentrated purchases and countermeasures

The Company's main purchase items include welding parts, switchboards, shafts, gears, bearings and other hardware in the equipment part, and film materials, inks and solvents in the printing shrink film part. Printing film materials are mainly purchased from domestic listed companies, and the quality and delivery time are stable. In addition, the Company maintains exchanges with more than two suppliers, so the risk of excessive concentration of purchase sources should be avoided. Based on considerations of purchasing flexibility, the Company has not signed long-term supply contracts with suppliers, nor has it entered into any major restrictive clauses. Although there is no supply contract signed with the supplier, the company has always maintained a good business relationship. Since the purchase transaction began, there has been no shortage of material sources or supply shortages. The Company's raw material supply situation is still stable.

2. Risks faced by concentrated sales and countermeasures

The Company's largest sales customer accounted for 5.90% and 5.88% of total sales in 2024 and 2023, respectively. The sales concentration among individual customers is not high. Through its self-developed innovative technologies, customized design capabilities, assistance in shortening customers' product development timelines, rapid and flexible delivery schedules, and stable product quality, the Company has earned strong recognition from its customers. As a result, the Company maintains long-term and solid cooperative relationships with its major clients. In addition, the Company actively expands into overseas markets and related product lines to mitigate risks associated with reliance on a single sector or a single product. In conclusion, there is no risk of sales concentration.

(10) Impact, risks and response measures of large-scale transfer or replacement of equity by directors or major shareholders holding more than 10% of the shares on the Company: As of March 31, 2025, there was no large-scale transfer or replacement of equity by directors or major shareholders holding more than 10% of the shares of the Company.

(11) Impact of changes in management rights on the Company, risks and countermeasures: As of the date of publication of the annual report, the Company has not experienced any changes in management rights.

(12) For litigation or non-litigation matters, the Company shall disclose any significant litigation, non-litigation, or administrative dispute cases involving the Company, its directors, president, de facto responsible persons, major shareholders holding more than ten percent of the shares, or subsidiaries, that have been finalized by judgment or are still pending, and where the outcome may have a material impact on shareholders' equity or the securities' price. The disclosure shall include the facts of the dispute, the amount in controversy, the date the litigation commenced, the main parties involved, and the status of the case as of the date of the annual report publication: None.

(13) Other important risks and countermeasures: None.

7. Other important matters: None.

## VI. Special Matters

### 1. Information on affiliates:

#### (1) Consolidated business report of affiliated enterprises:

Please visit the Market Observatory Post System to view the Company's business report:

Market Observatory Post System website:

<https://mops.twse.com.tw/mops/#/web/home>

Path: Electronic Books/Financial Statements

#### (2) Consolidated financial statements of affiliates:

Please visit the Market Observatory Post System to view the Company's consolidated financial statements

Market Observatory Post System website:

<https://mops.twse.com.tw/mops/#/web/home>

Path: Single Company / Electronic Document Download / Affiliated Enterprises' Three Statements Section

#### (3) Affiliation report: Not applicable.

2. For the most recent fiscal year and up to the date of the publication of annual report, the handling of privately placed securities shall be disclosed, including the date and amount approved by the shareholders' meeting or the board of directors, the basis and reasonableness of the pricing, the method for selecting specific persons, the necessity for the private placement, the private placement targets, qualification requirements, subscription quantities, relationship with the Company, participation in company management, the actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the impact of the private placement on shareholders' equity, the use of funds from the time full payment is received until the completion of the capital utilization plan, the status of fund utilization, the progress of plan implementation, and the realization of plan benefits: None.

3. Other required supplementary information : Commitments made by the Company on TPEX listing: None.

Xu Yuan Packaging Technology  
Co., Ltd.



Chairman: Haung Nan-Yuan

