

2024 ANNUAL REPORT

Stock Code **9939**



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Taiwan Stock Exchange Market Observation Post System

<https://mops.twse.com.tw/>

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the share Company Profile holders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Name : KGI Securities Co., Ltd, Dept. of Stock Transfer Agency

Address : 5F, No.2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City

Tel : (02) 2389-2999

Website : www.kgi.com.tw

4. Auditors

Office : Deloitte Touche Tohmatsu Certified Public Accountants LLP

Auditors : Wu, Shao Chun, Yen, Hsiao-Feng

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5. Overseas Securities Exchange: None

6. Website: www.honchuan.com.tw

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1. Letter to Shareholders



To Our Stockholders

First of all, we would like to thank all shareholders of Taiwan Hon Chuan (THC) for your steadfast support and encouragement.

Over the past year, companies across the globe have continued to navigate a complex business landscape shaped by inflationary pressures, tariff barriers, fluctuations in financial interest rates and monetary policies, and frequent extreme weather events. These challenges have led to rising operating costs, testing the resilience, adaptability, and competitiveness of companies across industries. At Taiwan Hon Chuan Enterprise Co., Ltd. (THC), we firmly believe that persistent investment and continuous progress are essential to achieving long-term profitability and growth. For years, THC has remained committed to progress – expanding our global footprint, fostering long-term partnerships with clients, and optimizing product development, manufacturing technologies, and support teams. We strive to deliver high-quality products and services while reinforcing our internal management systems to build a strong foundation for sustainable operations. In fiscal year 2024, we once again achieved record-breaking results. Consolidated sales reached NTD\$ 28,408,164,000, a 7.57% increase from NTD\$ 26,409,207,000 in 2023. Profit after tax grew 15.61% to NTD\$ 2,959,499,000, up from NTD\$ 2,559,986,000 in 2023. Earnings per share rose to NTD\$ 9.80 for the year of 2024, underscoring our solid financial performance.

Looking ahead, THC remains focused on global expansion, exceptional customer service, talent development, technological innovation, and profitable growth. We are committed to continually strengthening our competitive edge and creating lasting value for our shareholders, customers, employees, and communities.

1. Global Vision

At THC, our corporate vision is to achieve "long-term operations, enduring business excellence, and to become a world-class enterprise." In line with this commitment, we actively engaged with international clients and conducted extensive market research across key regions including the United States, Canada, Mexico, Europe, China, Southeast Asia, Japan, New Zealand, India, and Mozambique. We also participated in several globally recognized beverage and packaging exhibitions to explore new business opportunities and strengthen our global presence.

In 2024, THC established multiple new production facilities: Free Trade Zone site in Taiwan, Quzhou and Changshan sites in Mainland China, Hon Shin site in Thailand, KIIC and Pandeglang sites in Indonesia, VSIP II-A site in Vietnam, and Hon Chia site in Myanmar. Additionally, we expanded our beverage filling and packaging material

production lines at several of our existing locations. These facilities are scheduled to commence commercial operations between 2025 and 2026, further solidifying our international footprint.

2. Clients and Talent-Centric Strategy

THC is guided by the core values of "prioritizing our clients and employees". By staying ahead of market trends and customer demands, we dynamically adapt our strategies and propose innovative solutions to deliver outstanding value. Our commitment to vertical integration and customized manufacturing solutions allows us to form deep and mutually beneficial partnerships with clients worldwide.

We firmly believe that "talent is the driving force of corporate growth". We are dedicated to create a high-quality work environment, comprehensive talent development programs, career advancement pathways, and global exposure opportunities—empowering our employees to grow, innovate, and succeed.

3. Technological innovation

Innovation is at the core of THC's operations. We actively integrate the 3R principles—Reuse, Reduce, Recycle—into our product design and technology development. By adopting cutting-edge equipment and optimizing our manufacturing processes, we ensure the delivery of high-quality, safe, and sustainable products that meet evolving customer demands.

To support our innovation efforts, THC has made significant investments in a specialized Packaging Materials R&D Center. This facility is equipped for raw material analysis, small-batch testing, and analytical devices. We have also implemented intelligent manufacturing systems, including AGVs (Automated Guided Vehicles), automated quality inspection, and smart packaging assembly lines to increase production quality and efficiency. Beyond our core packaging business, we have expanded into new product categories such as seasoning bottles, dairy containers, and daily chemical bottles, adopting differentiated strategies to diversify our offerings and increase profitability.

Furthermore, THC is committed to creating a circular economy. We have developed environmentally conscious products such as rPET preforms and labels, rLDPE shrink packaging films, and tethered caps to help clients comply with European export regulations. These efforts lead to a triple-win outcome for clients, consumers, and the environment.

4. ESG

At THC, sustainability is at the heart of our corporate strategy. We actively promote Environmental, Social, and Governance (ESG) initiatives, reflecting our strong dedication to environmental stewardship, social responsibility, and corporate governance. In pursuit

of environmental sustainability, we continue to implement a wide range of eco-conscious practices. These include energy conservation, carbon reduction, and the adoption of green technologies across our operations. We work closely with clients to assess the carbon footprint of our products, conduct factory-wide carbon audits at our facilities, and obtain relevant certifications. We are also advancing lightweight product design and incorporating low-carbon packaging materials to decrease our environmental impact. Notably, we have installed a 1.5 MWp solar power system to significantly increase our adoption of renewable energy and reduce overall carbon emissions.

To ensure long-term impact, THC has partnered with professional consultants to develop a systematic ESG roadmap spanning five to ten years. This strategy focuses on energy transition, carbon neutrality, and innovation. Our efforts have gained broad recognition from both industry leaders and governmental organizations. Notable recognitions include Coca-Cola in Greater China “ESG Supplier Award”, TCSA “Corporate Sustainability Comprehensive Performance Excellence Award” and “Corporate Sustainability Report Gold Award”, SGS “Sustainability Social Award”, and the CommonWealth Magazine “1.5°C Carbon Reduction Certification”.

In terms of social responsibility, THC actively engages with communities through environmental protection initiatives, such as park maintenance programs that have been recognized by the Taichung City Environmental Protection Bureau with excellence awards. We are also committed to philanthropy, supporting underprivileged groups and encouraging employee participation in volunteer programs to amplify social impact.

Regarding employee well-being, THC prioritizes a diverse, inclusive, and safe workplace. We have been honored with the Ministry of Labor's “Gold Award”, the Taichung City Government's “Blissful Workplace Award” and an “Outstanding Employer for Hiring Individuals with Disabilities”. These awards underscore our dedication to fostering a people-first culture where employees can thrive.

THC has also achieved significant success in product innovation, earning the Taiwan Food Science and Technology Society's “Innovative Packaging Design Gold and Bronze Awards” and the Taichung Industrial Association's “Outstanding Innovation and Research Award”. These achievements reflect our commitment to green innovation, sustainable design, and technological excellence. Looking ahead, THC will continue to advance our ESG strategies in collaboration with stakeholders, integrating business growth with environmental responsibility and social inclusion.

Group Outlook

THC remains committed to the strategic pillars of “structural transformation, efficiency enhancement, cost optimization, innovation-driven developments, strong partnerships, and consistent profitability”. We will continue to expand our global footprint, leveraging innovative business models and adopting agile strategies to navigate market dynamics. Through the integration of internal resources and deep partnerships with customers across the globe, we aim to accelerate our transformation strategy with priorities across: 1) Advancing AI-driven manufacturing technologies to increase productivity; 2) Enhancing corporate governance and management; 3) Deepening beverage and packaging expertise and promoting innovation; 4) Fostering talent

development and succession planning; and 5) Maximizing group synergy to create long-term value

Looking ahead, we remain focused on steady, long-term operations. While maintaining a strong foundation with our headquarters in Taiwan, we actively expand our presence across Mainland China, Southeast Asia, Africa, and other emerging markets. Guided by a clear vision for the future, we will continue to build upon our achievements— driving sustainable growth, creating shared value, and shaping a thriving future for all our stakeholders.

Chairman :
Ya-Wen, Cheng

President :
Hung-Yu, Tsao

Chief Accounting officer :
Kuei-Ching, Chuang

1.2 Business Report

1.2.1 Operating Result in 2024

1.2.1.1 Execution of Business Plans in 2024

In 2024, the consolidated revenue posted at NTD\$ 28,408,164 thousand, increased by 7.57% from 2023. The consolidated income before tax booked NTD\$ 3,650,891 thousand, increased by 15.65% from 2023; The consolidated income after tax reached NTD\$ 2,959,499 thousand, 15.61% higher than previous year. The earning per share was 9.80 dollars.

1.2.1.2 Financial Performance versus Forecast

Taiwan Hon Chuan Enterprise Co., Ltd (Hereinafter referred to as “Hon Chuan” or “the Company”) did not disclose financial forecasts in 2024.

1.2.1.3 Financial Results and Profitability Analysis

Item		2024	2023
Finance Structure (%)	Debt to Assets Ratio	52.92	56.51
	Long-Term Capital to Fixed Assets, Machinery and Equipment Ratio	155.17	146.98
Solvency (%)	Current Ratio	130.38	134.74
	Quick Ratio	84.85	97.06
	Interest Coverage (times)	12.13	12.39
Profitability (%)	Return on Assets	7.97	7.48
	Return on Equity	16.11	16.00
	Pre-tax Profit to Paid-in Capital Ratio	123.43	109.69
	Net Margin	10.42	9.69
	Earnings Per Share (NTD\$)	9.80	8.60

1.2.1.4 Research and Development

Hon Chuan places great emphasis on research and development and is committed to advancing sustainable packaging. We continue to drive innovation securing our leading position in the industry. In addition to promoting lightweight product designs to conserve energy and reduce carbon emissions, we have developed and launched eco-friendly rPET packaging. We also introduced a wide range of new features, materials, and cross-industry products to enhance product value. Our key R&D achievements in 2024 include the following:

- (1) rPET introducing by various domestic beverage manufacturers
- (2) 38 bottle neck 1000ml freezing bottle
- (3) 38 bottle neck 100ml, 180ml, 220ml, 280ml, 400ml cold fill bottle
- (4) 1881 bottle neck 350ml and 450ml aseptic bottle
- (5) 1881 bottle neck 400ml CSD bottle
- (6) 1810 bottle neck 250ml and 590ml CSD bottle
- (7) 1810 bottle neck 500ml and 900ml hot fill bottle
- (8) 1810 two-piece tethered cap
- (9) 2622 CSD plastic cap 1.85g (Thailand)
- (10) 2622 aseptic plastic cap 1.53g
- (11) 1881 tethered cap

- (12) Aluminum cap with QR code and high-transparency inner liner
- (13) Develop 21.3x13.7mm berlin aluminum cap
- (14) 50% rPET shrinkable film

1.2.2 Business Plans in 2024

1.2.2.1 Business Objectives

1. Strengthen core competency
 - (1) Expanding mid- and long-term strategic partnerships with clients.
 - (2) Actively promote In-House (Plant-Within-a-Plant) strategic partnerships with clients and provide high-quality packaging materials and product service to expand profitability for both Hon Chuan and clients.
 - (3) Implement Corporate Governance Evaluation System, in order to make the Company's overall operation more institutionalized, standardized and streamlined. Achieve the goal of sustainable operation and development.
 - (4) Carry out lean management initiatives and tendering procedures for procurement, implement budget and cost control, and encourage all departments to proactively propose improvement plans and practical measures, and regularly monitor project performance to ensure alignments with the Company's goals of achieving operational efficiency and excellence.
 - (5) Actively implement the development of new products, use innovative R&D technology to develop new materials, new functions and cross-industry products to enhance the value of the products.
 - (6) To strengthen the function of Quality Improvement Management Committee, hold monthly meetings to review and analyze issues that fall short of quality targets, including customers' complaints, product returns and damage, and production waste—across all plants and production lines. Additionally, on-site performance improvement competitions are organized to showcase successful initiatives, fostering cross-departmental learning and continuous improvement, with the aim of enhancing overall operational performance.
 - (7) Emphasize on risk management and early warning systems to minimize and prevent unnecessary losses thereby ensuring sustainable operations.. Our comprehensive risk control framework a broad range of risks, including environmental risk, operational risk, market risk, financial risk, quality risk, legal and compliance, as well as information and cybersecurity risks.
2. We continue to advance our globalization efforts, maintaining a strong foothold in Taiwan while expanding our reach worldwide.
 - (1) Consistently integrate, utilize, and share resources across the group to enhance overall business synergy.
 - (2) By forming strategic alliances with leading domestic and international companies and evaluating potential merger and acquisition opportunities, we aim to replicate our successful business model from Taiwan in markets such as Mainland China, Southeast Asia, Africa, and beyond.
3. In alignment with the government's goal of achieving net-zero carbon emissions by 2050, we are actively implementing phased actions toward carbon reduction. Our strategy emphasizes green sustainability, energy conservation, and

environmental protection, with targeted climate change mitigation and adaptation initiatives in the short, medium, and long term.

(1) Short-term goals:

- a. Speed up the replacement of the inverter energy conservation equipment.
- b. Promote the ISO14064-1 GHG emissions inventories.
- c. Introduce TCFD climate-related financial disclosures.
- d. Promote ISO 14067 product carbon footprint.
- e. Participate in Carbon Disclosure Program, S&P, SEDEX, Taiwan sustainability awards evaluation, and Corporate Governance Evaluation.
- f. Build solar power generation facilities (1,500 kWp)
- g. Develop low-carbon circular products such as rPET bottle/preform/label, rHDPE plastic cap, and PCR LDPE shrinkable packaging film
- h. Strengthen lightweight product design and reduce petrochemical raw materials consumption and carbon emissions.

(2) Mid-term goals:

- a. Aim to manage toward carbon neutrality.
- b. Continue to move towards energy conservation, carbon reduction, and upgrade energy efficiency.
- c. Based on the client demands, we are developing RE100-compliant production lines and actively supporting the procurement of renewable energy.

(3) Long-term goal: net-zero carbon emissions by 2050.

1.2.2.2 Projected Sales and Assumptions

1. The projected sales volume for 2025 is outlined as follows:

Unit: Thousand Pcs/Kg/Bottle/Box

Main Products	Sales Volume
Plastic Closures	32,491,725
PET Bottles	11,519,399
Labels	2,378,703
Aluminum Closures	681,541
Films & Electronics Packaging	12,392
Tobacco & Liquor Packaging	687
Beverage Filling OEM	2,659,237
TR Filling OEM	146,880
Metal Lug Caps	381,649
Others	1,977
Totals	50,274,190

2. Sales forecasts are made taking account of market conditions, including supply and demand dynamics in the food and beverage industry, and changes in the company's product and customer mix.

1.2.2.3 Operational Strategies

1.R&D: We proactively develop new products and cultivate new customer relationships, placing equal emphasis on both customer needs and product innovation. Our efforts focus on creating cutting-edge packaging materials and services that align with client expectations and evolving industry trends.

2.Manufacture: We continue to strengthen our production management systems, enhance production lines, and automate manufacturing processes. By

establishing a manufacturing information feedback system and collaborating with domestic and international partners, we aim to improve production technology and equipment capabilities, securing our leadership in technological advancement.

3. Sales: To support global business expansion, we are building comprehensive marketing and logistics capabilities. We strive to develop a robust and closely integrated supply and sales network in collaboration with world-leading beverage manufacturers.
4. Operations: We focus on cultivating well-rounded talent and developing agile, competitive strategies. By staying ahead of industry trends and market shifts, we continuously innovate and launch new products that meet changing market demands and future challenges.

1.2.3 Strategy and Outlook

1.2.3.1 Innovation and Technology Development

Hon Chuan upholds an "Innovation" philosophy and actively pioneers niche products and advanced technologies. These include lightweight bottles, single-sheet plastic caps, eco-friendly labels and packaging materials, barrier packaging, PET beer bottles, and plastic beer bottle caps—all aimed at enhancing functionality, adding value, and increasing product differentiation. By transforming creative ideas into commercially viable innovations, we expand product applications and strengthen the Company's core competitiveness.

We have introduced cutting-edge technologies such as 3D printing, QR codes, digital printing, 3D laser anti-counterfeiting, and PVC-free TPE composite materials to enhance both product safety and competitiveness. In addition, we are actively expanding into new industries—such as food, household, and cleaning products—by offering specialized and functional packaging solutions that meet evolving consumer and customer needs.

1.2.3.2 Differentiated Strategy

Hon Chuan closely tracks market trends and customer needs, offering a full spectrum of sales models. These range from individual item sales (bottles, caps, labels, or PET bottles sold separately), to modular sales (combinations such as bottle + cap + label), and further to total solutions, which include not only production of packaging materials but also OEM filling, packaging, storage, etc. We also embrace servitization in beverage manufacturing, offering OEM, ODM, in-house services, and joint ventures. By deeply integrating with customers' production processes, we establish an indispensable and highly collaborative service model.

1.2.4 Impact of External Competitive Environment, Regulations, and Macroeconomic Conditions

1.2.4.1 External Competitive Environment

Taiwan's beverage market is intensely competitive, with over a hundred new beverage products launched each year. To retain market share and stay

competitive, beverage companies must continue to innovate. As the leading provider of beverage packaging materials in Taiwan, Hon Chuan holds the largest market share in bottle caps, labels, and PET bottles. We continue to develop packaging solutions with enhanced functionality, aesthetics, and style—helping beverage companies reduce packaging costs and boost product value, thereby strengthening their market competitiveness.

1.2.4.2 Regulatory Environment

In terms of the regulatory environment, the Company complies with relevant national laws and regulations, international agreements and such policies. To meet regulatory change and requirements from competent authority, we build and implement related regulations, systems and norms, to strengthen corporate governance as our principle.

1.2.4.3 Macroeconomic Conditions

We operate in the fast-moving consumer goods (FMCG) sector, where revenue is closely tied to demographic trends and national GDP. In light of Taiwan's declining birth rate and the resulting shift toward an aging and shrinking population, the growth potential of the domestic FMCG market faces increasing limitations. To mitigate these challenges, we are not only accelerating the internationalization of our business but also pursuing vertical integration. By expanding the depth and breadth of our products and services, we aim to enhance competitiveness and sustain revenue growth through comprehensive service offerings for our key customers.

2. Corporate Governance Report



2.1 Information on the company's directors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

2.1.1 Information regarding Directors

2.1.1.1 Information regarding Directors

March 31, 2025

Title	Nationality	Name	Gender Age	Date of Election (Inauguration)	Term of office	First elected	Shareholding when elected		Current shareholding		Spouse and minor children's current shareholdings		Shareholding by nominee arrangement		Selected Education and Professional Qualification	Current additional positions	Other heads, directors, or supervisors as spouse or kin within the second degree			Remarks (Note 1)
							Shares (note 2)	%	Shares (note 2)	%	Shares (note 2)	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	Ya-Wen, Cheng	F 56-60	2023.05.31	3 years	2023.05.31	577,352	0.20%	585,743	0.20%	3,572,019	1.21%	0	0	(1) Graduated from Economics Dept., National Taiwan University (2) Master of Accounting, University of Illinois at Urbana Champaign, U.S.A (3) CPA of Taiwan, U.S.A and Australia	(1) Chairman of Taiwan Hon Chuan Enterprise Co., Ltd. (2) Director of Hon Chuan Investment Co., Ltd. (3) Director of Hon Tong Investment Co., Ltd.	Director	Hung-I, Dai	Relationship in law	—
Director	R.O.C.	Hung-Yu, Tsao	M 36-40	2023.05.31	3 years	2020.06.19	6,529,134	2.27%	6,674,333	2.26%	0	0	0	0	B.S. in Economics, York University	(1) General Manager of Taiwan Hon Chuan Enterprise Co., Ltd. (2) Director of Hsih-Yueh Development Co., Ltd. (3) President of Fan and Tsao Company	Director	Hsin-Wen, Tsao	Sibling	—
Director	R.O.C.	Yun-Chang, Liu	M 66-70	2023.05.31	3 years	1999.04.20	689,303	0.24%	704,632	0.24%	100,834	0.03%	0	0	(1) EMBA, Beijing University, China (2) Department of Distribution Management, National Chin-Yi University of Technology, Taiwan (3) The Outstanding Enterprise Manager Award of R.O.C in 1995 (4) The Outstanding Food Entrepreneur Award of Taiwan Association for Food Science and Technology in 2002 (5) The Distinguished Alumni Award of National Chin-Yi University of Technology in 2010 (6) Taiwan Beverage Industries Association - Executive Director (7) Taiwan Quality Food Association (TQF)-Director	Executive Vice President of Taiwan Hon Chuan Enterprise Co., Ltd.	—	—	—	—
Director	R.O.C.	Chun-Shu, Chang	F 76-80	2023.05.31	3 years	1993.12.17	2,629,534	0.91%	2,689,033	0.91%	427,342	0.14%	0	0	Graduated from National Taichung Institute of Commerce, Taiwan	Director of Taiwan Hon Chuan Enterprise Co., Ltd.	—	—	—	—
Director	R.O.C.	Hong-I, Dai	M 56-60	2023.05.31	3 years	1996.10.04	5,807,111	2.02%	5,807,111	1.96%	0	0	0	0	(1) Ph. D. in Infrastructure Planning and Engineering, Feng Chia University (2) Master Degree in urban design, University of Sydney, Australia	(1) Director of Taiwan Hon Chuan Enterprise Co., Ltd. (2) Dai Hongyi Architects	Chairman	Ya-Wen, Cheng	Relationship in law	—

Title	Nationality	Name	Gender Age	Date of Election (Inauguration)	Term of office	First elected	Shareholding when elected		Current shareholding		Spouse and minor children's current shareholdings		Shareholding by nominee arrangement		Selected Education and Professional Qualification	Current additional positions	Other heads, directors, or supervisors as spouse or kin within the second degree			Remarks (Note 1)
							Shares (note 2)	%	Shares (note 2)	%	Shares (note 2)	%	Shares	%			Title	Name	Relationship	
															(3) Department of Architecture, Tamkang University (4) A Chartered Architect in ROC	(3) Chairman of Ren Sun Construction Co., Ltd., Hong-I investment Co., Ltd., Hong-Shan investment Co., Ltd. (4) A member of Urban Renovation advisory committee, Taichung City (5) Assistant professor, Department of Architecture, Feng Chia University (6) Assistant professor, Department of Landscape design, National Chin-Yi University of Technology (7) An arbitrator of Chinese Arbitration Association, Taipei				
Director	R.O.C.	Hsin-Wen, Tsao	F 41-45	2023.05.31	3 years	2023.05.31	2,065,690	0.72%	2,102,110	0.71%	17,289	0.01%	0	0	B.S. in Economics of University of Toronto	(1) Assistant Manager of Financial Dept. of Taiwan Hon Chuan Enterprise Co., Ltd. (2) Director of Hsih-Yueh Development Co., Ltd.	Director	Hung-Yu, Tsao	Sibling	—
Independent Director	R.O.C.	Chao-Nan, Hung	M 81-85	2023.05.31	3 years	2017.06.15	0	0	0	0	0	0	0	0	(1) Master Degree in Politics, Arkansas State University, U.S.A (2) Department of Foreign Languages, School of Law, Soochow University (3) Pass the Finance Special Examination (Former senior tax officer of Customs Administration, Ministry of Finance) (4) The 4th member of the Control Yuan (5) Legislator, reelected for 8 times, Chungkuo Kuomintang (6) Convener of Finance Committee	Independent Director of Taiwan Hon Chuan Enterprise Co., Ltd.	—	—	—	—
Independent Director	R.O.C.	Hsiang-Ying, Huang	M 66-70	2023.05.31	3 years	2017.06.15	0	0	0	0	0	0	0	0	(1) Ph. D. in Public Finance and Economics, Central University of Finance and Economics, Peking, China (2) Master Degree in Accounting, National Chengchi University, Taiwan (3) Bachelor Degree in Accounting, Fu Jen Catholic University, Taiwan (4) Partnership Accountant of BDO Taiwan (5) Lecturer in Ling Tung University and Tunghai University (6) Independent director of Sino-American Silicon Products Inc. (7) Deputy Section Manager of Finance Division, Administration Department of The Far Eastern Group	(1) Partnership Accountant of EnWise CPAs & Co. (2) Independent Director of Taiwan Hon Chuan Enterprise Co., Ltd. (3) Independent director of Quaser Machine tools Inc. (4) Independent director of InterServ International Inc. (5) Independent director of WFE Technology Corp. (6) A member of Remuneration Committee in Lelon Electronics Corp. (7) A member of Remuneration Committee in Liton Technology Corp.	—	—	—	—

Title	Nationality	Name	Gender Age	Date of Election (Inauguration)	Term of office	First elected	Shareholding when elected		Current shareholding		Spouse and minor children's current shareholdings		Shareholding by nominee arrangement		Selected Education and Professional Qualification	Current additional positions	Other heads, directors, or supervisors as spouse or kin within the second degree			Remarks (Note 1)
							Shares (note 2)	%	Shares (note 2)	%	Shares (note 2)	%	Shares	%			Title	Name	Relationship	
Independent Director	R.O.C.	Po-Yuan, Cho	M 55-60	2023.05.31	3 years	2023.05.31	0	0	0	0	0	0	0	0	(1) B.S. in Law, National Taiwan University (2) M.S. in Law, National Taiwan Ocean University (3) Honors Ph. D in, National Changhua University of Education (4) Ph.D. Student in National Development, National Taiwan University (5) The 15th and 16th County mayor in Changhua County (6) Secretary General of Kuomintang caucus in Legislative Yuan. (7) The 5th and 6th Members of the Legislative Yuan (8) Deputy County Mayor in Changhua County (9) The 13th and 14th County council member in Changhua County (10) Received Award of Phoenix from National Fire Agency, Ministry of the Interior	(1) Independent Director of Taiwan Hon Chuan Enterprise Co., Ltd. (2) Chair Emeritus Professor of General Education in Dayeh University (3) Director of Chaoyang University of Technology (4) Associate Dean of Taiwan Development Institute	—	—	—	—

Note 1: Where the chairperson and president or equivalent position (highest level executive officer) is the same person, the spouse, or a first-degree relative, provide information on the reason, reasonableness, necessity, and future improvement measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or executive officers): Not applicable.

Note 2: Present shareholding figures of Ya-Wen, Cheng are 585,743 shares, which include 200,000 shares under trust with discretion reserved. Present shareholding figures of Ya-Wen, Cheng's spouse are 3,572,019 shares, which include 1,900,000 shares under trust with discretion reserved. Present shareholding figures of Hong-I, Dai are 5,807,111 shares, which include 1,800,000 shares under trust with discretion reserved. Present shareholding figures of Hsin-Wen, Tsao are 2,102,110 shares, which include 428,000 shares under trust with discretion reserved.

2.1.1.2 Major Shareholders of Institutional Shareholders: None.

2.1.1.3 Disclosure for Directors' Professional Qualifications and Independent Directors' Independence Status

Qualifications Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Concurrently Serving as an Independent Director / Number of Other Public Companies
Chairman/ Ya-Wen, Cheng	For Directors' professional qualification and experience, please refer to on page 12-14 of this Annual Report.	Not Applicable	0
Director/ Hung-Yu, Tsao			0
Director/ Yun-Chung, Liu			0
Director/ Chun-Shu, Chang			0
Director/ Hsin-Wen, Tsao			0
Director/ Hung-I, Dai			0
Independent Director/ Chao-Nan, Hung		All of the following situations apply to each and every of the Independent Directors: 1. Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau. 2. Independent Director (or nominee arrangement) as well as his/her spouse and kin within the second degree do not hold any shares. 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service."	0
Independent Director/ Hsiang-Ying, Huang			3
Independent Director/ Po-Yuan, Cho			0

Note 1: Professional Qualification and Experience: none of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.

Note 2: During the two years before being elected and during the term of office, meet any of the following situations:

- (1) Not an employee of the Company or any of its affiliated companies.
- (2) Not a director or supervisor of the Company or any of its affiliates.
- (3) Not an individual shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act.
- (6) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights.
- (7) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position.
- (8) Not a director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the company or to any affiliate of the company, or a spouse thereof. This does not apply to members of the Remuneration Committee, Public Tender Offer Review

Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.

- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company.
 (11) Not serving concurrently as an independent director on more than three other public companies in total.
 (12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.

2.1.1.4 Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

In accordance with Article 20 of the Company's Corporate Governance Best Practice Principles, the composition of the Board of Directors is guided by the principle of diversity. The Company has established a diversity policy that considers its business operations, strategic objectives, and developmental needs. The Board consists of nine members who collectively bring a wide range of professional backgrounds and industry expertise. Key highlights of the Board's composition include:

- 44% of board members are employees of the Company. 33% of the board are independent directors. 33% of the board members are female.
- These directors bring extensive industry experience and academic achievements. Their educational backgrounds include: Master of Accounting, University of Illinois at Urbana Champaign, U.S.A, B.S. in Economics, York University, Ph. D. in Infrastructure Planning and Engineering, Feng Chia University, Australia, EMBA of Beijing University, China, and B.S. in Economics of University of Toronto, Canada. Many of them are award-winning leaders across various industries, demonstrating excellence in both academia and business leadership.
- These members possess strong professional credentials and broad expertise across public and private sectors. Their qualifications include: Master Degree in Politics, Arkansas State University, U.S.A, Ph. D. in Public Finance and Economics, Central University of Finance and Economics, Peking, China, and Ph.D. student in National Development, National Taiwan University. Their diverse experiences include serving as an eight-term legislator, a member of the Control Yuan, a senior certified public accountant, and a two-term county mayor. Together, the Board embodies a balanced mix of experience, education, and perspective, reinforcing the Company's commitment to sound governance and inclusive leadership.

Title	Director						Independent Director		
Name	Ya-Wen, Cheng	Hung-Yu, Tsao	Chun-Shu, Chang	Hung-I, Dai	Yun-Chang, Liu	Hsin-Wen, Tsao	Chao-Nan, Hung	Hsiang-Ying, Huang	Po-Yuan, Cho
Gender	F	M	F	M	M	F	M	M	M
Age	56-60	36-40	76-80	56-60	66-70	41-45	81-85	66-70	56-60
Employee of the Company	✓	✓			✓	✓			
Professional Knowledge and Expertise									
Architecture and Engineering				✓					✓
Commerce and Supply Chain	✓	✓			✓		✓	✓	✓

Marketing		✓			✓				✓
Law				✓			✓	✓	✓
Information and Technology		✓							
Economic Analysis	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance	✓		✓			✓	✓	✓	✓
Skills and Experience									
Operational Judgment	✓	✓	✓	✓	✓	✓	✓	✓	✓
Management Administration	✓	✓		✓	✓	✓	✓	✓	✓
Leadership and Policy Decision	✓	✓		✓	✓		✓	✓	✓
Accounting and Financial	✓		✓			✓		✓	
Industry Experience	✓	✓	✓		✓			✓	✓
Risk/Crisis Management	✓	✓		✓	✓	✓	✓	✓	✓
International Market Perspective	✓	✓		✓	✓	✓	✓	✓	✓
Quality Management		✓			✓				✓
Social Engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environmental Sustainability	✓	✓		✓	✓		✓	✓	✓
Political Experience							✓		✓
Audit	✓					✓	✓	✓	✓

(2) Independence of the Board of Directors

The independence of the Company's Board of Directors is disclosed in this annual report on page 15 under "2.1.1.3. Disclosure for Directors' Professional Qualifications and Independent Directors' Independence Status". For information regarding each director's educational background, professional experience, and gender, please refer to pages 12 to 14 of this annual report under "2.1.1. Information regarding Directors."

2.1.2 Information Regarding Management Team

March 31, 2025

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Spouse and minor children's current shareholdings		Shareholding by nominee arrangement		Education and Experience	Concurrent Positions in Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
General Manager	R.O.C.	Hung Yu, Tsao	M 36-40	2023.06.09	6,674,333	2.26%	0	0	0	0	B.S. in Economics, York University	(1) Director of Hsih-Yueh Development Co., Ltd. (2) President of Fan and Tsao Company	-	-	-	-
Executive Vice President	R.O.C.	Yun-Chang, Liu	M	1993.03.01	704,632	0.24%	100,834	0.03%	0	0	(1) EMBA, Beijing University, China (2) Department of Distribution Management, National Chin-Yi University of Technology, Taiwan (3) The Outstanding Enterprise Manager Award of R.O.C in 1995 (4) The Outstanding Food Entrepreneur Award of Taiwan Association for Food Science and Technology in 2002 (5) The Distinguished Alumni Award of National Chin-Yi University of Technology in 2010 (6) Taiwan Beverage Industries Association- Executive Director (7) Taiwan Quality Food Association (TQF)- Director	-	-	-	-	-
Group Vice President	R.O.C.	Wen-Pin, Pai	M	1993.06.01	13,044	0	0	0	0	0	(1) Graduated from Mingdao High School (2) Completed a Business Management course at Tunghai University	-	-	-	-	-
Group Vice President	R.O.C.	Wen-Hua, Tseng	M	2014.03.01	10,005	0	0	0	0	0	(1) Graduated from National Chin-yi University of Technology. (2) Completed a Marketing Management course at Tunghai University	-	-	-	-	-
Packaging Technical Group Vice President	R.O.C.	Chin-Hsiung, Lee	M	2014.03.01	8,327	0	769	0	0	0	(1) Graduated from Electronic engineering Dept., National United University (2) Completed a Management course at Asia University	-	-	-	-	-
Financial Dept. Vice President	R.O.C.	Kuei-Ching, Chuang	F	2018.01.01	29,278	0.01%	0	0	0	0	(1) Graduated from Accountancy Dept., Chungyu Institute of Technology (2) Completed a Financial Management course at Tunghai University	-	-	-	-	-

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Spouse and minor children's current shareholdings		Shareholding by nominee arrangement		Education and Experience	Concurrent Positions in Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Beverage Technical Group Vice President	R.O.C.	Ching-Chou, Lu	M	2018.01.01	10,000	0	2,044	0	0	0	(1) Graduated from Mechanical Engineering Dept., National United University (2) EMBA of National Chung Hsing University	-	-	-	-	-
Chief Auditor Vice President	R.O.C.	Hung-Lung, Hsieh	M	2022.01.01	7,626	0	499	0	0	0	(1) Graduated from Industrial Management Dept., National Taiwan University of Science and Technology (2) MBA of National Yunlin University of Science and Technology (3) The 1 st Taiwan industrial excellence manager Award	-	-	-	-	-
SE Asia Regional Headquarter Vice President	R.O.C.	Chih-Hao, Ting	M	2022.01.01	19,242	0.01%	0	0	0	0	Graduated from Business Administration Dept., Feng Chia University	-	-	-	-	-
Hon Chuan Food Packing (Jinan) Company Limited Vice President	R.O.C.	Chia-Jui, Chang	M	2022.01.17	7,010	0	36,668	0.01%	0	0	Graduated from Executive Master of Business Administration (EMBA), National Chung Hsing University	-	Assistant Vice President	Tsui Ling, Hsu	Spouse	-
Hon Chuan Food Packing (Zhangzhou) Company Limited Vice President	R.O.C.	Wen-Fu, Lee	M	2022.01.17	7,000	0	0	0	0	0	Graduated from Dept. of Marketing, Jilin University of Finance and Economics (Changchun Tax College)	-	-	-	-	-
General Administration Dept. Senior Assistant Vice President	R.O.C.	Ching-Chuan, Yen	M	2005.09.06	30,667	0.01%	0	0	0	0	(1) Graduated from Chemical Engineering Dept., Tunghai University (2) Vice General Manager, Daodi international Co.,Ltd.	-	-	-	-	-
Sales Dept. Senior Assistant Vice President	R.O.C.	Yu-Lung, Fang	M	2009.01.01	7,178	0	4,022	0	0	0	(1) Graduated from Chemical Engineering Dept., Shu-te University (2) Sales Manager, The Key Industrial Co., Ltd.	-	-	-	-	-
R&D Technical Dept. Senior Assistant Vice President	R.O.C.	Chien-Hsia, Tsao	M	2013.10.08	17,372	0.01%	3,000	0	0	0	Graduated from Professional Master's Program for Intelligent Manufacturing and Management, Feng Chia University	-	-	-	-	-

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Spouse and minor children's current shareholdings		Shareholding by nominee arrangement		Education and Experience	Concurrent Positions in Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Beverage Technical Group Technical Dept. Senior Assistant Vice President	R.O.C.	Kun-Chang, Li	M	2020.07.01	5,000	0	0	0	0	0	Graduated from Taichung Municipal Sha-Lu Industrial High School	-	-	-	-	-
Hon Chuan Food Packing (Qingxin) Co., Ltd. Senior Assistant Vice President	R.O.C.	Hsuan-Che, Huang	M	2022.01.17	13,000	0	0	0	0	0	Master degree of Food Science Dept., National Taiwan University	-	-	-	-	-
Hon Chuan Food Packing (Qingxin) Co., Ltd. Senior Assistant Vice President	R.O.C.	Chen-Pin, Huang	M	2022.01.17	16,222	0.01%	0	0	0	0	Graduated from Dept. of Mechanical and Materials Engineering, National Formosa University (Provincial Yunlin Institute of Technology)	-	-	-	-	-
Technical Dept. Assistant Vice President	R.O.C.	Min-Hsiung, Hung	M	2013.10.08	24,109	0.01%	67,798	0.02%	0	0	Graduated from Executive Master of Business Administration (EMBA), Ling Tung University	-	-	-	-	-
Quality Assurance Dept. Assistant Vice President	R.O.C.	Yung-Fu, Tsai	M	2019.02.01	5,000	0	0	0	0	0	Master degree of Business Administration Dept., Asia University	-	-	-	-	-
Sales Dept. Assistant Vice President	R.O.C.	Li-Yuan, Liu	M	2019.02.01	6,000	0	10,222	0	0	0	Master degree of Distribution Management Dept., National Chin-Yi University of Technology	-	-	-	-	-
Sales Dept. Assistant Vice President	R.O.C.	Hsien-Wei, Pai	M	2019.02.01	6,000	0	0	0	0	0	Graduated from Accounting and Statistics Dept., Ling Tung University	-	-	-	-	-
Human Resource Dept. Assistant Vice President	R.O.C.	Tsang-Pin, Lin	M	2020.01.10	156,013	0.05%	0	0	0	0	Master degree of Labor Relations Dept., National Chung Cheng University	-	-	-	-	-
Sales Dept. Assistant Vice President	R.O.C.	Wei-Hsiang, Lin	M	2020.01.10	8,500	0	0	0	0	0	Graduated from International Business Dept., Feng Chia University	-	-	-	-	-

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Spouse and minor children's current shareholdings		Shareholding by nominee arrangement		Education and Experience	Concurrent Positions in Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Manufacture Dept. Assistant Vice President	R.O.C.	Chun-Hao, Huang	M	2020.07.01	27,467	0.01%	0	0	0	0	Graduated from Electrical Engineering Dept., National Formosa University (Provincial Yunlin Institute of Technology)	-	-	-	-	-
Hon Chuan Food Packing (Jinan) Company Limited Assistant Vice President	R.O.C.	Tsui-Ling, Hsu	F	2022.01.17	36,668	0.01%	7,010	0	0	0	Graduated from Dept. of Chemical Engineering, National Hualien Industrial Vocational Senior High School	-	Vice President	Chia Jui, Chang	Spouse	-
Sales Dept. Assistant Vice President	R.O.C.	Kuan-Jen, Huang	M	2023.02.01	6,000	0	0	0	0	0	Graduated from International Business Dept., National Chengchi University	-	-	-	-	-
Sales Dept. Assistant Vice President	R.O.C.	Ming-Hui, Chen	F	2023.02.01	4,020	0	0	0	0	0	Graduated from Mass Communication Dept. Tamkang University	-	-	-	-	-
Sales Dept. Assistant Vice President	R.O.C.	Jui-Pin, Chen	M	2023.02.01	5,000	0	0	0	0	0	Graduated from Business and Management Dept., Overseas Chinese University	-	-	-	-	-
Sales Dept. Assistant Vice President	R.O.C.	Chan-Wei, Tung	M	2023.02.01	7,000	0	0	0	0	0	Graduated from Business and Management Dept., Yuan Ze University	-	-	-	-	-
Sales Dept. Assistant Vice President	R.O.C.	Chuo-Pin, Li	M	2023.02.01	8,000	0	0	0	0	0	Graduated from Business and Management Dept., Fu Jen Catholic University	-	-	-	-	-
Corporate Governance Officer	R.O.C.	Yu-Li, Su,	F	2023.08.10	15,266	0.01%	0	0	0	0	Master degree of Accounting Dept., National Yunlin University of Science and Technology	-	-	-	-	-
Administration of Aseptic Filling Plant Assistant Vice President	R.O.C.	Hsin-Chang, Wu	M	2025.01.01	6,203	0	4,202	0	0	0	Industrial Master Program for Intelligent Manufacturing and Management, Feng Chia University	-	-	-	-	-
Aseptic Filling 1st Plant Assistant Vice President	R.O.C.	Hsien-Wen, Chen	M	2025.01.01	4,000	0	0	0	0	0	Industrial Master Program for Global Logistics Business Management, Feng Chia University	-	-	-	-	-

Note 1: The scope of application of managers is according to the explanation in Taiwan-Finance-Securities-(III)-0920001301 of Ministry of Finance, which includes the following:

- (1) General managers or their equivalents
- (2) Assistant general managers or their equivalents
- (3) Deputy assistant general managers or their equivalents
- (4) Chief financial
- (5) Chief accounting officers
- (6) Other persons authorized to manage affairs and sign documents on behalf of a company

Note 2: On January 1, 2025, Hsin-Chang, Wu and Hsien-Wen, Chen were promoted to Assistant Vice President.

Note 3: Where the chairperson and president or equivalent position (highest level executive officer) is the same person, the spouse, or a first-degree relative, provide information on the reason, reasonableness, necessity, and future improvement measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or executive officers): Not applicable.

2.2 Remuneration paid in the most recent fiscal year to directors, the general manager, and assistant general managers

2.2.1 Remuneration of Directors and Independent Directors

December 31, 2024
Unit: NTD\$ Thousand

Title	Name	Remuneration for Directors								(A+B+C+D) as a % of Net Profit		Compensation Earned as Employee of HON CHUAN or HON CHUAN Subsidiary Affiliates								(A+B+C+D+E+F+G) as a % of Net Profit		Compensation Received from Non-consolidated From HON CHUAN Affiliates
		Salary (A)		Pension (B) (Note1)		Compensation (C)		Allowance (D)				Salary, Bonus etc. (E)		Pension (F)		Employee Profit Sharing (G)						
		From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities	From HON CHUAN		From All Consolidated Entities		From HON CHUAN	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairmen	Ya-Wen, Cheng	0	0	0	0	21,490	21,490	0	0	0.7584%	0.7584%	12,554	12,554	137	137	14,502	0	14,502	0	1.7180%	1.7180%	0
Director	Hung-Yu, Tsao																					
Director	Hsin-Wen, Tsao																					
Director	Hung-I, Dai																					
Director	Chun-Shu, Chang																					
Director	Yun-Chang, Liu																					
Independent Director	Chao-Nan, Hung	0	0	0	0	2,340	2,340	0	0	0.08%	0.08%	0	0	0	0	0	0	0	0	0.08%	0.08%	0
Independent Director	Hsiang-Ying, Huang																					
Independent Director	Po-Yuan, Cho																					
<div>1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: The compensation for independent directors is determined by the Articles of Incorporation. The Board of Directors is authorized with powers to resolve the rates of such remuneration based on the extent of their participation in the Company's business operations or value of their contribution.</div> <div>2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises): None</div>																						

Note 1: Pension was recorded as expenses and appropriated in 2024.

Remuneration Brackets

Range of Remuneration	Names of Directors			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	From HON CHUAN	From All Consolidated Entities H	From HON CHUAN	From All Consolidated Entities I
Less than NT\$ 1,000,000	Chao-Nan, Hung Hsiang-Ying, Huang Po-Yuan, Cho	Chao-Nan, Hung Hsiang-Ying, Huang Po-Yuan, Cho	Chao-Nan, Hung Hsiang-Ying, Huang Po-Yuan, Cho	Chao-Nan, Hung Hsiang-Ying, Huang Po-Yuan, Cho
NT\$ 1,000,000 (incl.) ~ NT\$ 2,000,000 (excl.)	0	0	0	0
NT\$ 2,000,000 (incl.) ~ NT\$ 3,500,000 (excl.)	Yun-Chang, Liu Hsin-Wen, Tsao Hung-I, Dai Chun-Shu, Chang	Yun-Chang, Liu Hsin-Wen, Tsao Hung-I, Dai Chun-Shu, Chang	Hung-I, Dai Chun-Shu, Chang	Hung-I, Dai Chun-Shu, Chang
NT\$ 3,500,000 (incl.) ~ NT\$ 5,000,000 (excl.)	0	0	Hsin-Wen, Tsao	Hsin-Wen, Tsao
NT\$ 5,000,000 (incl.)~ NT\$ 10,000,000 (excl.)	Ya-Wen, Cheng Hung-Yu, Tsao	Ya-Wen, Cheng Hung-Yu, Tsao	Yun-Chang, Liu	Yun-Chang, Liu
NT\$ 10,000,000 (incl.)~ NT\$ 15,000,000 (excl.)	0	0	Hung-Yu, Tsao	Hung-Yu, Tsao
NT\$ 15,000,000 (incl.)~ NT\$ 30,000,000 (excl.)	0	0	Ya-Wen, Cheng	Ya-Wen, Cheng
NT\$ 30,000,000 (incl.)~ NT\$ 50,000,000 (excl.)	0	0	0	0
NT\$ 50,000,000 (incl.)~ NT\$ 100,000,000 (excl.)	0	0	0	0
NT\$ 100,000,000 or above	0	0	0	0
Total	9	9	9	9

2.2.2 Remuneration of Supervisors: Not applicable.

2.2.3 Compensation of General Manager and Senior Vice President

December 31, 2024
Unit: NTD\$ Thousand

Unit: NT\$ thousand														
Title	Name	Salary (A)		Pension (B)		Special allowances (C)		Profit Sharing- Employee Bonus (D)				(A+B+C+D) as a % of Net Profit		Compensati on Received from Non- consolidated From HON CHUAN Affiliates
		From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities	From HON CHUAN		From All Consolidated Entities		From HON CHUAN	From All Consolidated Entities	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
General Manager	Hung-Yu, Tsao	44,634	44,634	477	477	0	0	23,048	0	23,048	0	68,159 2.41%	68,159 2.41%	—
Executive Vice President	Yun-Chang, Liu													
Vice President	Wen-Pin, Pai													
Vice President	Wen-Hua, Tseng													
Vice President	Chin-Hsiung, Lee													
Vice President	Kuei-Ching, Chuang													
Vice President	Ching-Chou, Lu													
Vice President	Hung-Lung, Hsieh													
Vice President	Chih-Hao, Ting													
Vice President	Chia-Jui, Chang													
Vice President	Wen-Fu, Lee													

Note 1: The Company has accrued pension expenses for 2024.

Compensation Brackets

Range of Compensation	Names of President and Vice President	
	From HON CHUAN	From All Consolidated Entities
Less than NT\$ 1,000,000	0	0
NT\$ 1,000,000 (incl.) ~ NT\$ 2,000,000 (excl.)	0	0
NT\$ 2,000,000 (incl.) ~ NT\$ 3,500,000 (excl.)	Chia-Jui, Chang	Chia-Jui, Chang
NT\$ 3,500,000 (incl.) ~ NT\$ 5,000,000 (excl.)	Kuei-Ching, Chuang Hung-Lung, Hsieh Wen-Fu, Lee	Kuei-Ching, Chuang Hung-Lung, Hsieh Wen-Fu, Lee
NT\$ 5,000,000 (incl.)~ NT\$ 10,000,000 (excl.)	Chin-Hsiung, Lee Chih-Hao, Ting Yun-Chang, Liu Ching-Chou, Lu	Chin-Hsiung, Lee Chih-Hao, Ting Yun-Chang, Liu Ching-Chou, Lu
NT\$ 10,000,000 (incl.)~ NT\$ 15,000,000 (excl.)	Hung-Yu, Tsao Wen-Pin, Pai Wen-Hua, Tseng	Hung-Yu, Tsao Wen-Pin, Pai Wen-Hua, Tseng
NT\$ 15,000,000 (incl.)~ NT\$ 30,000,000 (excl.)	0	0
NT\$ 30,000,000 (incl.)~ NT\$ 50,000,000 (excl.)	0	0
NT\$ 50,000,000 (incl.)~ NT\$ 100,000,000 (excl.)	0	0
NT\$ 100,000,000 or above	0	0
Total	11	11

2.2.4 Employees' Profit Sharing Bonus Paid to Management Team

December 31, 2024
Unit: NTD\$ Thousand

Title		Name	Stock	Cash	Total Employees' Profit Sharing Bonus	Total Employees' Profit-Sharing Bonus Paid to Management Team as a % of Net Profit
Management Team	General Manager	Hung-Yu, Tsao	0	30,967	30,967	1.09%
	Executive Vice President	Yun-Chang, Liu				
	Group Vice President	Wen-Pin, Pai				
	Group Vice President	Wen-Hua, Tseng				
	Packaging Technical Group Vice President	Chin-Hsiung, Lee				
	Financial Dept. Vice President	Kuei-Ching, Chuang				
	Beverage Technical Group Vice President	Ching-Chou, Lu				
	Chief Auditor Vice President	Hung-Lung, Hsieh				
	SE Asia Regional Headquarter Vice President	Chih-Hao, Ting				
	Hon Chuan Enterprise (Jinan) Company Limited. Vice President	Chia-Jui, Chang				
	Hon Chuan Enterprise (Zhangzhou) Company Limited. Vice President	Wen-Fu, Lee				
	General Administration Dept. Senior Assistant Vice President	Ching-Chuan Yen				
	Sales Dept. Senior Assistant Vice President	Yu-Lung, Fang				
	R&D Technical Dept. Senior Assistant Vice President	Chien-Hsia, Tsao				
	Beverage Technical Group Technical Dept. Senior Assistant Vice President	Kun-Chang, Li				
	Hon Chuan Food Packing (Qingxin) Co., Ltd. Senior Assistant Vice President	Hsuan-Che, Huang				
	Hon Chuan Food Packing (Qingxin) Co., Ltd. Senior Assistant Vice President	Chen-Pin, Huang				
	R&D Technical Dept. Assistant Vice President	Min-Hsiung, Hung				
	Quality Assurance Dept. Assistant Vice President	Yung-Fu, Tsai				
	Sales Dept. Assistant Vice President	Li-Yuan, Liu				
	Sales Dept. Assistant Vice President	Hsien-Wei, Pai				
	Beverage OEM Division Assistant Vice President	Wei-Hsiang, Lin				
	Human Resource Dept. Assistant Vice President	Tsang-Pin, Lin				
	Manufacture Dept. Assistant Vice President	Chun-Hao, Huang				
	Hon Chuan Enterprise (Jinan) Company Limited. Assistant Vice President	Tsui-Ling, Hsu				
	Sales Dept. Assistant Vice President	Kuan-Jen, Huang				
	Sales Dept. Assistant Vice President	Ming-Hui, Chen				
	Sales Dept. Assistant Vice President	Jui-Pin, Chen				
	Sales Dept. Assistant Vice President	Chan-Wei, Tung				
	Sales Dept. Assistant Vice President	Chuo-Pin, Li				
	Corporate Governance Officer	Yu-Li, Su				

Note 1: 2024 the net profit of the individual financial statements was NTD\$ 2,833,665 thousand.

Note 2: 2024 the director profit sharing and employee profit sharing have not been distributed and shall be proposed as an estimation of the amount.

2.2.5 Analyze the ratio of the total remuneration paid to the Company's directors, supervisors, President, and Vice President in the last two years by the Company and all the consolidated subsidiaries to the net income in the proprietary or individual financial report. Explain the remuneration policy, standards, and combinations, remuneration determination procedures, and the relevance of operating performance and future risks

1. The percentage of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice president of the Company, relative to net income.

Title	Total Remuneration as % of 2023 Net Profit		Total Remuneration as % of 2024 Net Profit	
	From HON CHUAN	From All Consolidated Entities	From HON CHUAN	From All Consolidated Entities
Directors	2.24%	2.24%	1.80%	1.80%
General Manager and Vice Presidents	2.72%	2.74%	2.33%	2.33%

Note 1: The Company established the Audit Committee in 2017 to replace the supervisor, so it's not applicable.

Note 2: 2024 the net profit of the individual financial statements was NTD\$ 2,833,665 thousand.

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and correlation with business performance:
 - (1) According to Article 28 of Articles of Incorporation, annual profit before income tax, employees' compensation, and directors' remuneration shall be resolved by the Board of Directors to set aside a maximum of 3% of said profit as remuneration to directors; evaluation items for performance of the Board and individual directors listed in the Regulation of Self-Evaluation of the Board of Directors are also taken into consideration.
 - (2) In accordance with Article 3 Item 2 Paragraph 1 of Remuneration Committee Charter of the Company, performance evaluation and remuneration to directors and managers shall take factors into account including industry average remuneration, individual's performance (e.g. productivity, work knowledge, work quality, work attitude, interpersonal relationship, and flexibility) regularly evaluated in accordance with the Regulation of Performance Evaluation, the Company's operating performance (e.g. financial indicators and non-financial indicators), and future risk exposure. The remuneration to general manager and vice presidents is determined mainly based on the Company's earnings, while taking into account each individual's participation, contribution and performance, as well as the level of remuneration paid by peers.

2.3 Corporate Governance Practices and Compliance Status

2.3.1 The Board of Directors and Operation

The Board held 6 meetings (A) in 2024 with the attendance record of Board members as follows:

Title	Name	Actual Attendance (B)	Attendance by proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Ya-Wen, Cheng	6	0	100	-
Director	Hung Yu, Tsao	5	1	83	-
Director	Yun-Chang, Liu	6	0	100	-
Director	Chun-Shu, Chang	6	0	100	-
Director	Hung-I, Dai	6	0	100	-
Director	Hsin-Wen, Tsao	6	0	100	-
Independent Director	Chao-Nan, Hung	6	0	100	-
Independent Director	Hsiang-Ying, Huang	6	0	100	-
Independent Director	Po-Yuan, Cho	6	0	100	-

Other required information:

- In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted:
 - Matters referred to in Article 14-3 of the Securities and Exchange Act: since the Company has established the Audit Committee, disclosure required by Article 14-3 is not applicable. For explanations on the matters, please see the Operations of the Audit Committee.
 - Any resolution, to which an independent director objects or expresses reservations, has been recorded or declared in writing: None.
- If there is any directors' avoidance of motion in conflict of interest, the directors' name, content of motion, cause for avoidance and voting should be specified: Before the motions are read, the master of meetings will remind the directors who have a personal interest in the motion to depart from the field in each board meeting. In the year 2024 up to the date of publication of the annual report, total 7 board meetings were held and all were conducted in accordance with Rules and Procedures for Meetings of the Board of Directors. Except for the following board of directors' resolutions, there were no other motions that the directors should be avoided due to conflict of interests.
- TWSE/TPEX Listed Companies shall disclose such information as the evaluation cycle, evaluation periods, scope, method and content of the Board of Directors' self-evaluation or peer evaluation, and fill in the implementation status of the Board of Directors' evaluation: The Company has established the "Regulation of the Self-Evaluation of the Board of Directors". Self-assessments on Board operations, functional committees and Board members are conducted via surveys on annual basis. The 2024 performance evaluation

and improvements for the Board and Functional Committees were reported to the Board of Directors on March 7, 2025. The weighted average score for the overall performance of the Board of Directors is 4.80 out of 5. The weighted average score for the performance of the individual directors is 4.92 out of 5. The weighted average score for the performance of the Audit Committee is 4.91 out of 5. The weighted average score for the performance of the Remuneration Committee is 5 out of 5. The weighted average score for the performance of the Corporate Sustainability Committee is 4.80 out of 5. The overall board's evaluation is great.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	Performance evaluation form January 1, 2024 to December 31, 2024	Evaluation of the board of directors and individual directors	Internal evaluation of the board	<p>(1) The board performance evaluation of the Company includes five aspects:</p> <ul style="list-style-type: none"> ■ Participation in the operation of the company ■ Improvement of the quality of the board of directors' decision making ■ Composition and structure of the board of directors ■ Election and continuing education of the directors ■ Internal control <p>(2) The individual director's evaluation of the Company includes six aspects:</p> <ul style="list-style-type: none"> ■ Alignment of the goals and missions of the company ■ Awareness of the duties of a director; ■ Participation in the operation of the company ■ Management of internal relationship and communication ■ The director's professionalism and continuing education ■ Internal control
Once a year	Performance evaluation form January 1, 2024 to December 31, 2024	Evaluation of the Audit Committee	Internal evaluation of the Audit Committee	<p>The Audit Committee evaluation includes five aspects:</p> <ul style="list-style-type: none"> ■ Participation in the operation of the company ■ Awareness of the duties of the Audit Committee ■ Improvement of quality of decisions made by the Audit Committee ■ Makeup of the Audit Committee and election of its members ■ Internal control
Once a year	Performance evaluation form January 1, 2024 to December 31, 2024	Evaluation of the Remuneration Committee	Internal evaluation of the Remuneration Committee	<p>The Remuneration Committee evaluation includes four aspects:</p> <ul style="list-style-type: none"> ■ Participation in the operation of the company ■ Awareness of the duties of the Remuneration Committee ■ Improvement of quality of decisions made by the Remuneration Committee ■ Makeup of the Remuneration Committee and election of its

				members
Once a year	Performance evaluation form January 1, 2024 to December 31, 2024	Evaluation of the Corporate Sustainability Committee	Internal evaluation of the Corporate Sustainability Committee	<p>The Corporate Sustainability Committee evaluation includes four aspects:</p> <ul style="list-style-type: none"> ■ Participation in the operation of the company ■ Awareness of the duties of the Corporate Sustainability Committee ■ Improvement of quality of decisions made by the Corporate Sustainability Committee ■ Makeup of the Corporate Sustainability Committee and election of its members ■ Internal control

4. Measures taken to strengthen the functionality of the Board of Directors in recent years and implementation status:

(1) Strengthen the functionality of the Board of Directors:

The Company established functional committees to strengthen the functionality of the Board of Directors. The Remuneration Committee (established on 15 March 2012) and the Audit Committee (established on 15 June 2017). The Committee is composed of an entire number of independent directors. The independent directors have a wide range of expertise in accounting, finance, business and law, and often provide effective and professional advice on issues relating to corporate finance, management, new investment plans, internal control, and risk control at board meetings; Committee members in accordance with his/her professionalism and independence, provide feedback to the Board of Directors to ensure the appropriateness of the Company's financial and non-financial reports, the effectiveness of the internal control system, and the reasonableness of the performance evaluation and remuneration of the Company's directors and managers. On May 31, 2024, the Board of Directors resolved to restructure the Corporate Sustainability Committee to report directly to the Board. This adjustment aims to strengthen the Company's vision for sustainable development and to enhance the oversight and implementation of its sustainability initiatives.

(2) Improve information transparency:

The Company has established a comprehensive spokesman system to ensure timely disclosure of all material Information for the reference of shareholders and stakeholders on the financial position and operation of the Company. The Company's website is constantly updated to provide timely information of operations, financial standing and corporate governance to ensure that shareholders have access to the latest information.

(3) Liability insurance for directors and managers:

In order to reduce the legal and financial burden of management team and lessen the possible damage to directors and the Company on exercising their duties, the Company has, since 2010, purchased liability insurance for directors and management team. The current insured amount is US\$7 million, and the insurance expires in January 2025 and has been renewed and approved by the Board on March 7, 2025.

(4) Other measures taken to strengthen the Board of Directors' functionality:

- To actively promote corporate governance, the Company amended part of Ethical Corporate Management Best Practice Principles on March 23, 2020 and Sustainability Development Best Practice Principles on March 10, 2023. We report the progress of ethical management implementation to the Board of Directors annually.
- To strengthen the functionality of the Board of Directors, the amendment of the Regulation of the Self-Evaluation of the Board of Directors was approved by the Board of Directors on March 23, 2021. We carry out an internal evaluation every year.
- On March 23, 2021, the Board of Directors resolved to appoint the corporate governance officer responsible for provision of information required for performance of duties by the directors and assistance in complying with laws and regulations. The corporate governance officer assists directors in continually attending courses to acquire updated knowledge and aim to assume their roles effectively. Due to the position adjustment of original officer, Board of Directors resolved to appoint Ms. Su, Yu-Li who is certified accountant and has more than ten years of experience in PwC Certified Public Accountants and financial department of our company as new corporate government officer on August 10, 2023.
- To set long-term sustainability goals, the Board of Directors passed the Risk Management Policy and Procedure and Risk Management Best Practice Principles on March 22 and November 10, 2022, formulating the guidelines for the assessment of the risk of the environmental, social, and corporate governance issues that may affect the operation of the Company and relevant countermeasures.
- To enhance corporate information security, the Company resolved to appoint information security officer in 2022, who is required to report to Board of directors on the promotion of information security every year.
- On May 31, 2024, the Board of Directors resolved to place the Corporate Sustainability Committee directly under the Board to strengthen oversight and management functions. The Company also adopted the "Corporate Sustainability Committee Charter" to promote goals in environmental protection, social responsibility, and corporate governance.

2.3.2 Operations of Audit Committee and participation of supervisors in Board operation

1. Operations of Audit Committee

- (1) The operation of Audit Committee: The Audit Committee of the Company consists of 3 independent directors with diversified professional background and financial expertise such as legislator for eight consecutive terms, member of the Control Yuan, senior certified public accountants, and the county mayor for two consecutive terms. The Audit Committee holds meetings before board meetings regularly every quarter, and reviews the following matters:
- Review financial reports, business report, profit distribution proposal.
 - Review the effectiveness of internal control system.
 - Review the adoption of or any amendment to the relevant regulations of internal control system.
 - Review the material investment of the Company, adoption or amendment of acquisition or disposal of assets pursuant to Article 36-1

- Review the offering, issuance, or private placement of any equity-type securities of the Company.
- Review handling procedures for financial or operational actions of material significance, such as derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- Review personal interest of directors.
- Review the hiring or dismissal of an attesting CPA, or the compensation given thereto.
- Review the appointment or discharge of a financial, accounting, or internal auditing officer.
- Review the assessment report of the independence and suitability of the CPA engaged by the Company.
- Review the internal audit report.

(2) The Audit Committee, comprising three independent directors, was established on June 15, 2017. The Committee assists the Board of Directors in overseeing the fair presentation of the Company's financial reports, reviewing the assessment of the independence and competency of CPA firms, evaluating the effectiveness of the Company's internal control systems, ensuring compliance with relevant laws and regulations, and supervising risk management practices. The Audit Committee convenes meetings regularly to review critical matters such as financial statements, internal audit reports, appointment and dismissal of the CPAs, and major internal control improvements. Each member actively fulfills their responsibilities to enhance the Company's corporate governance and safeguard shareholders' interests. The Audit Committee held 4 meetings (A) in 2024 with the attendance record of members as follows:

Title	Name	Actual attendance (B)	Authorized attendance	Actual attendance Rate (%) (B/A)	Remarks
Chairman	Chao-Nan, Hung	4	0	100	-
Member	Hsiang-Ying, Huang	4	0	100	-
Member	Po-Yuan, Cho	4	0	100	-

Other required information:

1. If any of the following circumstances occurs in the course of the Audit Committee's operations, please indicate the date of the Audit Committee meeting, session number, contents of the motion, as well as independent Directors' objections, reservations, or important suggestions, resolutions of the Audit Committee, and the Company's handling of the Audit Committee's opinions:

- Matters listed in Article 14-5 of the Securities and Exchange Act.

Meeting Date of Audit Committee	Content of Motion	Members' opinion to resolutions and the Company's response
2024.03.08	1. Resolution of 2023 employees' compensation and directors' remuneration.	Approved by all members of Audit Committee
	2. Approval of 2023 financial statements.	
	3. Approval of 2023 consolidated financial statements.	

	4. Resolution of 2023 profit distribution.	
	5. Approval of setting up Hon Chuan Packaging Technology (Changshan) Co.,Ltd. through Hon Chuan Food Packing (Jinan) Co., Ltd. and investing beverage packaging production lines.	
	6. Approval of establishing Hon Shin (Thailand) Co., Ltd. through Hon Chuan (Thailand) Co., Ltd. and investing aseptic beverage filling production lines.	
	7. Approval of the independence assessment of the Company's certified public accountants.	
	8. Approval of the Statement of Internal Control System.	
	9. Resolution of decrease of corporate guarantee for subsidiaries.	
2024.05.09	1. Approval of the 1st quarter of 2024 Consolidated Financial Statements.	Approved by all members of Audit Committee
	2. Resolution of setting up a new beverage filling production line at Port of Taichung Free Trade Zone.	
	3. Resolution of pre-approving non-assurance services provided by the attesting CPAs, affiliated accounting firm and enterprises to the Company and its subsidiaries.	
	4. Resolution of the proposed investment in financial products by the subsidiary Hon Chuan Holding Limited.	
2024.08.09	1. Approval of the first half of 2024 consolidated financial statements.	Approved by all members of Audit Committee
	2. Resolution of the Company's planned 2024 cash capital increase through the issuance of common stock and the issuance of the second domestic unsecured convertible corporate bonds.	
	3. Resolution of the cash capital increase of NTD 15 million for "Bon Trust International Trade Co., Ltd.."	
	4. Resolution of setting up the packaging materials production line at Hon Chuan Food Packing (Chuzhou) Co., Ltd.	
	5. Resolution of setting up the packaging materials production line at Hon Chuan Enterprise Packing (Quzhou) Co., Ltd.	
	6. Resolution of the equity investment in Oji Myanmar Packaging Company Limited and its renaming to "Hon Chia (Myanmar) Co., Ltd."	
	7. Resolution of amendments to "Rules and Procedures for Meetings of the Board of Directors."	
2024.11.08	1. Approval of the 3rd quarter of 2024 consolidated financial statements.	Approved by all members of Audit Committee
	2. Resolution of collaborating with client and setting up the bottled water filling and packaging materials production line at Pandeglang Regency, West Java, Indonesia.	
	3. Resolution of setting up the packaging materials production line at Hon Chuan Food Packing (Chuzhou) Co., Ltd.	
	4. Resolution of the Company's 2025 annual audit plans.	
	5. Resolution of stipulations to "Management of liabilities, commitments, and contingencies."	
	6. Resolution of stipulations to "Sustainable Report Preparation and Disclosure Management Guidelines."	
	7. Resolution of the amendments to the Company's internal control system OT010 "Sustainability Information Management" and OT007 "Accounting Professional Judgment Procedures, Accounting Policy, and Estimate Changes Process Management."	

- Besides above circumstance, any resolutions which are not resolved by Audit Committee but are approved by more than 2/3 of all directors: None.

2. If there is any independent directors' avoidance of motion in conflict of interest, the independent directors' name, content of motion, cause for avoidance and voting should be specified: None. There were no motions that the independent directors should be avoided due to conflict of interests.

3. Communication between independent directors and the chief internal auditor and CPAs (must include material matters of communication, methods, results relating to the Company's financial reports and business conditions):

(1) The Company has established an Audit Committee to ensure independent communication with the Chief Internal Auditor and the CPAs at least twice a year without the presence of Directors or management. In addition to presenting audit reports, the CPAs are also required to report on the audit of financial statements. When necessary, and if there are significant issues or matters deemed important by the Independent Directors, Chief Internal Auditor, or CPAs, additional meetings may be convened at any time to facilitate direct communication. The outcomes of such communications are duly recorded in the meeting minutes.

■ Summary of communication between independent directors and the chief auditor:

Date	Meeting	Item discussed	Opinion of Independent Directors
2024.03.08	Separate meeting	1. Report on the implementation of internal audits from November to December in 2023 and January to February in 2024. 2. Report on the implementation of ethical management in 2023. 3. Reviewed the Company's 2023 the Statement of Internal Control System.	All independent directors had no opinion
2024.05.09	Separate meeting	Report on the implementation of internal audits from March to April 2024.	All independent directors had no opinion
2024.08.09	Separate meeting	Report on the implementation of internal audits from May to July 2024.	All independent directors had no opinion
2024.11.08	Separate meeting	1. Report on the implementation of internal audits from August to October 2024. 2. Reviewed the Company's 2025 Annual audit plans.	All independent directors had no opinion

■ Summary of communication between independent directors and CPAs:

Date	Meeting	Item discussed	Opinion of Independent Directors
2024.03.08	Auditing meeting	1. Discussed about the content, audit scope and approach, key audit matters of 2023 individual and consolidated financial statements and auditors' report. 2. The certified public accountants provided updates on corporate governance and financial regulations, reported on sustainability initiatives, and introduced the draft Carbon Fee Charging Regulations.	All independent directors had no opinion

Date	Meeting	Item discussed	Opinion of Independent
		3. In accordance with the Audit Quality Indicators (AQI) issued by the Financial Supervisory Commission, the certified public accountants reported on the Company's 2023 audit quality indicators.	
2024.11.08	Auditing meeting	1. Discussed about the content, audit scope and approach, key audit matters of the 3rd quarter of 2024 consolidated financial statements and auditors' report. 2. Report of regulatory changes.	All independent directors had no opinion
2024.03.08	Separate meeting	Discussed about the content, and audit matters of 2023 individual and consolidated financial statements and auditors' report.	All independent directors had no opinion
2024.11.08	Separate meeting	Discussed about the content, and audit matters of the 3rd quarter of 2024 consolidated financial statements and auditors' report.	All independent directors had no opinion

2. Participation of Supervisors in the Operation of the Board of

Directors: The Company established the Audit Committee in 2017 to replace supervisors; therefore, this item is no longer applicable.

2.3.3 The Company's implementation of corporate governance and its deviating from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause

Item	Implementation Status			Reason for Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
1. Has the Company developed and disclosed corporate governance guidelines based on TWSE regulation?	V		The Company has drawn up "Corporate Governance Best-Practice Principles" based on TWSE regulation, which was amended by the Board of Directors on March 31, 2024. The Company has disclosed on its official website (www.honchuan.com.tw) and the Market Observation Post System important management policies regarding protecting shareholders' rights, enhancing the responsibilities of the board of directors, respecting stakeholders' rights, elevating information transparency and so forth.	None
2. Shareholding Structure & Shareholders' Rights:				
(1) Has the Company developed and implemented internal operating processes in managing shareholders' advice, doubt, argument and lawsuit?	V		(1) The Company has designated spokesperson and Acting Spokesperson for handling shareholders' proposal, doubts, disputes and other related matters. Also, it sets up a mailbox to deal with shareholders' requests and other related matters in investor relationship section on the Company's website.	None
(2) Does the Company possess a list of major shareholders and a list of owners of these major shareholders?	V		(2) According to shareholders' list offered by stock affairs agency, the Company possesses a list of major shareholders and a list of owners of these major shareholders and declares insider shareholding outstanding regularly.	None
(3) Has the Company established and implemented with its affiliates risk management and firewall system?	V		(3) It is included in the Company's internal control system that personnel doing business within affiliates are considered as independent third party so as to prevent abnormal trading.	None
(4) Does the Company have a code of conduct to prevent the trading of company's stock by insiders with access to nonpublic information?	V		(4) The Company implements "Procedures for Handling Material Inside Information", "Ethical Conduct Codes of Directors, Supervisors and Managers", "Ethical Corporate Management Best Practice Principles", "Operating	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			Procedures for Handling Material Inside Information and Preventing Insider Trading” and so forth, in order to establish policies of information process and disclosure, prevent information being spilled improperly, make sure the information which the Company discloses publicly consistent and accurate, prevent insider trading from happening. We educate the interior on laws and regulations related to the prevention of insider trading regularly. The course topic held on December 16, 2024, is the Prevention of Insider Trading Seminar. A total of 46 people participated, and the training hours were 30 minutes.	
3. Composition and Responsibilities of the Board of Directors: (1) Has the Board of Directors developed and implemented diverse corporate policies and targets regarding the composition of members?	V		(1) Based on “Corporate Governance Best-Practice Principles”, the Company has formulated an appropriate policy on diversity to select candidates with the knowledge, skills, disposition necessary to perform the duties to be its directors according to their industry and diverse professional background and the field of work and experience of individuals and gender, which is helpful to the overall development and operation of the Company. The Company's Board is comprised of a diverse group of professionals from different backgrounds, please refer to page 16-17. The Company's diversity policy targets and achievements: 1. Female directors, at least 1/3 of all directors: achieved 2. Independent directors, at least 1/3 of all directors: achieved 3. At least four members under the age of 65: achieved 4. At least one of the independent directors has the law, certified public accountant license, and financial expertise: achieved	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
(2) Besides existing Remuneration Committee and Audit Committee, is the company voluntarily setting up other functional committees?	V		(2) On May 31, 2024, the Board of Directors resolved to restructure the Corporate Sustainability Committee to report directly to the Board. This adjustment aims to strengthen the Company's vision for sustainable development and to enhance the oversight and implementation of its sustainability initiatives.	None
(3) Does the company have performance evaluation policy for the Board of Directors? Is the evaluation being conducted annually and regularly?	V		(3) The Company amended "Regulations Governing the Board Performance Evaluation" on March 23, 2021. According to the evaluation indexes, the Company has conducted the 2024 Board performance evaluation and self-evaluation by the board members of themselves or peers, and the results have been reported to the Board of Directors on March 7, 2025. The results of the evaluation are excellent. The advices and improvements to the Board of Directors include assisting all directors to attain the required hour of continuing education in accordance of regulations, and organizing various courses apart from professional skills for directors. The Company will devote to improve and enhance the functions of the Board of Directors.	None
(4) Does the Company evaluate certified public accountants' level of independence regularly?	V		(4) In order to strengthen the Company's corporate governance, according to Article 29 of "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and refer to R.O.C. Code of Ethics No. 10 of the Certified Public Accountants Association of the Republic of China on "Integrity, Fairness, Objectivity, and Independence." We reviewed and evaluated the independence and suitability of the accounting firm and requested an audit quality indicators report (AQIs) and a statement of independence from the CPA for evaluation. Based on the average of training hours and supportable ability are better than the standard of the same industry. In addition, the introduction of audit innovation tools to improve audit quality-related initiatives and plans in the	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			past three years. The 2024 CPAs independence and suitability evaluation of the Company has been completed and resolved by the Audit Committee and Board of Directors on March 7, 2025, and confirmed that there is no need to change the accounting firm. For CPAs independence and suitability evaluation results, please refer to Note 1.	
4. Whether the listed company sets up a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to provide the information required by directors and supervisors, to assisting directors and supervisors with regulatory compliance, to handle the matters relating to the Board of Directors' and the shareholders' meeting to keep minutes during the Board of Directors' and the shareholders' meeting)?	V		Ms. Yu-Li, Su, the Company's Corporate Governance Officer, is a certified public accountant with over ten years of experience at PwC Certified Public Accountants and in the Company's financial department. Her key responsibilities include managing Board and shareholders' meeting matters, preparing meeting minutes, supporting director onboarding and training, ensuring legal compliance, assisting in Board evaluations, and overseeing director re-elections. Continuing education and training of head of corporate governance in 2024, please refer to page 75.	None
5. Has the Company formed channel of communication with stakeholders (including but not limited to shareholder, employee, customer, supplier and so on), set up stakeholders' section on the website, and responded properly to major corporate social responsibility issues of which they are concerned?	V		The Company's website has a stakeholder's section, which provides exclusive communication channels for different stakeholders (including capital providers, government, suppliers/sub-contractors, clients, employees, local communities/people's organization, association/ academic research unit, etc.) in order to respond those major corporate social responsibility issues of which stakeholders are concerned. For details, please refer to the Company's website or download the Sustainability report.	None
6. Does the Company assign professional stock affairs' agency in handling its affairs related to shareholders' meeting?	V		The Company appoints Stock Affairs Department of KGI Securities in handling the affairs related to shareholders' meeting, also, sets up Investor Relations Office to deal with related matters.	None
7. Information Disclosure:				

Item	Implementation Status			Reason for Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
(1) Has the Company set up website to disclose finance, sales and corporate governance information?	V		(1) The Company's website has both Chinese and English versions. Also, there is an investor relationship section to disclose finance, sales and corporate governance information.	None
(2) Does the Company have any other way of information disclosure, such as setting up an English website, appointing appropriate person to collect and disclose information, implementing fully spokesperson system and webcasting investor conference?	V		(2) The Company establishes a spokesperson system to speak publicly in consistency, and Investor Relations Office which is responsible for collecting related information about the Company, disclosing and reporting material information, uploading information, pictures and PowerPoints of investor conference in Investors' section on the Company's website.	None
(3) Does the company announce and file annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		V	(3) The Company publicly announced and filed the 2024 financial statements in March, 2025, and publicly announced and filed the first, second, and third quarter financial statements of 2024 as well as the operating status of each month within the prescribed deadline. For details, please refer to the Market Observation Post System (MOPS).	The Company will carefully evaluate the probability of public announcement and filing of the annual financial statements within two months after the fiscal year end.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights & care, investor relation, supplier relation, rights of stakeholders, directors' and supervisors' training record, implementation of risk management policy and risk measurement standard, implementation of customer policy and liability insurance for directors and supervisors)?	V		<p>1. Employee rights: The Company sets up Employee Welfare Committee to protect employee rights and provides comprehensive training, talent cultivation and promotion system.</p> <p>2. Employee care: The Company takes employee's physical and mental health into deep consideration. It offers dormitory, coffee bookstore, recreational facilities and medical office (with professional medical staff, and doctor comes on-site regularly). Also, it sets up Labor Safety and Health Committee, which is responsible for employees' safety and health affairs and assistance of those physical and mental health problems. Moreover, it creates various complaint systems for employees to express opinions (monthly meeting, President mailbox, employee satisfaction</p>	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
	V		<p>survey and so on), and gives appropriate respond and improvement.</p> <p>3. Investor relation: The Company continues to maintain positive interaction with investors, including building up an investor relations zone on the website, disclosing prompt financial information, holding investor conference more than once a season, attending investment forum irregularly, setting up investment service team and implementing fully spokesperson system to form diverse communication channels with investors.</p> <p>4. Supplier relation & Rights of stakeholders: The Company has identified major stakeholders through internal meetings and discussions with the ESG sustainable development committee. Also, the Company sets up the consultation and communication channels with stakeholders, assigns personnel to receive, record, reply the diverse messages from stakeholders and corresponding response. The Company publicly discloses the communication information with stakeholders via its website. It also keeps a great conversation and communication with suppliers and stakeholders via diverse communication channels and information disclosure.</p> <p>5. Directors' continuing training status: All directors of the Company have professional industry background and practical experience of business management, and they participate in further studies irregularly.</p> <p>6. Implementation status of risk management assessment: A. The Company passed "Risk Management Policy and Procedure" and "Risk Management Best Practice Principles" on March 22 and November 10, 2022, formulating the guidelines for assessment of the risk of the environmental, social and corporate governance issues that may affect the operation of the Company and relevant countermeasures. For details, please refer</p>	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
	V		<p>to the Company's the environment social governance sustainable development report.</p> <p>B. Any significant issues in regards to operating policy, investment, endorsement, loan and financing are evaluated by the designated departments, which exercise the resolution determined by the Board meetings. Moreover, Internal auditors conduct yearly auditing plan drafted based on the result of risk assessment and execute in order to effectively carry out the supervision as well as control the risks. Please refer to page 129 to 133 "Risk Analysis and Evaluation" in this annual report.</p> <p>7. Implementation of customer policy: The Company devotes to quality improvement and vertical integration and provides complementary services in every aspect; thus, its customers may focus on brand management, channel expansion and enhancement of market competition advantages. Please refer to page 102 to 110 "Markets and the Overview of Production and Sales" in this annual report.</p> <p>8. Liability insurance for directors: The Company purchases liability insurance for all directors (independent directors) every year, the insured amount is USD 7 million now. The major contents of liability insurance, which expired and then renewed in January 2025, such as the insured period, insured amount, coverage, premium rate and so on have been resolved by the Board of Directors on March 7, 2025.</p>	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
9. According to the result of Corporate Governance Evaluation issued in the most recent year by Corporate Governance Center of Taiwan Stock Exchange, please explain the improvement status, and give priority to matters and measures that have not yet been improved:				
No	Index			Improvement Status
2.15	Did the company disclose on its website how independent directors communicate on their own with the chief internal auditor and the external auditors (e.g., the manner of communication, the matters discussed, and the results of such communication regarding the company's financial reports and its financial and operating status)?			The Company holds at least one separate meeting annually to report audit matters and communicate audit findings to the independent directors. Additionally, the status of internal audit operations is reported to the Board of Directors.

Note 1: Criteria to examine the independency of CPAs

No	Evaluation Item	Result	Independency
1	Whether the appointed CPA has a direct or significant indirect financial interest relationship with the Company.	No	Yes
2	Whether the appointed CPA has any inappropriate relationship with the Company.	No	Yes
3	Whether there is any financing or guarantee relationship between the appointed CPA and the Company or the supervisors of the Company.	No	Yes
4	Whether the appointed CPA receives any commissions related to the business.	No	Yes
5	During the audit period, whether the appointed CPA oneself and one's spouse or dependent relatives is the supervisor, manager of the Company or serving the position which has significant impact on the audit case.	No	Yes
6	Whether the appointed CPA is the defendant of the Company or on behalf of the Company for coordinating the conflict with other third parties.	No	Yes
7	Whether the appointed CPA accepts any highly valuable gifts from the Company's supervisors or managers.	No	Yes
8	Whether the appointed CPA propagates or intermediates shares or other securities issued by the Company.	No	Yes
9	Whether the appointed CPA holds a part-time work at the Company and receives fixed salary from the Company.	No	Yes
10	Whether or not the appointed CPA is jointly investing or sharing the interests of the Company.	No	Yes
11	Whether the appointed CPA is involved in the management competency of the Company.	No	Yes
12	Whether the title of appointed CPA has been used by others.	No	Yes

2.3.4 Composition, Responsibilities and Operations of Remuneration Committee

2.3.4.1 Information of Remuneration Committee Members

Identity	Terms Name	Professional Qualification and Experience	Independence Status	Serving as a Remuneration Committee member of another public company
Convenor and chairman (independent director)	Chao-Nan, Hung	Please refer to page 12-17.		None
Member (independent director)	Hsiang-Ying, Huang			2
Member (independent director)	Po-Yuan, Cho			None

2.3.4.2 Operation status of Remuneration Committee

(1) There are 3 members in Remuneration Committee of the Company.

(2) Current term of office: From May 31, 2023 to May 30, 2026. A total of 2 (A) Remuneration Committee meetings were held in 2024.

The qualification and attendance record of the Remuneration Committee members were as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Chao-Nan, Hung	2	0	100%	-
Member	Hsiang-Ying, Huang	2	0	100%	-
Member	Po-Yuan, Cho	2	0	100%	-

Other required information:

1. If the Board of Directors does not accept or amend the suggestions of the Remuneration Committee, please state the Board meeting date, term, the motions, content of the resolutions of the Board, and the Company's handling the opinions proposed by the Remuneration Committee: None.
2. For resolutions approved by the Remuneration Committee regarding which independent director objects or expresses reservations, and has been recorded or declared in writing, the Remuneration Committee meeting date, term, content of the resolution, opinions of all members, and the handling of the opinions of the members: None.

2.3.5 The State of the Company's Promotion of Sustainable Development, any Variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for any Such Variance

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
1. Has the Company established exclusively (or concurrently) dedicated units to implement sustainable development, and has the board of directors appointed executive-level positions with responsibility for sustainable development, and supervision of the board of directors?	V		<p>The Company's "Corporate Social Responsibility Promotion Committee" was established in 2019 (it was renamed as "Sustainable Development Committee" in 2021). Board of Directors value the issue of environmental protection and climate change. The chairman leads the Corporate Sustainability Committee, it is divided into four functional groups — Corporate Governance, Sustainable Environment, Products and Services, Employees/Social Care, and holds regular sustainable development meetings to draw up the Company's annual objectives, plans, and track implementation performance, etc., and the sustainable development department is responsible for coordination and planning.</p> <p>"The Sustainability Development Dept." is responsible for the Group's ESG policy/target/ the implementation of plans and results and carbon management (including GHG reduction, carbon neutrality, net zero emissions). In addition, it is in charge of the promotion and execution of sustainable development strategy by the Corporate Sustainability Committee. "The Corporate Sustainability Committee" supervise every project team to set objectives, execute and review results. In 2024, we focused primarily on climate change management (including the Greenhouse Gas inventory program and carbon footprint), occupational safety and environmental management measures, and making sustainability disclosures.</p> <p>Resolution of ESG issues in the Board meeting in 2024: (1) A report of the planning of greenhouse gas inventory and verification schedules for the group, including subsidiaries. (2) A report of the company's ESG achievements in 2023 that summarized, key points on stakeholder concerns and the operation of risk management for the Board of Directors. (3) A report of the company's 2023 Sustainability Report. (4) Resolution of</p>	None

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			<p>stipulation of the company's " Corporate Sustainability Committee Charter. " (5) A report of the planning of greenhouse gas inventory and verification schedules for the group, including subsidiaries. (5) Approval of amendments to the company's "Sustainable Development Best Practice Principles." (6) Approval of amendments to the company's "Corporate Governance Best Practice Principles." (7) A report of the analysis of domestic and international sustainability ratings. (8) A report of the implementation of cybersecurity in 2023 and future target. (9) Approval of the installation of a 1,500 kWp solar power generation system.</p> <p>The 2024 implementation status was reported on May 9, 2025, and the "Sustainability Report" will be published by the end of July. For details, please refer to the Company's ESG website. The Company remains committed to advancing ESG sustainability efforts—including sustainable environment, social participation, and corporate governance with the primary goal of fulfilling corporate social responsibility and enhancing the effectiveness and impact of its sustainability initiatives.</p>	
2. Has the Company conducted risk assessment on environmental, social and corporate governance issues related to business operations of the Company in accordance with the concept of materiality and established relevant risk management policies or strategies?	V		<p>The Company passed "Risk Management Policy and Procedure" and "Risk Management Best Practice Principles" on March 22 and November 10, 2022, by the Board of Directors. The Company has conducted risk assessments on environmental, social, and corporate governance issues based on material principles. The Company's risk assessment boundary is aligned with the financial reporting and greenhouse gas inventory boundaries. Accordingly, the disclosed data and risk assessment cover the sustainability performance of the consolidated entities from January 1 to December 31, 2024. To reduce the impact of potential risk losses, the Company has planned that each functional unit shall identify potential risks, assess the environmental, social and corporate governance issues that may affect the Company's operations, and adopt comprehensive risk control and management from all personnel to set up successively defensive lines. When risk damage occurs, the Company has an internal crisis management team to quickly take corresponding measures and carry out relevant management and control to ensure the enterprise's survival and quickly resume normal production and business activities. The 2023 implementation status is expected to report to the Board</p>	None

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			<p>of Directors on May 9, 2025.</p> <p>For the Company's Risk Management Policies and Strategies, please refer to Note 1.</p> <p>For more details, please refer to 5.2 Risk Management in CH5 Ethics Governance of the 2023 ESG Sustainable Report.</p>	
3. Sustainable Environment Development:				
(1) Does the company develop proper environmental management policy suitable for its industry characteristics?	V		(1) The Company offers beverage packaging products and OEM filling service, and the production processes are related to environmental protection, food safety, and customer health and so on. To fulfill social responsibility and comply with regulations, we are committed to pollution prevention and workplace safety. We established an Occupational Safety and Health Center targeting "zero accidents, low pollution, and low risk," and have obtained ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System	None
(2) Does the company endeavor to use energy more efficiently and to use renewable materials which low environmental impact?	V		(2) Following the 3R principles (Reduce, Reuse, Recycle), the Company actively promotes low-carbon product and process strategies. From 2022 to 2024, we reduced 4,116.3 metric tons of PET and HDPE, equivalent to 10,152.83 metric tons of CO ₂ e. We also advanced recycled materials, launching rPET bottles, eco-labels, and PCR shrink film. In 2024, exports of these products reduced emissions by approximately 3,806.28 metric tons of CO ₂ e, responding to stakeholder expectations for green packaging.	None
(3) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	V		<p>(3) After assessing the environmental risks, the Company's response to climate change are as follows:</p> <p>1. Following the enactment of Taiwan's Climate Change Response Act, the Ministry of Environment began imposing carbon fees in 2024 on major emitters, with the Company's Taichung 2nd plant included in the first wave of targets. In addition, under the Large Electricity Consumers Clause (for users with a contracted capacity of 500 kW or more), the Company is required to install a certain proportion of renewable energy.</p>	None

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies																
	Yes	No	Description																	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>In response, the Company has implemented an energy management and carbon inventory plan to proactively monitor carbon emissions, develop solar power systems, upgrade equipment for energy efficiency, and introduce an Energy Management System (EMS) to reduce unnecessary energy consumption and avoid unexpected penalties or carbon-related costs.</p> <p>2. Purchase goods according to plan and select the supply source, origin and production mode, etc., to avoid the impact of cost due to climate change and natural disasters.</p> <p>3. Carefully evaluate and actively develop new material sources, in addition to reducing the risk of interruption, and use alternative materials and formulations that are more environmentally friendly.</p> <p>(4) The Company attaches importance to and actively promotes the issues related to environmental protection, formulates environmental policies and promotes the implementation. Every year, the Company counts the total amount of electricity consumption, greenhouse gas emissions, water consumption and waste disposal and compiles the statistics to set the goals after analysis and evaluation.</p> <p>The greenhouse gas emissions, water consumption, and waste management in the past two years are as follows:</p> <p>1. Greenhouse gas emissions: (Taiwan plant) Units: tons</p> <table><tr><th></th><th>2024</th><th>2023</th><th>YOY%</th></tr><tr><td>Scope1</td><td>15,800</td><td>20,062</td><td>-20.81%</td></tr><tr><td>Scope2</td><td>81,890</td><td>74,689</td><td>+ 5.02%</td></tr><tr><td>Scope2</td><td>218,515</td><td>195,228</td><td>+11.93%</td></tr></table>		2024	2023	YOY%	Scope1	15,800	20,062	-20.81%	Scope2	81,890	74,689	+ 5.02%	Scope2	218,515	195,228	+11.93%	None
	2024	2023	YOY%																	
Scope1	15,800	20,062	-20.81%																	
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Item	Implementation Status						Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies																															
	Yes	No	Description																																			
			<table><tr><td>Total Emissions Intensity</td><td>32.1912</td><td>31.568</td><td colspan="2">+1.97%</td></tr></table> <p>Explanation: In 2024, the Company conducted greenhouse gas inventories for 10 sites, an increase of 5 sites compared to the previous year, resulting in a higher overall emission intensity.</p> <p>Note : Scope1: Direct greenhouse gas emissions Scope2: Indirect greenhouse gas emissions Scope3: Other indirect greenhouse gas emissions Emissions Intensity= CO2e/Revenue NT\$ (million)</p> <p>2. Water consumption: (Taiwan plant) Units: million liters</p> <table><tr><td>Year</td><td colspan="2">2022</td><td colspan="2">2023</td><td colspan="2">YOY</td></tr><tr><td>Water consumption</td><td colspan="2">1,824.47</td><td colspan="2">1,741.84</td><td colspan="2">+ 4.74%</td></tr><tr><td rowspan="2">WRU</td><td>Packaging Business</td><td>Beverage Business</td><td>Packaging Business</td><td>Beverage Business</td><td>Packaging Business</td><td>Beverage Business</td></tr><tr><td>47.6 (note 1)</td><td>3.41 (note 2)</td><td>51.9 (note 1)</td><td>3.42 (note 2)</td><td>-8.3%</td><td>-0.3%</td></tr></table> <p>Note: 1. Packaging Business WRU: water consumption (tons) / NT\$ million revenues 2. Beverage Business WRU: water consumption (tons) / product (kiloliter)</p> <p>Management policy and goal:</p> <ul style="list-style-type: none">Promote water cycle projects to reduce consumption, increase water resource utilization and reduce pollutant emissions.To increase water reclamation rates and wastewater non-polluting emissions. <p>2024 Enforcement report:</p> <ul style="list-style-type: none">The consumption of recycled water in the beverage industry is 2.50 million liters annually, which increased by 0.7% compared with 2023. <p>2025 Targets:</p>				Total Emissions Intensity	32.1912	31.568	+1.97%		Year	2022		2023		YOY		Water consumption	1,824.47		1,741.84		+ 4.74%		WRU	Packaging Business	Beverage Business	Packaging Business	Beverage Business	Packaging Business	Beverage Business	47.6 (note 1)	3.41 (note 2)	51.9 (note 1)	3.42 (note 2)	-8.3%	-0.3%
Total Emissions Intensity	32.1912	31.568	+1.97%																																			
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Item	Implementation Status					Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies																									
	Yes	No	Description																												
			<ul style="list-style-type: none">The consumption of recycled water in the beverage industry will achieve 2.50 million liters annually. <p>Relevant certifications: The 1st and 2nd aseptic beverage filling plants obtained Cleaner Production Assessment System of the Green Factory Label.</p> <p>3. Waste management: (Taiwan plant) Units: ton</p> <table><tr><th>Year</th><th>2024</th><th>2023</th><th>YOY</th></tr><tr><td>Hazardous waste</td><td>68.67</td><td>123.74</td><td>-44.55%</td></tr><tr><td>Non-hazardous waste</td><td>16,982.21</td><td>15,235.51</td><td>+11.46%</td></tr></table> <table><tr><td rowspan="2">Intensity</td><td>Packaging Business</td><td>Beverage Business</td><td>Packaging Business</td><td>Beverage Business</td><td>Packaging Business</td><td>Beverage Business</td></tr><tr><td>0.886 (note 1)</td><td>0.0265 (note 2)</td><td>0.918 (note 1)</td><td>0.0246 (note 2)</td><td>-3.49%</td><td>+ 7.72%</td></tr></table> <p>Note: 1. Packaging Business Intensity: waste weight (tons)/ million revenue 2. Beverage Business Intensity: waste weight (tons)/ product (kiloliter) Explanation: The total volume of waste was 17,050.87 tons, an increased 1,691.62 tons compared with 2023. Among these, the amount of recyclable waste increased by 1,738.48 tons, while general/hazardous waste decreased by 46.86 metric tons. The Company fully phased out gravure printing machines that used solvent-based inks and adopted flexographic printing with UV water-based eco-friendly inks, significantly reducing solvent usage.</p> <p>Management policy and goal:</p> <ul style="list-style-type: none">To track waste flow, ensure that all waste is treated properly, and promote waste recycling; a 100% visiting rate for the waste contractor. <p>2024 Enforcement report:</p> <ul style="list-style-type: none">The plants in Taiwan achieve a 98% waste recycling rate. <p>2025 Targets:</p> <ul style="list-style-type: none">The plants in Taiwan achieve a 98% waste recycling rate.				Year	2024	2023	YOY	Hazardous waste	68.67	123.74	-44.55%	Non-hazardous waste	16,982.21	15,235.51	+11.46%	Intensity	Packaging Business	Beverage Business	Packaging Business	Beverage Business	Packaging Business	Beverage Business	0.886 (note 1)	0.0265 (note 2)	0.918 (note 1)	0.0246 (note 2)	-3.49%	+ 7.72%
Year	2024	2023	YOY																												
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Intensity	Packaging Business	Beverage Business	Packaging Business	Beverage Business	Packaging Business	Beverage Business																									
	0.886 (note 1)	0.0265 (note 2)	0.918 (note 1)	0.0246 (note 2)	-3.49%	+ 7.72%																									

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			<p>Relevant certifications: The 1st and 2nd Taichung plants and the 1st, 2nd, and 3rd aseptic beverage filling plants passed environmental management system certification ISO 14001 certifications. The expiration date of each plant is as follows: The 1st and 2nd Taichung plants: 2024.5.9-2027.5.9; The 1st, 2nd, and 3rd aseptic beverage filling plants: 2022.6.11-2025.6.11.</p> <p>For more details, please refer to CH6 Green Sustainability of the 2024 ESG Sustainable Report.</p>	
4. Social issues:				
(1) Does the company develop related management policies and procedures in compliance with relevant regulations and International Bill of Human Rights?	V		(1) The Company complies with International Bill of Human Rights, such as gender equality, rights at work and rights to prohibit discrimination, as well as the work rules and regulations stipulated by the Labor Standards Law and relevant regulations, and formulates human resources policies to ensure the rights and privileges of workers.	None
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		<p>(2) The Company has remuneration and various bonus plans. In addition to the basic salary and holiday bonus, the Company also provides employees with rewards according to the Company's operating conditions and the performance of each colleague, including performance bonus, over fulfillment bonus, year-end bonus, project bonus, extra dividend, and so on.</p> <p>Furthermore, the Company has also formulated work rules and related personnel management rules, which are in accordance with Labor Standards Law, Act of Gender Equality in Employment, and so on. The Employee Welfare Committee is responsible for implementation of welfare matters.</p> <p>The Company's pension reserve amount, at the end of 2024, was NT\$178,298,382. The Company's Labor Pension Act, please refer to page 117 in this annual report.</p>	None

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies												
	Yes	No	Description													
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>To fulfill a diverse and equal workplace, the ratio of female in employee/management in 2024 are as follows:</p> <table><tr><td></td><td>Number</td><td>Ratio</td></tr><tr><td>Female Ratio in Total employees</td><td>337</td><td>22.57%</td></tr><tr><td>Female Ratio in Junior Management</td><td>50</td><td>15.97%</td></tr><tr><td>Female Ratio in Senior Management</td><td>8</td><td>11.27%</td></tr></table>		Number	Ratio	Female Ratio in Total employees	337	22.57%	Female Ratio in Junior Management	50	15.97%	Female Ratio in Senior Management	8	11.27%	None
	Number	Ratio														
Female Ratio in Total employees	337	22.57%														
Female Ratio in Junior Management	50	15.97%														
Female Ratio in Senior Management	8	11.27%														
			<p>(3) The Company sets up not only the “Occupational Safety and Health Center” but also the “Occupational Safety and Health Committee” to devote to offer employees a safe and healthy working environment. All measures, such as establishing medical office, arranging attendant medical care, holding annual employee health check, creating labor safety hygiene brochure/monthly report, holding irregular safety & health related speech, onsite operation educational training and disaster prevention drill, have detailed policy and been fully implemented.</p> <p>In 2024, a total of 4 occupational injury cases were reported (3 cases involving entanglement or pinching injuries and 1 case due to contact with high temperatures). We will continue to strengthen our employees' awareness of hazards, supervision and management.</p> <p>No fire incidents occurred in 2024. To ensure workplace safety, the Company complies with fire regulations and conducts quarterly outsourced inspections and maintenance of equipment. Infrared thermal imaging cameras have been installed at each site to prevent electrical fires, with monthly inspections of electrical boxes and immediate response to any abnormalities.</p> <p>Automated emergency detection and fire suppression systems are also in place to prevent escalation. Since June 2022, the Company has been collecting internal and external safety cases and sharing them with employees via e-newsletters to raise safety awareness. Occupational safety staff also lead weekday morning briefings to instill proper safety and disaster prevention practices and help reduce incidents.</p>													

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies												
	Yes	No	Description													
(4) Does the company offer career development training program to employees?	V		<p>Safety and health educational training in the past three years is as follows:</p> <table><tr><th>Year</th><th>Training (number of session)</th><th>Training (number of hours)</th></tr><tr><td>2022</td><td>8,265</td><td>13,242</td></tr><tr><td>2023</td><td>10,552</td><td>14,141</td></tr><tr><td>2024</td><td>14,595</td><td>9,224</td></tr></table> <p>Relevant certifications: All plants in Taiwan obtained occupational health and safety management systems ISO 45001 and TOSHMS certifications.</p> <p>(4) In order to actively train personnel, the Company establishes the “Hon Chuan Academy” to devote to talents cultivation plans. Via various training channels, it provides related professional knowledge and skills for all positions. Hope personal career development and corporate can grow together. The Company has implemented an E-Learning platform to meet the growing talent needs driven by rapid overseas market expansion. Training programs include onboarding for new employees, management seminars, general education for management trainees, leadership training for frontline supervisors (in partnership with Tunghai University), executive leadership camps, summer internship programs, on-the-job training for senior students, team-building activities at Sun Moon Lake, and various overseas training programs. Please refer to page 117 to 118 “Labor Relations” in this annual report and the “Human Resource” and “ESG” section on the Company’s website.</p>	Year	Training (number of session)	Training (number of hours)	2022	8,265	13,242	2023	10,552	14,141	2024	14,595	9,224	None
Year	Training (number of session)	Training (number of hours)														
2022	8,265	13,242														
2023	10,552	14,141														
2024	14,595	9,224														
(5) Does the company comply with relevant regulations and international standards in customer’s health and safety, privacy, sales, labeling and set policies to protect consumer’s or client’s rights and complaint procedures?	V		<p>(5) In order to provide customers with products that meet requirements of customers, the laws and regulations, the Company identifies food safety hazards and effectively control the occurrence of risks, strengthening the control capability of food and quality safety. Since 1996, the Company has self-required the formation of a cross-functional team which is responsible for implementation of the establishment, promotion and maintenance of the food quality/safety management system, and has successively passed</p>	None												

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
(6) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	√		<p>the certification of the ISO 9001 Quality Management System and the Food Safety System Certification 22000 (FSSC 22000) and TQF, and continuously improved and maintained the effectiveness of the system.</p> <p>For the past few years, the Company has produced products in accordance with the Act Governing Food Safety and Sanitation on product liability and labeling requirements, without any illegal records. The Company also attaches great importance to the rights and interests of consumers and has set up a customer complaint service (the Sales Department) which handles the reply, review and report immediately.</p> <p>(6) For all contracts, the Company requests our suppliers to comply with all government laws as well as regulations relating to environment issues, occupational safety, health act, and labor right. If there is any violation, the entire penalty is on the suppliers, and the Company may terminate the contracts at any time. For details of supplier management, please refer to the Company's website: https://esg.honchuan.com/en/workplace/healthy-and-safety</p>	None
5. Does the Company refer to the guidelines for the preparation of internationally accepted reports in preparing its sustainable reports and other reports that disclose the Company's nonfinancial information? Did the aforesaid report obtain the assurance or accreditation of an impartial third party?	√		The Company has officially released a sustainability report since 2020, cross-refer to the GRI Standards: 2021 issued by the Global Reporting Initiative (GRI), and the report is also compiled in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" and the Sustainable Development Goals of the United Nations. 2024 Sustainability report of the Company has been verified by SGS Taiwan, approved by Board of Directors on 9 May, 2025 and announced officially on July 31, 2025.	None
6. If the Company has established the sustainable development principles based on "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation: Conform to Sustainable Development Best-Practical Principles.				
7. Other helpful information in understanding sustainable development: <ul style="list-style-type: none"> a. We won the 2024 TCSA Enterprise Sustainable Comprehensive Performance Excellence Award and Sustainability Report Gold Award. b. We won the 2024 Taichung City Government Happiness Career the ultimate accolade - Blissful Workplace Award. c. In 2024, we won the ESG Supplier Trophy from Coca-Cola. d. In 2024, we won Gold Award in Labor Affairs. e. In 2024, we won Taichung City Government- Rewards for Outstanding Institutions Employing the People with Disabilities. 				

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
e. In 2024, we signed the Sustainability Partnership Initiative with E. Sun Bank.				
f. In 2024, we won the Happiness Enterprise from 1111 Job Bank.				
g. In 2024, ESG Award from SGS.				
h. In 2024, we won CommonWealth Magazine- Certification in Net-Zero Progress under Paris Agreement.				
i. In 2024, we won Organic Living and Environmental Education Promotion Association- Green Corporate Award.				
j. The Company's corporate social responsibility performance, corporate governance, food safety, product services, sustainable environment, caring for employees / society, please refer to the Company's website to download the ESG sustainable development report: https://esg.honchuan.com/en/interaction/download/esg-report				

Note 1: Risk Management Policies and Strategies

Material Issues	Risk Assessment	Policies and Strategies
Environment	Environmental and Climate Change Risk	<ul style="list-style-type: none"> • Implementation of renewable energy and energy efficiency enhancement projects (e.g., installation of solar power systems, replacement of LED lighting, phase-out of high-load peripheral equipment, optimization of low-carbon manufacturing processes.) • Promotion of water resource management and process water recycling. • Regular organization of environmental education and climate risk training. • Evaluation of climate resilience within the supply chain; adoption of low-carbon and sustainable procurement policies. • Periodic reporting of climate risk management results to the Board of Directors or the Corporate Sustainability Committee, with disclosures published in the Sustainability Report.
Social	Occupational Safety and Health	<ul style="list-style-type: none"> • Adoption of ISO 45001 Occupational Health and Safety Management System. • Adoption of TOSHMS Taiwan Occupational Safety and Health Management System. • Establishment of internal "Hazard Identification and Risk Assessment Operating Procedures." • Dual-layer audit system (self-inspection and internal audit) • Regular updates to hazard identification and risk assessments • Accident reporting, investigation, and prevention mechanisms (including near-miss incidents.) • Formulation of SOPs for special operations. • Promotion of four major prevention programs: workplace violence, abnormal workload, ergonomic hazards, and maternal health protection.)
	Food Safety Risk	<ul style="list-style-type: none"> • Implementation of HACCP (Hazard Analysis and Critical Control Points.) • Certification under FSSC 22000 Food Safety Management System • Compliance with food safety regulations issued by the Ministry of Health and Welfare. • Establishment of complete traceability system from raw materials to final products. • Annual food safety training and product recall simulation drills • Testing for plasticizers, heavy metals, and other contaminants. • Inclusion of self-assessments, audits, and signed food safety declarations in supplier management.
	Quality Risk	<ul style="list-style-type: none"> • Adoption of ISO 9001 Quality Management System. • Certification under FSSC 22000 Food Quality Standards. • Strengthening of PDCA (Plan-Do-Check-Act) improvement cycle. • Implementation of first-piece confirmation, process inspections, and outbound sampling. • Rapid response mechanism for major product abnormalities. • Use of SPC (Statistical Process Control) for process management. • Annual establishment of quality KPIs (e.g., yield rate, return rate.)
Corporate Governance	Socioeconomic and Legal Compliance	<ul style="list-style-type: none"> • Establishment of dedicated compliance departments such as Legal Affairs and Internal Audit. • Regular updates on regulatory amendments and announcements from competent authorities. • Establishment of a clear internal audit system. • Provision of legal compliance, anti-corruption, and personal data protection training for employees and suppliers. • Establishment of an anonymous whistleblower mechanism.
	Enhancement of Board Functions	<ul style="list-style-type: none"> • Implementation of continuing education programs for directors. • Promotion of diversity and professional structure within the board. • Regular board self-evaluation and peer review; used as reference for nomination and appointment. • Purchase of Directors and Officers Liability Insurance to mitigate and disperse potential losses to the company and shareholders caused by directors' errors or omissions.
Corporate Governance	Stakeholder Communication	<ul style="list-style-type: none"> • Utilization of diverse communication channels (e.g., employee opinion surveys, online questionnaires.) • Annual materiality assessments and stakeholder surveys. • Establishment of a dedicated ESG contact point for prompt response to ESG-related issues or external inquiries. • Communication with specific stakeholders through meetings or formal reports.

Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>The Company has the board of directors as the highest level of governance. And the Company's Sustainable Development Committee and Sustainability Development Dept were established and are responsible for the Group's ESG policy/target/ the implementation of plans and results and carbon management (including GHG reduction, carbon neutrality, net zero emissions). Board of directors as well as management pay attention to various sustainability issues, supervise and govern climate-related risks and opportunities as follows:</p> <ol style="list-style-type: none"> 1. Risk Assessment and Management: The board of directors assesses the Company's exposure to climate change risks such as climate events, raw material shortages and management formulates response strategies to ensure smooth operations and minimize losses. 2. Strategic Planning: The board of directors and management incorporate the impact of climate change on products, supply chains, and markets into the company's strategic planning. 3. Transparency and Reporting: The board of directors communicates the company's climate change risks and opportunities to shareholders. Management establishes reporting mechanisms to ensure the accuracy and timeliness of information disclosure. 4. Education and Training: The board of directors and management arrange education and training to ensure employees understand the risks and opportunities of climate change facing the company. 5. Monitoring and Evaluation: The board of directors regularly monitors the Company's climate change risk management, measures taken, review periodically and adjust its strategies. Management takes countermeasures based on market and environmental changes.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>The sustainable development committee used tools provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) to conduct scenario assessment with regard to climate change physical risk.</p> <p>We analyze changes in temperature and rainfall by simulating four Representative Concentration Pathways (RCP) scenarios (RCP2.6, RCP4.5, RCP6.0, RCP8.5) on line to identify the most challenging scenarios. In the end, we choose the RCP8.5 scenario, while also considering the goals of net zero emissions by 2050, to further assess the physical risks and transition risks.</p> <p>To ensure the Company's sustainable development amid the physical risks and opportunities for climate change, we conduct a ten-year basis assessment, considering at three levels: short-term (1-3 years), medium-term (3-5 years),</p>

Item	Implementation status			
	and long-term (6-10 years). This approach helps to clearly set a time frame for the development of Company's operation and enables to respond proactively to potential climate-related challenges, ensuring achievement of sustainable business goals.			
	Climate Change Financial Impact Analysis (Risks)			
	Climate Change Risks	Financial Impact	Duration	Response Measures
	Changes in rainfall and extreme weather patterns (Chronic)	Factory shutdown due to droughts or increased water costs, which lead to increased operating costs, decreased revenue and profit.	Medium-term (3-5 years)	<ul style="list-style-type: none">Conduct water resource management and water conservation plan.Promote for the cleaner production certification and water conservation certification.
	Increased severity of extreme weather events such as cyclones and floods (Acute)	Increased frequency of extreme rainfall can lead to flooding in the factory area, affecting production and reducing business revenue.	Short-term (1-3 years)	<ul style="list-style-type: none">Hold drills for typhoon/flood prevention.Formulate emergency response plans and evacuation plans.Evaluate appropriate risk insurance to reduce potential financial losses from extreme weather events.
	Increased compliance and operational costs; Products and services aligned with regulatory requirements.	<ul style="list-style-type: none">Carbon Emission PricingImposition of carbon feesImposition of water usage chargesRising costs of energy and water resources	Short-term (1-3 years)	<ul style="list-style-type: none">Replace obsolete equipment and build new energy conservation equipment.Formulate GHG inventory and reduction plan.Build a solar power energy system.Organize the annual supplier conference to establish a shared understanding of sustainable development goals.Continue paying attention to laws and regulations.
Increased cost of raw materials	<ul style="list-style-type: none">Fluctuations in international raw material pricesIncreased waste disposal costs	Long-term (6-10 years)	<ul style="list-style-type: none">Adopt alternative mechanism for key suppliers.Suppliers evaluations.Conduct client satisfaction surveys every year to follow consumer behavior.R&D department continues to invest in low-carbon product.	

Item	Implementation status			
	Climate Change Risks	Financial Impact	Duration	Response Measures
	Shifts in consumer preferences – Industry stigmatization (Reputation)	Declining consumer willingness to purchase single-use plastic products	Long-term (6-10 years)	<ul style="list-style-type: none"> Implement the 3R concept—Reduce, Reuse, Recycle—in product design to reduce plastic usage from the source. Strengthen technical collaboration with rPET resin manufacturers and promote the application of rPET packaging materials.
	Climate Change Financial Impact Analysis (Opportunities)			
	Climate Change Risks	Financial Impact	Duration	Response Measures
	Process technology innovation (Resource efficiency)	Reduce unnecessary energy expenditures.	Long-term (6-10 years)	<ol style="list-style-type: none"> Implement an Energy Management System (EMS) to monitor energy usage in real time. Ensure proper execution of equipment maintenance and servicing. Improve equipment maintenance efficiency to reduce downtime and minimize raw material loss.
	Waste reduction (Resource efficiency)	Reduce waste collection and disposal costs	Long-term (6-10 years)	<ol style="list-style-type: none"> Increase waste recycling rates. Actively negotiate with recycling manufacturers to increase opportunities for waste recycling.
	Reduction in water consumption (Resource efficiency)	Reduce operating costs	Long-term (6-10 years)	<ol style="list-style-type: none"> Promote for the cleaner production certification and water conservation certification. Increase recycling rates.
	Product innovation (Products and services)	Development and innovation of new products to expand product range and increase profitability.	Medium-term (3-5 years)	<ol style="list-style-type: none"> Develop lightweight packaging materials. Develop eco-friendly tethered caps to enhance added value. Introduce flexographic printing for labels. Launch low-carbon products such as

Item	Implementation status			
				rPET preforms/bottles/labels, PCR shrink films, and BIO-PVC to reduce plastic usage and carbon emissions.
	Ability to diversify business activities (Products and services)	Increase revenues and profits.	Medium-term (3-5 years)	<ol style="list-style-type: none"> 1. Expand the In-house coalition production model. 2. Offer beverage filling OEM/ODM services.
	Access to new markets (Markets)	Increase revenues and profits	Long-term (6-10 years)	<ol style="list-style-type: none"> 1. Participate in international trade shows to secure export orders. 2. Build e-commerce platforms to strengthen online sales capabilities. 3. Establish overseas offices to provide timely customer service. 4. Collaborate with industry and cross-industry partners to expand development opportunities.
	Invest in renewable energy systems ; adopt energy-saving measures	<ul style="list-style-type: none"> • Reduce gray electricity costs, • Minimize carbon fee expenditures • Lower compliance costs, and reduce the risk of penalties 	Long-term (6-10 years)	<ol style="list-style-type: none"> 1. Promote energy-saving and carbon reduction measures, demonstrate a commitment to environmental protection, and reduce production's environmental impact. 2. Building a solar power system reduces long-term electricity costs and sensitivity to energy price fluctuations.
3. Describe the financial impact of extreme weather events and transformative actions.	<p>Direct costs:</p> <p>Climate change events such as typhoons, floods, water shortages, etc., can lead to direct losses for the company such as damage to production equipment and production interruptions.</p> <p>Indirect costs:</p> <p>Factors such as rising raw material prices and reduced market demand can affect the company's financial situation.</p> <p>Transformation costs:</p> <p>To adapt to climate change, the Company invests in low-carbon production, energy-efficient equipment, sustainable product development, etc., which increases short-term costs and impacts financial status.</p>			

Item	Implementation status
	<p>Potential opportunities and benefits:</p> <p>Low-carbon production reduces energy consumption and carbon emissions, leading to reduced long-term operating expenses. Developing environmentally sustainable products expands the product market and enhances brand visibility, increasing long-term revenue.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<ol style="list-style-type: none"> 1. Identify climate risks: Identify climate-related risks that impact the supply chain, regulations, and other aspects affecting the company. Analyze historical climate events and their frequency to understand potential risks. 2. Assess impact and opportunities: Evaluate the short-term, medium-term, and long-term impact of identified risks on the company's business, finances, and strategic objectives. 3. Identify potential opportunities: Such as increasing demand for environmentally sustainable products in the market. 4. Integrate into the overall risk management framework: <ol style="list-style-type: none"> (1) Incorporate climate risks into the overall risk management system, ensuring they are aligned with other company's risks and are appropriately managed. (2) Define the scope of monitoring and managing climate risks, and establish relevant processes and procedures. 5. Develop response strategies: <ol style="list-style-type: none"> (1) Based on risk assessment results, develop response strategies and measures to mitigate risks and seize opportunities. (2) Determine internal resource allocation and execution plans within the company to ensure the necessary resources reserved for implemented strategy. 6. Monitor and adjust: <ol style="list-style-type: none"> (1) Regularly monitor the implementation of climate risk measures and adjust them as needed. (2) Communicate regularly with external stakeholders to enhance transparency and timeliness in risk management.
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impact used should be described.</p>	<ol style="list-style-type: none"> 1. Assumed scenario THC, a multinational food and beverage packaging manufacturing company, faces extreme weather events such as typhoons, floods, and droughts due to climate change. These events may lead to disruptions in the supply chain, facility damages, and production interruptions. 2. Parameters <ol style="list-style-type: none"> (1) Evaluate the frequency and severity of extreme weather events based on historical data.

Item	Implementation status
	<p>(2) Identify key locations in the supply chain and assess their susceptibility to climate change impact.</p> <p>(3) Evaluate risk management measures such as insurance coverage and disaster contingency plans.</p> <p>3. Assumptions</p> <p>(1) Climate change increases the frequency and severity of extreme weather events and the risk of business interruptions for the company.</p> <p>(2) Apart from insurance and emergency plans, the company needs to further strengthen measures to address climate change risks.</p> <p>4. Analytical factors</p> <p>(1) Impact of extreme weather on production and supply chain: Analyze how extreme weather can disrupt production through equipment damages and supply chain interruptions.</p> <p>(2) Effectiveness of response measures: Evaluate how well response measures mitigate the negative impact of extreme weather.</p> <p>(3) Financial loss estimation: Estimate financial losses due to production interruptions, facility damages, and supply chain disruptions caused by extreme weather.</p> <p>5. Major financial impact</p> <p>(1) Production losses: Extreme weather causing production shutdowns leads to production and market share losses.</p> <p>(2) Supply chain disruptions: Disruptions in the supply chain due to extreme weather affect delivery times, customer satisfaction, increase transportation costs, and lead to customer attrition.</p> <p>(3) Facility damage costs: Additional costs for facility repair if production equipment is damaged.</p> <p>(4) Insurance claim costs: The company files insurance claims to compensate for losses caused by extreme weather. However, there is a risk of insufficient claim coverage.</p>
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>Climate-related risk transformation plan content</p> <p>1. Risk assessment and identification:</p>

Item	Implementation status
	<p>Analyze the potential impact of climate change on company operations and supply chains. Identify climate-related physical risks and transformation risks such as production disruptions, supply chain interruptions, and changes in market demand.</p> <p>2. Goal setting: Set goals for reducing greenhouse gas emissions, improving energy efficiency, and establishing a flexible supply chain in response to climate-related risks.</p> <p>3. Development of strategies: Develop risk management strategies and transformation plans, including adaptation measures (such as supply chain diversification), mitigation measures (such as energy conservation and carbon reduction), etc.</p> <p>4. Resource allocation: Allocate internal company resources such as finance, technology, and manpower to support the execution of the transformation plan.</p> <p>5. Monitoring and evaluation: Establish monitoring and evaluation mechanisms to regularly track progress, assess effectiveness, and make necessary adjustments.</p> <p>Indicators and Objectives for Identifying and Managing Physical and Transformation Risks</p> <p>1. GHG emissions indicator: Evaluate and set targets for reducing greenhouse gas emissions, such as percentage reduction or carbon intensity targets.</p> <p>2. Energy efficiency indicator: Set goals to improve energy usage efficiency, such as reducing unit energy consumption during production processes.</p> <p>3. Supply chain resilience indicator: Increase the resilience of the supply chain, for example, by diversifying suppliers or enhancing secondary supply chains.</p> <p>4. Extreme weather event risk indicator: Assess the company's exposure to extreme weather events and set targets to mitigate these risks.</p> <p>5. Financial risk management indicator: Establish goals to reduce the financial impact of climate-related risks, such as increasing insurance coverage.</p>

Item	Implementation status	
	By setting these indicators and objectives, the company can comprehensively assess the progress and effectiveness of the risk transformation plan, ensuring a sustainable direction for the company's development.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>The company has not yet adopted an internal carbon pricing mechanism and is expected to incorporate internal carbon pricing into its economic decisions by 2030. Here are the foundations for setting internal carbon prices:</p> <p>1. Carbon cost estimation: Estimate the cost of greenhouse gas emissions for each unit and refer to external carbon market prices for estimation.</p> <p>2. Internal emissions accounting: The company determines the greenhouse gas emissions generated by its business and activities.</p> <p>3. Internalizing carbon costs: Incorporate carbon costs into the company's cost structure and product pricing.</p> <p>4. Internal carbon price setting: Based on carbon cost estimation and internal emissions accounting results, the company sets internal carbon prices as a reference for internal decision-making.</p>	
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The company is assessing the establishment of greenhouse gas emission reduction targets by 2026. Here are the goal-setting details:	
	Scope of Targets	Enhance energy efficiency of production lines, use recycled materials, and adopt renewable energy to reduce greenhouse gas emissions
	Greenhouse Gas Emission Scopes	This includes emissions from production equipment and vehicles (Scope 1), indirect emissions from energy use (Scope 2), and carbon footprints from the supply chain and downstream customers (Scope 3).
	Target	Involves reducing greenhouse gas emissions, improving energy efficiency, increasing renewable energy use, and reducing carbon intensity
	Plan	A self-initiated emission reduction plan must be submitted to the competent authority for review by the end of June 2025 to qualify for preferential carbon fee rates. Ongoing carbon reduction actions, these include equipment replacement, installation of solar power systems, and implementation of internal reduction measures.
	Yearly Progress Achievements	Annual sustainability report disclosure, including: 1. Actual carbon emissions for the year (including Scope 1, 2, and 3)

Item	Implementation status	
		2.Implemented carbon reduction measures and their outcomes 3.Proportion of renewable energy used and the status of renewable energy certificate procurement.
	Information Disclosure and Transparency	The company discloses climate goals, progress, and related information to stakeholders transparently.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Please refer to page 66 to 68.	

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (tons CO2e), intensity (tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.			
Year	Emission volume (tons CO2e)	Intensity (tons CO2e/NT\$ million)	The data coverage scope
2023	289,979.648	289,979.648 tons CO2e / NT\$ 9,227 million = 31.43 tons CO2e/ NT\$ million	Taichung 1st Plant + Taichung 2nd Plant + Taichung 1st, 2nd, and 3rd Aseptic Filling Plant (Scope 1, 2, and 3)
2024	316,285.120	316,285.120 tons CO2e / NT\$ 9,825 million = 32.19 tons CO2e/ NT\$ million	Taichung 1st Plant + Taichung 2nd Plant + Taichung 1st, 2nd, and 3rd Aseptic Filling Plant + Taichung Free Trade Plant + In-House Plant (Ruifang Plant, Taoyuan Plant, Chaiyi Plant, and Taichung Plant) (Scope 1, 2, and 3)

1.1.2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.				
Year	The scope of assurance	Institution	Standard	Opinion
2023	No.6, 2nd Rd., Taichung Industrial Park, Taichung City No.7, 2nd Rd., Taichung Industrial Park, Taichung City No.11, Jing 3rd Rd., Wuqi Dist., Taichung City No.6, Daye Rd., Wuqi Dist., Taichung City No.2, Wei 6th Rd., Wuqi Dist., Taichung City	SGS	ISO 14064-1:2018	None
2024	No.6, 2nd Rd., Taichung Industrial Park, Taichung City No.7, 2nd Rd., Taichung Industrial Park, Taichung City No.11, Jing 3rd Rd., Wuqi Dist., Taichung City No.6, Daye Rd., Wuqi Dist., Taichung City No.2, Wei 6th Rd., Wuqi Dist., Taichung City No.101, Nanheng 1st Rd., Wuci Dist., Taichung City No.27-3, Bin 2nd Rd., Rueifang Dist., New Taipei City No. 46, Xingbang Road, Guishan Industrial Park, Taoyuan City No. 65, Xing'an Road, Shalu District, Taichung City No. 1, Chenggong Street, Minxiong Industrial Park, Chiayi County	SGS	ISO 14064-1:2018	None

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

1. Base year and its data :

Base year: 2005.

2024 emissions: Total emissions from Scope 1, 2, and 3 amounted to approximately 312,800 metric tons of CO₂e.

2. Reduction targets :

The company has set greenhouse gas emission reduction targets based on the autonomous regulations of Taichung City:

By 2030, reduce greenhouse gas emissions by 30% compared to 2005 levels, with a long-term goal of achieving net-zero carbon emissions by 2050.

3. Strategy :

(1) Encourage employees to turn off lights when not in use.

(2) Implement low-carbon production technologies, develop sustainable low-carbon products, and replace old equipment with energy-efficient alternatives to reduce carbon emissions.

(3) Evaluate the implementation of building solar power systems for self-use and procure renewable energy (green energy) to reduce reliance on fossil fuels.

(4) Continuously implement energy-saving measures, improve equipment efficiency, and optimize production processes.

(5) Encourage greenhouse gas emission reduction among suppliers in the supply chain and promote the adoption of more environmentally friendly production and transportation methods.

4. Concrete action plan :

(1) Invest in the installation of a 1,500 kWp solar power system, with an estimated annual power generation of approximately 1.8 million kWh. Grid connection and power supply are expected to be completed in 2025.

(2) Continue replacing outdated peripheral equipment—such as process chillers and high-pressure air compressors—with energy-efficient, variable-frequency models.

(3) Strengthen lightweight product design, and develop sustainable environmental products such as rPET bottles, rHDPE plastic caps, rPET printed labels, and rLDPE shrink films.

(4) Gradually replace company cars with fully electric or hybrid vehicles, and encourage employees to use public transportation or carsharing to commute to work.

(5) Regularly promote energy-saving propaganda to enhance employees' awareness of energy conservation and carbon reduction.

5. Achievement :

(1) The entire plant continues to promote the recycling of plastic waste, reaching a waste reuse rate of 97%.

(2) Developing low-carbon sustainable products, with 30% rPET bottle preforms exported totaling 93.22 million units and 30% rPET labels exported totaling 24.55 million units, resulting in a reduction of 3,806.28 tons of CO₂e greenhouse gas emissions.

(3) Lightweight product development led to a reduction of 4,116.3 tons of petrochemical raw material consumption (PET、HDPE) from 2020 to 2024, resulting in a reduction of 10,152.83 tons of CO₂e greenhouse gas emissions.

(4) The energy-saving project from 2020 to 2024 resulted in a total reduction of 1,451.5 million kWh of electricity consumption, 7,170.4 tons of CO₂e carbon emissions, and savings of 5,080 million in electricity expenses.

2.3.6 Implementation of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
1. Establishment of ethical corporate management policies and programs: (1) Does the company establish an ethical corporate management policy that was approved by the board of directors, and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board and management to implement the policies?	V		(1) The Company has made the "Ethical Corporate Management Best Practice Principles" on November 12, 2015 which has been resolved by the Board of Directors that year and amended by the Board of Directors on March 23 and May 8, 2020. Also, the Company requires that from the Board of Directors, the senior management to all the colleagues must implement the commitment of the ethical management policy. This code has been published on the Company's website for reference by all stakeholders.	None
(2) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies?	V		(2) In order to ensure the implementation of ethical management, the Company has established the effective accounting system and internal control system. Moreover, the Company establishes supervisory mechanism to prevent the occurrence of internal dishonest and improper behaviors by primary tasks including establishing job descriptions, various organization and management policy of the Company, requesting all employees to sign the Employee Integrity Commitment, and requesting suppliers to sign the Representations and Warranties on Honesty and Integrity, and conducting regular and irregular internal control and audit by internal auditors every year .	None
(3) Does the company establish appropriate precautions against high-potential unethical conduct or listed activities stated in Article 2, Paragraph 7 of the Ethical	V		(3) The Company has formulated the "Corporate Governance Best Practice Principle," "Ethical Corporate Management Best Practice Principles,"	None

Item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
Corporate Management Best-Practice Principles for TWSE listed companies?			"Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers", "Whistle-blowing Procedures for Violations of Ethical Corporate Management "and so on. Also, the Company has built the relevant anti-fraud measures, the operation procedures of ethical management, punishment and grievance system for violations, and implemented them entirely.	
2. Fulfill ethical management:				
(1) Does the company evaluate trading counterparties' ethical record and include ethics-related clauses in the contract?	V		(1) Before conducting business activity, the Company has evaluated the necessary ethical record of trading counterparties and included ethics-related clauses in business contracts.	None
(2) Did the company establish a dedicated unit under the board of directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct prevention plan?	V		(2) The Company's Board of Directors resolved the " Ethical Corporate Management Best Practice Principles " on March 23, 2020, which clearly stated that the Human Resources Department of the Company is responsible for promoting the ethical management policy, and the Auditing Office is responsible for the formulation and supervision of the ethical management policy and prevention plan. The execution of ethical management in 2024 was reported to the Board of Directors by the chief auditor on March 7, 2025.	None
(3) Does the company establish policy to prevent conflict of interest, provide appropriate communication channels for complaints and implement it?	V		(3) The handbook for employee has described clearly that employees are prohibited from withholding receivables or keeping receivables secretly. Also, it is prohibited that the Company has any transaction with specific person or employee's relatives, in order to avoid the damage of Company's benefit.	None
(4) Has the Company established effective systems for both accounting and internal control to implement ethical corporate management? Have the internal auditors	V		(4) In order to make sure the implementation of ethical management, the Company has established an effective accounting system, set up the independent	None

Item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
<p>formulated related plans and checked the compliance of anti-unethical conduct based on the unethical risks assessed? Or does the Company commission a CPA for the audit task?</p> <p>(5) Does the company hold internal and external ethical corporate management training courses regularly?</p>	V		<p>auditing office under the organization of Board of Directors, and established an internal control system in accordance with "Regulations Governing Establishment of Internal Control Systems by Public Companies".</p> <p>The Auditing Office prepares annual audit plans and projects according to the results of risk assessment every year. For the inspection result, the internal auditors will fully communicate with the inspected units, put forward improvement suggestions and track the improvement results. The defects and anomalies of the internal control system will be disclosed in the audit report.</p> <p>(5) The Company holds related courses in the "Ethical Corporate Management Best Practice Principles" to every new employee, and provides related educational trainings and promotion irregularly for directors, managers and employees. In 2024, the Company held in total 369 attendants and 369 hours of courses related to ethical corporate management.</p>	None
<p>3. Whistle-blowing system:</p> <p>(1) Has the Company established concrete whistle-blowing and rewarding systems and accessible whistle-blowing channels? Does the Company assign a suitable and dedicated individual for the case being exposed by the whistleblower?</p>	V		<p>(1) The Company has set up its "Whistle-blowing Procedures for Violations of Ethical Corporate Management", in which building up the policy of the Company's internal and external whistle-blowing channels and procedures. Whistler may report the whistle-blowing case through the following ways:</p> <ul style="list-style-type: none"> • Email: ethics@mail.houchuan.com.tw • Paper document: No.6, 2nd. Road, Industrial Park, Xitun Dist., Taichung Taiwan, R.O.C (To Auditing Office). <p>Moreover, the Company sets up a president's mailbox and a stakeholder's section on its website,</p>	None

Item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
(2) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?	V		for clients, suppliers, subcontractors and employees to report or appeal. (2) The Company has incorporated into internal control system with related regulations, clearly describing the punishment, appeal policy, whistle-blowing reward and confidentiality mechanism when any violation of ethical corporate management occurs.	None
(3) Does the company have protection mechanism for whistleblower?	V		(3) The Company sets up a protection policy for whistler in the "Whistle-blowing Procedures for Violations of Ethical Corporate Management". The personal data of the whistleblowers and interested parties, such as their names, telephone numbers and addresses, shall be kept strictly confidential. Those responsible for investigating the reporting matters shall also strictly observe the confidentiality of the whistleblowers and the matters reported. If it is necessary to disclose the identity of the whistleblower, the consent of the whistleblower shall be obtained, and all activities conducted by the whistleblower or his/her department or other relevant departments for the purpose of identifying the identity of the whistleblower shall be prohibited. If the identity of the whistleblower is accidentally exposed, the unit that accepts the whistle-blowing shall investigate the process of exposure, strictly deal with the identity and the contents of the whistleblower in accordance with the related regulations of the Company, and assign a person to investigate the content of whistle-blowing. If whistler's identity is exposed, the receiving unit of whistle-blowing shall investigate the process of exposure and deal with it strictly in accordance with the Company's related regulations.	None
4. Enhancing Information Disclosure:	V		The Company has set up an official website, which discloses our business culture and management	None

Item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System?			strategy. Also, it discloses the implementation of ethical corporate management in the annual report. The General Administration Department of the Company is in charge with collecting and announcing the Company's information, and the setup of spokesman and his/her related information in accordance with regulations. In order to protect the rights and interests of relevant stakeholders, the Company is committed to providing multiple channels for the most immediate communication with stakeholders and exposing important information in a transparent, smooth and multi-faceted way. We have set up multiple channels for all kinds of stakeholders in the stakeholders' section of the Company's website to improve the efficiency of communication between the company and all stakeholders and enhance the transparency of information disclosure.	
5. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation: Conform to the Ethical Corporate Management Best-Practical Principles.				
6. Other helpful information in understanding the Company's corporate social responsibility practices:				
1. In order to fulfill the foundation of ethical corporate management, the Company complies with the Company Act, Securities and Exchange Act, Commercial Account Law, related regulations of TWSE/GTSM Listed Companies and other commercial behavior related laws.				
2. In the "Rules and Procedures for Meetings of the Board of Directors" of the Company, it sets up the directors' interest avoidance policy, in which any director who has interest-conflicts between himself or his representative for any motion can't participate in the discussion and vote at the meeting.				
3. The Company sets up the "Operating Procedures for Handling Material Inside Information and Preventing Insider Trading" to prohibit the directors, supervisors, managers and employees from disclosing the internal material information to anyone. The Company holds educational training irregularly to directors, supervisors, managers and employees.				

2.3.7 Other Significant Information that Will Provide a Better Understanding of the State of the Company's Implementation of Corporate Governance

All directors of the Company have industrial professional background and management practical skills, and their continuing education status were as follows:

Title	Name	Date of Election	Date of Course	Organizer	The course name	Duration
Director	Ya-Wen, Cheng	2023.05.31	2024.07.03	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit	6 hours
			2024.09.20	Taiwan Institute of Directors	Cybersecurity Governance and Risk Management in the Supply Chain under Corporate Sustainability Strategies	3 hours
			2024.09.30	Taiwan Stock Exchange Corporation	Taiwan Capital Market Summit for Strengthening Market Competitiveness	3 hours
Director	Hung-Yu, Tsao	2023.05.31	2024.07.03	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit	6 hours
Director	Chun-Shu, Chang	2023.05.31	2024.07.03	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit	6 hours
Director	Yun-Chang, Liu	2023.05.31	2024.09.20	Securities and Futures Institute	2024 Prevention of Insider Trading Seminar	3 hours
			2024.11.15	Securities and Futures Institute	2024 Corporate Insiders' Share Transfers and Law Compliance Seminar	3 hours
Director	Hung-I, Dai	2023.05.31	2024.09.20	Securities and Futures Institute	2024 Prevention of Insider Trading Seminar	3 hours
			2024.11.29	Securities and Futures Institute	2024 Corporate Insiders' Share Transfers and Law Compliance Seminar	3 hours
Director	Hsin-Wen, Tsao	2023.05.31	2024.07.03	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit	6 hours
Independent Director	Chao-Nan, Hung	2023.05.31	2024.07.03	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit	6 hours
Independent Director	Hsiang-Ying, Huang	2023.05.31	2024.12.05	CPA Associations R.O.C.(Taiwan)	Key Design Elements of ESG Evaluation Metrics	3 hours
			2024.12.23	CPA Associations R.O.C.(Taiwan)	Latest Regulations and Case Analysis on Anti-Money Laundering	3 hours
Independent Director	Po-yuan, Cho	2023.05.31	2024.07.03	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit	6 hours

Continuing education and training of the head of corporate governance in 2024 were as follows:

Title	Name	Date of Course	Organizer	The course name	Duration	Total education hours
Head of Corporate Governance	Yu-Li, Su	2024.07.03	Taiwan Stock Exchange Corporation	Cathay Sustainable Finance and Climate Change Summit	6 hours	15
		2024.10.04	Taiwan Corporate Governance Association	Workshop on the Identification of Climate Risk and Seminar on the Net Zero Emissions	6 hours	
		2024.11.01	Taiwan Corporate Governance Association	Workshop on the Identification of Climate Risk and Seminar on the Net Zero Emissions	3 hours	

2.3.8 Implementation of Internal Control System

2.3.8.1 Statement of Internal Control System

Taiwan Hon Chuan Enterprise Co., Ltd. Statement of Internal Control System

Date: March 7, 2025

Based on the results of a self-assessment, Taiwan Hon Chuan Enterprise Co., Ltd. (Hon Chuan) provides the following statement regarding its internal control system for the year 2024:

1. Hon Chuan's Board of Directors and Management are responsible for establishing, implementing, and maintaining an effective internal control system. This system is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), the reliability and transparency of financial reporting, and compliance with applicable laws and regulations.
2. It is important to acknowledge that an internal control system has inherent limitations. Regardless of its design, such a system can only offer reasonable assurance of achieving its intended objectives. The effectiveness of the internal control system may also be influenced by unforeseen external factors. Nonetheless, the system includes self-monitoring mechanisms, and Hon Chuan takes immediate corrective actions in response to any identified weaknesses.
3. Hon Chuan assesses the design and operational effectiveness of its internal control system based on the criteria outlined in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). These Regulations identify five key components of effective internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. Hon Chuan has evaluated the design and operational effectiveness of its internal control system in accordance with the above Regulations.
5. Based on the evaluation results, Hon Chuan believes that as of December 31, 2024, it has maintained, in all material respects, an effective internal control system (which includes the oversight and management of its subsidiaries). This system provides reasonable assurance regarding the effectiveness and efficiency of operations, the reliability and transparency of financial reporting, and compliance with applicable laws and regulations.
6. This Statement will be included in Hon Chuan's Annual Report and Prospectus and made publicly available. Any misrepresentation, concealment, or other illegal conduct in the content made public will result in legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was approved by the Board of Directors in a meeting held on March 7, 2025. None of the nine attending directors expressed dissenting opinions, and the content of this Statement was also approved.

Taiwan Hon Chuan Enterprise Co., Ltd.

Chairman: Ya-Wen, Cheng

President: Hung-Yu, Tsao

2.3.8.2 If a CPA is commissioned to review internal control system specifically, the review report should be disclosed: None.

2.3.9 Significant resolutions reached in the Shareholders' meeting and Board meeting in the most recent year and up to the publication of the annual report

2.3.9.1 Significant resolutions reached in Shareholders' meetings

Date	Important Resolution	Condition of Execution
May 31, 2024	<ol style="list-style-type: none"> 1. Approval of 2023 Business Report and Financial Statements. 2. Approval of 2023 Profit Distribution Proposal. 	<ol style="list-style-type: none"> 1. Related statements have been submitted to competent authority and publicly reported in accordance with The Company Act and related regulations. 2. Set up July 10, 2024 as the ex-dividend date, and the distribution has been completed.

2.3.9.2 Significant resolutions reached in Board meetings

Date	Major Proposals
March 8, 2024	<ol style="list-style-type: none"> 1. Report on the implementation of internal audits from November to December in 2023 and January to February in 2024. 2. Report on the performance evaluation results of the board of directors, each director, audit committee, and remuneration committee of 2023. 3. Report on the implementation of ethical management in 2023. 4. Report on the promotion and execution of ethical management policy in 2023. 5. Report on the establishment of the whistleblower system to ensure the effectiveness of policy implementation. 6. Report on the Group (including subsidiaries) GHG inventory and confirmation. 7. Resolution of 2023 employees' compensation and directors' remuneration. 8. Approval of 2023 financial statements. 9. Approval of 2023 consolidated financial statements. 10. Resolution of 2023 profit distribution. 11. Resolution of 2023 business report. 12. Resolution of holding the 2024 annual shareholders' meeting. 13. Resolution of the place and the period of accepting the proposal of 2024 shareholders' meeting. 14. Approval of setting up Hon Chuan Packaging Technology (Changshan) Co., Ltd. through Hon Chuan Food Packing (Jinan) Co., Ltd. and investing beverage packaging production lines. 15. Approval of establishing Hon Shin (Thailand) Co., Ltd. through Hon Chuan (Thailand) Co., Ltd. and investing aseptic beverage filling production lines. 16. Approval of the independence assessment of the Company's certified public accountants. 17. Approval of the Statement of Internal Control System. 18. Resolution of the renewal of directors' and officers' liability insurance. 19. Resolution of increase (decrease) of corporate guarantee for subsidiaries.
May 9, 2024	<ol style="list-style-type: none"> 1. Report on the implementation of internal audits from March to April 2024. 2. Report on the Group (including subsidiaries) GHG inventory and confirmation and disclosure schedule. 3. Report on the 2023 implementation of Information Security Management and 2024 target. 4. Approval of the 1st quarter of 2024 Consolidated Financial Statements. 5. Resolution of setting up a new beverage filling production line at Port of Taichung Free Trade Zone.

Date	Major Proposals
	<ol style="list-style-type: none"> Resolution of pre-approving non-assurance services provided by the attesting CPAs, affiliated accounting firm and enterprises to the Company and its subsidiaries. Resolution of the proposed investment in financial products by the subsidiary Hon Chuan Holding Limited.
May 31, 2024	<ol style="list-style-type: none"> Report on the Company's performance of ESG and the issues that stakeholders are concerned with and risk management operations in 2023. Approval of 2023 Taiwan Hon Chuan Sustainability Report. Resolution of the adjustment of the Company's Corporate Sustainability Committee to be directly under the Board of Directors. Resolution of the members of the Company's Corporate Sustainability Committee. Resolution of the date for cash dividend distribution. Resolution of amendments to "Sustainable Development Best Practice Principles." Resolution of amendments to "Corporate Governance Best-Practice Principles." Resolution of stipulations to "Corporate Sustainability Committee Charter."
August 9, 2024	<ol style="list-style-type: none"> Report on the implementation of internal audits from May to July 2024. Report on the Group (including subsidiaries) GHG inventory and confirmation and disclosure schedule. Approval of the first half of 2024 consolidated financial statements. Resolution of the Company's planned 2024 cash capital increase through the issuance of common stock and the issuance of the second domestic unsecured convertible corporate bonds. Resolution of the cash capital increase of NTD 15 million for "Bon Trust International Trade Co., Ltd.." Resolution of setting up the packaging materials production line at Hon Chuan Food Packing (Chuzhou) Co., Ltd. Resolution of setting up the packaging materials production line at Hon Chuan Enterprise Packing (Quzhou) Co., Ltd. Resolution of the equity investment in Oji Myanmar Packaging Company Limited and its renaming to "Hon Chia (Myanmar) Co., Ltd." Resolution of amendments to "Rules and Procedures for Meetings of the Board of Directors."
October 7, 2024	Resolution of the Company's cash capital increase reserved for employee's subscription.
November 8, 2024	<ol style="list-style-type: none"> Report on the implementation of internal audits from August to October 2024. Report on the Group (including subsidiaries) GHG inventory and confirmation and disclosure schedule. Approval of the 3rd quarter of 2024 consolidated financial statements. Resolution of collaborating with client and setting up the bottled water filling and packaging materials production line at Pandeglang Regency, West Java, Indonesia. Resolution of setting up the packaging materials production line at Hon Chuan Food Packing (Chuzhou) Co., Ltd. Resolution of the Company's 2025 annual audit plans. Resolution of stipulations to "Management of liabilities, commitments, and contingencies." Resolution of stipulations to "Sustainable Report Preparation and Disclosure Management Guidelines." Resolution of the amendments to the Company's internal control system OT010 "Sustainability Information Management" and OT007 "Accounting Professional Judgment Procedures, Accounting Policy, and Estimate Changes Process Management."
March 7, 2025	<ol style="list-style-type: none"> Report on the implementation of internal audits from November to December in 2024 and January to February in 2025. Report on the performance evaluation results of the board of directors, each director, audit committee, and remuneration committee of 2024. Report on the implementation of ethical management in 2024.

Date	Major Proposals
	4. Report on the promotion and execution of ethical management policy in 2024. 5. Report on the establishment of the whistleblower system to ensure the effectiveness of policy implementation. 6. Report on the Group (including subsidiaries) GHG inventory and confirmation. 7. Report on the Company's derivative transactions. 8. Resolution of 2024 employees' compensation and directors' remuneration. 9. Approval of 2024 financial statements. 10. Approval of 2024 consolidated financial statements. 11. Resolution of 2024 profit distribution. 12. Resolution of 2024 business report. 13. Resolution of holding the 2025 annual shareholders' meeting. 14. Resolution of the place and the period of accepting the proposal of 2025 shareholders' meeting. 15. Approval of setting up Hon Jeng Mozambique "SU", Limitada through Taiwan Hon Chuan Enterprise Co., Ltd., and investing beverage packaging production lines. 16. Resolution of the 2025 appointment or discharge of employees of assistant vice president (inclusive) or higher position. 17. Resolution of amendments to "Articles of Incorporation." 18. Approval of the independence assessment of the Company's certified public accountants. 19. Resolution of pre-approving non-assurance services provided by the attesting CPAs, affiliated accounting firm and enterprises to the Company and its subsidiaries. 20. Approval of the Statement of Internal Control System. 21. Resolution of the renewal of directors' and officers' liability insurance. 22. Resolution of increase (decrease) of corporate guarantee for subsidiaries.

2.3.10 The contents of the board resolutions regarding which independent directors have voiced opposing or qualified opinions on the record or in writing in the most recent year or up to the publication of the annual report: None.

2.4 Information on Professional Fees paid to the attesting CPAs

2.4.1. Information on the Professional Fees paid to the attesting CPAs

Unit: NTD\$ Thousand

CPA Firm	Name of CPAs	Audit Period	Audit Fee	Non-Audit Fee (Note1)	Total	Note
Deloitte & Touche	Shao-Chun, Wu	Jan 01, 2024 ~ Dec 31, 2024	8,050	878	8,928	Note 1
	Hsiao-Feng, Yen					

Note 1 : The fees were mainly related to transfer pricing report, tax consulting service, tax return, and cash capital increase and unsecured convertible corporate bonds.

2.4.2 Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year: None.

2.4.3 Reduction of audit fees by more than 10% compared to the previous year: None.

2.5 Replacement of CPAs: None.

2.6 Status of the Chairman, President, and Finance/Accounting Officer Having Held Positions in the Independent Auditing Firm or Its Affiliates Over the Past Year: None.

2.7 Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

2.7.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Share

Title	Name	2024		As of March, 31, 2025	
		Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged
Chairman	Ya-Wen, Cheng	8,391	0	0	0
Director and General Manager	Hung-Yu, Tsao	145,199	0	0	0
Director and Executive Vice President	Yun-Chang, Liu	15,329	0	0	0
Director	Hsin-Wen, Tsao	(391,580) (note 1)	0	0	0
Director	Hung-I, Dai	(600,000) (note 1)	0	0	0
Director	Chun-Shu, Chang	59,499	0	0	0
Independent Director	Chao-Nan, Hung	0	0	0	0
Independent Director	Hsiang-Ying, Huang	0	0	0	0
Independent Director	Po-yuan, Cho	0	0	0	0
Group Vice President	Wen-Pin, Pai	11,044	0	0	0
Group Vice President	Wen-Hua, Tseng	9,342	0	0	0
Vice President	Chin-Hsiung, Lee	7,028	0	0	0
Vice President	Kuei-Ching, Chuang	10,771	0	0	0
Vice President	Ching-Chou, Lu	10,000	0	0	0
Vice President	Hung-Lung, Hsieh	7,013	0	0	0
Vice President	Chih-Hao, Ting	10,201	0	0	0
Vice President	Chia-Jui, Chang	7,000	0	0	0
Vice President	Wen-Fu, Lee	7,000	0	0	0
Senior Assistant Vice President	Ching-Chuan, Yen	667	0	0	0
Senior Assistant Vice President	Yu-Lung, Fang	6,025	0	0	0
Senior Assistant Vice President	Chien-Hsia, Tsao	8,000	0	0	0
Senior Assistant Vice President	Kun-Chang, Li	5,000	0	0	0
Senior Assistant Vice President	Hsuan Che, Huang	5,000	0	8,000	0
Senior Assistant Vice President	Chen Pin, Huang	3,222	0	0	0
Assistant Vice President	Min-Hsiung, Hung	6,415	0	0	0
Assistant Vice President	Yung-Fu, Tsai	5,000	0	0	0
Assistant Vice President	Li-Yuan, Liu	6,000	0	0	0
Assistant Vice President	Hsien-Wei, Pai	6,000	0	0	0
Assistant Vice President	Tsang-Pin, Lin	8,655	0	(17,000)	0
Assistant Vice President	Wei-Hsiang, Lin	7,000	0	0	0
Assistant Vice President	Chun-Hao, Huang	6,467	0	0	0

Title	Name	2024		As of March, 31, 2025	
		Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged
Assistant Vice President	Tsui Ling, Hsu	6,667	0	0	0
Assistant Vice President	Kuan-Jen, Huang	6,000	0	0	0
Assistant Vice President	Ming-Hui, Chen	4,000	0	0	0
Assistant Vice President	Jui-Pin, Chen	5,000	0	0	0
Assistant Vice President	Chan-Wei, Tung	7,000	0	0	0
Assistant Vice President	Chuo-Pin, Li	7,000	0	0	0
Corporate Governance Officer	Yu-Li, Su	3,266	0	0	0
Assistant Vice President	Hsin-Chang, Wu (note 2)	4,047	0	0	0
Assistant Vice President	Hsien-Wen, Chen (note 2)	4,000	0	0	0

Note 1: The reduction is due to their equity being transferred to under trust with discretion reserved: In 2024, Hung-I, Dai transferred 600,000 shares under trust with discretion reserved. Hsin-Wen, Tsao transferred 428,000 shares under trust with discretion reserved and subscribed for 36,420 new shares through capital increase. In total, the number of shares held by Hsin-Wen, Tsao decreased by 391,580 shares.

Note 2: On January 1, 2025, Hsin-Chang, Wu and Hsien-Wen, Chen were promoted to Assistant Vice President.

2.7.2 Counterparty of equity transfer or equity pledged is a related party: None.

2.8 Top 10 shareholders with spousal or second-degree family relationships

March 31, 2025

Unit: Share

Name	Shareholding of the Principal		Shareholdings by spouse and underage children		Shareholding by nominee arrangement		Spouse, relative of second degree or closer, and relationships among top 10 Shareholders		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Yuanta Taiwan High Dividend Low Volatility ETF Fund Account	19,427,597	6.57	0	0	0	0	None	None	-
Fubon Life Insurance Co., Ltd.	10,800,000	3.65	0	0	0	0	None	None	-
Chunghwa Post Co., Ltd.	9,747,264	3.3	0	0	0	0	None	None	-
Labor Pension Fund (The New Fund)	7,090,900	2.4	0	0	0	0	None	None	-
Hung-Yu, Tsao	6,674,333	2.26	0	0	0	0	Hsih-Chung, Tsao	Father and son	-
Hung-I, Dai	5,807,111 (note 1)	1.96	0	0	0	0	None	None	-
Public Service Pension Fund Supervisory Board	4,474,166	1.51	0	0	0	0	None	None	-
Hsih-Chung, Tsao	4,469,476	1.51	1,302,079 (note 2)	0.44	0	0	Hung-Yu, Tsao	Father and son	-
ROBECO CAPITAL GROWTH FUNDS	4,331,695	1.46	0	0	0	0	None	None	-
Hong-I investment Co., Ltd.,	4,234,737	1.43		0	0	0	None	None	-

Note 1: Present shareholding figures of Hung-I, Dai includes 1,800,000 shares under trust with discretion reserved.

Note 2: Present shareholding figures of spouse of Hsih-Chung, Tsao, includes 428,000 shares under trust with discretion reserved.

2.9 Total number of shares and total equity stake held in any single enterprise by the company, its directors, managerial officers, and any companies controlled either directly or indirectly by the company

December 31, 2024
Unit: Share; %

Affiliated Enterprises (Note1)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Share	%	Share	%	Share	%
Hon Chuan Holding Limited	501,383,319	100%	—	—	501,383,319	100%
Bon Trust International Trade Co., Ltd.	2,499,000	99.96%	—	—	2,499,000	99.96%
Hon Chuan (Cambodia) Co., Ltd.	1,000	100%	—	—	1,000	100%
Hon Chuan (Philippines) Co., Ltd.	15,000,000	100%	—	—	15,000,000	100%
Hon Chuan Malaysia Sdn. Bhd.	81,259,900	100%	—	—	81,259,900	100%
Hon Chuan (China) Holding Co., Ltd.	—	—	141,288,613	100%	141,288,613	100%
Kai Gang Industries Limited	—	—	997,475,329	100%	997,475,329	100%
Hon Hsing (Samoa) Holding Limited	—	—	113,806,000	100%	113,806,000	100%
Honly Holding Co.,Ltd.	—	—	69,854,780	100%	69,854,780	100%
Hon Chuan (Africa) Holding Co., Ltd.	—	—	13,044,118	100%	13,044,118	100%
Hon Shi Mozambique Limitada (Hon Shi Samoa)	—	—	3,138,790	60%	3,138,790	60%
Hon Chuan Enterprise (Suzhou) Company Limited			(Note 2)	100%	(Note 2)	100%
Hon Chuan Food Packing (Qingxin) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Food Packing (Zhangzhou) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Food Packing (Chuzhou) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Food Packing (Xiantao) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Suzhou Hongxin Food Packing Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Enterprise (Changsha) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Food Packing (Jinan) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Food Packing (Taiyuan) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Food Packing (Luohe) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Food Packing (Quzhou) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Hon Chuan Packaging Technology (Changshan) Co.,Ltd.			(Note 2)	100%	(Note 2)	100%
HC (Asia) Holdings Co., Ltd.	—	—	235,593,480	100%	235,593,480	100%
Hon Chuan Vietnam Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
PT Hon Chuan Indonesia	—	—	138,794,150	100%	138,794,150	100%
Hon Chuan (Thailand) Co., Ltd.	—	—	137,000,000	100%	137,000,000	100%
Hon Chuan FD Packaging Co., Ltd.	—	—	12,666,225	65%	12,666,225	65%
Hon Shin (Thailand) Co., Ltd.			27,000,000	100%	27,000,000	100%

Affiliated Enterprises (Note1)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Share	%	Share	%	Share	%
Hon Chuan (Myanmar) Co., Ltd.	—	—	153,470,388	80%	153,470,388	80%
Hon Chia (Myanmar) Co., Ltd.			19,929,000	100%	19,929,000	100%
Honly International Co., Ltd.	—	—	1,002	49%	1,002	49%
Honly Food & Beverage Co., Ltd.	—	—	17,966,248	100%	17,966,248	100%
Hon Hua (Samoa) Holdings Limited.	—	—	5,355,000	60%	5,355,000	60%
Uni Tun Co., Ltd.	—	—	6,000	60%	6,000	60%
Shimada International Limitada	—	—	(Note 2)	60%	(Note 2)	60%
Hon Shi Mozambique Co., Ltd.	—	—	(Note 2)	60%	(Note 2)	60%

Note 1: These are long term investments accounted for using equity method by the Company.

Note 2: It is not applicable for limited companies.

3. Capital Overview



3.1 Capital and Shares

3.1.1 Sources of capital

3.1.1.1 History of Capitalization

March 31, 2025
Unit: Share / NTD\$

Month / Year	Issuing price	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Pay for stock shares with property other than cash	Other
May 2015	10	350,000,000	3,500,000,000	309,847,879	3,098,478,790	Capitalization by cash NTD\$ 500,000,000	None	Order No. Economic-Authorization-Business-10401088210 in May 20, 2015 Order No. Financial-Supervisory-Securities-Futures-1030042045 in October 30, 2014 and Order No. Financial-Supervisory-Securities-Futures-1040000046 in January 07, 2015
Feb 2016	10	350,000,000	3,500,000,000	292,878,879	2,928,788,790	Cancellation of buy-back shares NTD\$ 169,690,000	None	Order No. Economic-Authorization-Business-10501031560 in February 22, 2016
Jul 2020	10	350,000,000	3,500,000,000	287,785,879	2,877,858,790	Cancellation of buy-back shares NTD\$ 50,930,000	None	Order No. Economic-Authorization-Business-10901124840 in July 7, 2020
Nov 2024	10	350,000,000	3,500,000,000	295,785,879	2,957,858,790	Capitalization by cash NTD\$ 80,000,000	None	Order No. Economic-Authorization-Business-11330197820 in November 15, 2024
Mar 2025	10	350,000,000	3,500,000,000	295,786,475	2,957,864,750	NTD\$ 5,960 have been converted	None	As of March 31, 2025, the corporate bond has been converted into 596 common shares.

3.1.1.2 Type of Stock

March 31, 2025
Unit: Share

Type \ Shares	Authorized Capital			Remark
	Issued Shares (Note 1)	Un-issued Shares	Total	
Registered Common Shares	295,786,475	54,213,525	350,000,000	Listed stock

Note 1: On October 29, 2024, the Company issued the second domestic unsecured convertible bonds. As of March 31, 2025, a total of 596 common shares have been converted.

3.1.1.3 Information for Shelf Registration : None.

3.1.2 List of Major Shareholders

March 31, 2025
Unit: Person

Name of major shareholders	Shares	Shareholding	Shareholding ratio (%)
Yuanta Taiwan High Dividend Low Volatility ETF Fund Account		19,427,597	6.57%
Fubon Life Insurance Co., Ltd.		10,800,000	3.65%
Chunghwa Post Co., Ltd.		9,747,264	3.30%
Labor Pension Fund (The New Fund)		7,090,900	2.40%
Hung-Yu, Tsao		6,674,333	2.26%
Hung-I, Dai		5,807,111 (note 1)	1.96%
Public Service Pension Fund Supervisory Board		4,474,166	1.51%
Hsih-Chung, Tsao		4,469,476	1.51%
ROBECO CAPITAL GROWTH FUNDS		4,331,695	1.46%
Hong-I investment Co., Ltd.,		4,234,737	1.43%

Note 1: Present shareholding figures of Hung-I, Dai includes 1,800,000 shares under trust with discretion reserved.

3.1.3 Dividend Policy and Distribution

3.1.3.1 Dividend Policy in Articles of Incorporation

- (1) Upon closing of accounts, if there shall be any net profit, the Company shall make up the losses for the preceding years, then set aside a legal reserve of 10% of the net profit unless the statutory surplus reserve has reached the total capital and then set aside or rotate special reserves; Any further remaining amount shall be added to the unallocated surplus from the prior year as shareholder dividend and bonus. The Board of Directors shall draft a proposal to distribute the surplus, which shall be approved at a shareholders' meeting.

If the distributable dividend, bonus, capital surplus or legal reserve in whole or in part are to be paid in the form of cash, the Board of Directors is authorized to implement by a resolution to be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition, a report of such distribution shall be submitted to the shareholders' meeting.

The dividend policy of the Company shall be made according to the Company's current and future plan, considering investment environment, fund requirements, overall competition and taking into account the interests of shareholders. The Company may appropriate more than 30% of net profits of current year for dividends to shareholders. However, when accumulated unappropriated earnings are less than 10% of capital, the Company may decide not to distribute dividend.

The shareholder dividend shall be in the form of cash dividend or stock dividend. More than (or equal to) 50% of the total amount of shareholders dividend shall be in the form of cash dividend.

**3.1.3.2 Proposal for Dividend Distribution by this Shareholders' meeting
(Resolved by the Board of Directors' meeting on March 7, 2025, and will
be proposed to Shareholders' meeting which held on May 29, 2025 for
ratification)**

Unit: NTD\$

Items	Amount	
	Subtotal	Total
Unappropriated retained earnings of previous years		3,441,544,278
2024 Net income	2,833,664,693	
Remeasurement of defined benefit obligation	7,298,455	
Remeasurement of defined benefit obligation - subsidiaries	(208,014)	
Net income and other profit items adjusted to the current year's undistributed earnings		2,840,755,134
Legal capital reserve		(284,075,513)
Reversing special reserve		904,248,229
Retained Earnings Available for Distribution		<u>6,902,472,128</u>
Shareholders' Dividend - Cash (NTD\$ 6.2 per share)		<u>(1,833,872,450)</u>
Unappropriated Retained Earnings at the end of year		<u>5,068,599,678</u>

If the number of total shares outstanding, prior to the ex-dividend date for the distribution, has changed so that the ratios of dividends are affected, the Board of Directors is authorized to make such adjustments.

**3.1.3.3 If expecting any significant change about dividend policy, it shall give
explanation:** None.

**3.1.4 Impact to Business Performance and EPS resulting from Stock
Dividend Distribution: Not applicable.**

3.1.5 Employees' Compensation and Directors' Remuneration

**3.1.5.1 The policy of employees' compensation and directors' remuneration as
stated in the Articles of Incorporation**

Annual profit before income tax, employees' compensation, and directors' remuneration shall be resolved by Board of Directors to set aside no less than 1% of said profit as employee compensation and a maximum of 3% of said profit as remuneration to directors.

Employee's compensation may be distributed in the form of shares or in cash, and employees qualified to receive such compensation may include employees from holding or affiliates companies who meet the qualifications which the Board of Directors stipulates.

The issues relevant to distribution of employee compensation and director remuneration shall be set by resolutions of the Board of Directors. If the Company has accumulated losses, it shall first deduct the accumulated losses, and then

calculate the compensation from the remaining amount.

3.1.5.2 Basis for estimating employees' compensation, directors' remuneration and stock dividends, and accounting treatments for any discrepancies between the amounts estimated and the amounts paid:

If a different amount is resolved during the shareholders' meeting, the difference shall be treated as a change in accounting estimates and recognized as gains or losses in the year of 2024.

3.1.5.3 Compensation and Remuneration proposal resolved by the Board of Directors

- (1) Disclose the amount, cause and treatment for any difference that arise between the amount proposed and estimated in the year it was recognized as an expense.

The Board of Directors resolved the profit distribution on March 7, 2025.

Employees' compensation: 1.96% as of NTD\$ 59,591,750 in Cash.

Directors' remuneration: 0.78% as of NTD\$ 23,830,457 in Cash.

There was no difference between the amount proposed and estimated in the year it was recognized as an expense. After actual distribution amount being resolved in the shareholders' meeting, the difference with recorded amount will be deemed as changes in accounting estimates and included in 2025 profit and loss.

- (2) The percentage of proposed employee bonus paid in shares, relative to the sum of standalone after-tax net income plus total employee bonus: Employees' compensation would be distributed completely in cash, which resolved on March 7, 2025 the Board of Directors' meeting; so it is not applicable.

3.1.5.4 Actual distribution of employees' compensation and directors' and supervisors' remuneration in previous year

Units: NTD\$

Items	2023			
	Recorded amount	Actually paid	Difference (Note)	Remark
Employees' compensation	51,207,550	51,175,050	32,500	Recorded as other revenue
Directors' and supervisors' remuneration	21,207,928	21,207,928	None	-

Note: The reason of difference is the payment of resigned employees.

3.1.6 Shares Repurchase Execution Report: None

3.2 Issuance of Corporate Bonds

3.2.1 Issuance of Corporate Bonds

Type of Corporate Bond		The 1st Domestic Unsecured Corporate Bonds in 2021	The second domestic unsecured convertible corporate bonds
Issuing Date		November 26, 2021	October 29, 2024
Denomination		NTD\$ 1 million / 1,000 shares	NT\$ 100,000
Listing		N/A	N/A
Offering Price		Par	Issued at 101% of face value
Total Amount		NTD\$ 3 billion	NTD\$ 4 billion
Rate		Fixed rate of 0.75%	0%
Term		5 years Maturity Date is November 26, 2026	5 years Maturity date: October 29, 2029
Guarantor		None	N/A
Trustee		Taipei Fubon Commercial Bank Co., Ltd.	Taishin International Bank Co., Ltd.
Underwriter		Taishin International Bank Co., Ltd.	Taishin Securities Co., Ltd
Legal Counsel		Yi Cheng United Law Firm Lawyer: Kuo, Hui-Chi	Handsome Attorney-at-Law Lawyer: Ya-Wen, Chiu
Auditor		Deloitte & Touche CPAs: Shao-Chun, Wu and Hsiao-Feng, Yen	Deloitte & Touche CPAs: Shao-Chun, Wu and Hsiao-Feng, Yen
Repayment		100% principal repayment upon maturity	Except in cases where holders of the convertible bonds convert them into common shares of the Company pursuant to Article 10 of these Regulations, exercise the put option under Article 19, the Company redeems the bonds early in accordance with Article 18, or the bonds are repurchased and cancelled through securities firms' business premises. The Company shall be repaid in a lump sum in cash at face value upon maturity
Outstanding		NTD\$ 3 billion	NTD\$ 3,999,900,000
Redemption or Early Repayment Clauses		None	Please refer to the Company's the second domestic unsecured convertible corporate bonds issuance and conversion method
Covenants		None	N/A
Credit Rating		Taiwan Ratings Rating date: October 13, 2021 Rating result: twA- (Domestic long-term credit rating)	N/A
Other rights of Bond Holders	Amount of Converted or Exchanged Common Shares, ADRs or other Securities	N/A	As of March 31, 2025, 1 unit with the face value of NT\$100,000 have been converted into 596 common shares.
	Terms or Conditions	N/A	Please refer to the Company's the second domestic unsecured convertible corporate bonds issuance and conversion method
Dilution Effect and Other Adverse Effect on Existing Shareholders		N/A	The convertible corporate bonds do not have any dilution effect on shares until bondholders convert the bonds. Bondholders can

		choose the more favorable time during the conversion period to convert the bonds so as to defer or disperse the dilution effect.
Custodian	None	N/A

3.2.2 Information of Convertible Bonds:

Units: NTD\$

Type of corporate bonds		The second domestic unsecured convertible corporate bonds	
Fiscal year		2024	As of March 31, 2025
Market price of convertible corporate bonds	Maximum	107.00	114.15
	Minimum	101.90	104.00
	Average	103.75	109.00
Conversion price		167.7(note)	167.7(note)
Issue (transaction) date and conversion price at issuance		Issue date: October 29, 2024 Conversion price: 168.4	
Method for performance of conversion obligations		Issuance of new shares	

Note: At the time of issuance in 2024, the conversion price was NT\$168.4. Due to the cash capital increase, the conversion price was adjusted to NT\$167.7 starting from October 29, 2024.

3.2.3 Information of Exchangeable Bonds: None.

3.2.4 Shelf Registration Status of Bond Issuance: None.

3.2.5 Information of Bonds with Warrants: None.

3.3 Implementation Status of Preferred Shares: None.

3.4 Implementation Status of Global Depository

Receipts: None.

3.5 Implementation Status of Employee Stock Warrants: None.

3.6 Subscription of New Shares by Employees and Restricted Shares: None.

3.7 Mergers or New Shares Issuance for Acquisition of Shares of Other Companies: None.

3.8 Financing plans and Implementation

The Company's 2024 cash capital increase and issuance of the second domestic unsecured convertible bonds. The details of the capital utilization plan and its execution status are as follows:

3.8.1. A description of the plans:

- (1) Date and reference number of regulatory approval: Approved by the competent authority on September 16, 2024, under Financial Supervisory Commission Document Nos. 1130356500 and 11303565001.

- (2) Total capital required for the plan: NT\$ 5,156,085 thousand.
- (3) Source of funds: The total amount raised through the 2024 cash capital increase and the issuance of the second domestic unsecured convertible bonds was NT\$5,156,085 thousand.
- (4) Project items and deployment schedule:

Unit: NTD\$ thousand

Project Item	Expected Completion Date	Total Required Funds	Planned Fund
			2024
			Q4
Repayment of bank loans	4th Quarter, 2024	5,156,085	5,156,085

- (5) Reasoning: The Company's 2024 cash capital increase and issuance of the second domestic unsecured convertible bonds raised a total of NT\$ 5,156,085 thousand. fundraising is expected to be completed in the fourth quarter of 2024, with all proceeds allocated to the repayment of bank loans. This shall improve the Company's financial structure, significantly reduce interest expenses, lower dependence on financial institutions, and enhance the flexibility of capital allocation. Based on the amount and interest rates of the loans to be repaid, it is estimated that the Company will save approximately NT\$ 18,958 thousand in interest expenses in 2024, and approximately NT\$ 95,291 thousand in interest expenses annually in the following years. This will help avoid profit erosion due to rising interest costs from debt financing, and strengthen the Company's financial management capability and overall competitiveness.
- (6) Any Change relating to this Cash Capital Increase: There have been no changes to the plan for the 2024 cash capital increase and issuance of the second domestic unsecured convertible bonds.
- (7) Date of Public Disclosure: October 18, 2024.

3.8.2. Status of implementation:

Unit: NTD\$ thousand

Project Item	Implementation		Up to the end of 4th quarter, 2024	Reason and Improvement plan while ahead of / behind the schedule
Repayment of bank loans	Amount disbursed this quarter	Expected	5,156,085	The repayment of bank loans has been completed as scheduled.
		Actual	5,156,085	
	Execution progresses this quarter	Expected	100.00%	
		Actual	100.00%	
Total	Cumulative amount disbursed	Expected	5,156,085	
		Actual	5,156,085	
	Cumulative execution progress	Expected	100.00%	
		Actual	100.00%	

The Company's 2024 cash capital increase through the issuance of common stock and the second domestic unsecured convertible bonds was duly approved by the Financial Supervisory Commission on September 16, 2024, under Official Letters No. Financial-

Securities-Issuance-1130356500 and 11303565001. As of the fourth quarter of 2024, the Company has completed the repayment of bank loans totaling NT\$5,156,085 thousand in accordance with the original funding utilization plan.

Furthermore, as of the end of the quarter preceding the date of publication of this annual report, all previous capital utilization plans associated with the Company's securities issuances have been fully executed.

4. Operational Highlights



4.1 Business Activities

4.1.1 Business Scope

4.1.1.1 Main Products and Revenue Breakdown

Unit: NTD\$ Thousand

Main products \ Year	2024		2023	
	Net Sales	Percentage	Net Sales	Percentage
PET Bottle	10,680,714	35.60%	9,444,640	35.76%
Beverage Filling OEM	8,283,356	29.16%	8,192,670	31.02%
Plastic Cap	6,636,164	23.36%	5,951,324	22.53%
Tobacco & Liquor Packaging	806,839	2.84%	854,638	3.24%
Label	721,526	2.54%	775,877	2.94%
Aluminum Cap	564,460	1.99%	588,282	2.23%
Metal Lug Cap	341,887	1.20%	297,852	1.13%
Films & Electronics Packaging	196,401	0.69%	173,642	0.66%
Others	176,817	0.62%	130,282	0.49%
Total	28,408,164	100%	26,409,207	100.00%

4.1.1.2 Current Product Offerings

Products		Item
Cap Product	Aluminum cap	Aluminum cap for carbonated drink, functional beverage, hot-fill drink, long neck security wine cap, ring pull cap, spiral bottle cap, I.V. injection aluminum cap, iron cap for medicine use, classic aluminum iron box, hologram aluminum cap, and QR Code aluminum cap
	Plastic cap	Plastic cap for carbonated drink, mineral water, hot fill drink & aseptic drink, QR Code plastic cap, and soy sauce cap
	Metal lug cap	Metal lug cap with safety button, metal lug cap with high temperature resistance and normal temperature, composite metal lug cap with high temperature resistance, and screw cap
Label Product		OPP film colorful label, OPP pearl film colorful label, PVC shrinkable colorful bottle cover, PET shrinkable colorful label, rPET shrinkable colorful label, classic bottle cover, and multi-layer LDPE shrinkable film, 50% rPET shrinkable colorful label
PET Bottle		Heat-resistance crystallized PET bottle, mineral water bottle, Soy sauce bottle, CSD carbonated drink bottle, aseptic bottle, wide neck refrigerated bottle, cosmetic bottle, peanut bottle, autoclavable (freezing) bottle, energy drink bottle, preform, and rPET bottle
Beverage Filling OEM		Beverage Filling OEM for PET aseptic bottle, PET hot-fill bottle, TR refrigerated bottle, TBA long conserved products
Commercial Trade Packaging		Filter connector, filter paper, BOPP film, malt, cork, oak barrel, wet silicone rubber, cigarette paper, coated paper, cap seal, tobacco, and plain aluminum foil on roll

Other Product	LDPE shrinkable film for multipack, rLDPE shrinkable film for multipack
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4.1.1.3 New Product Developments

Item	Estimated Amount
1. Household chemicals and seasoning packaging materials	NTD\$ 290,455 thousand
2. Development and promotion of PET eco-friendly packaging material	
3. Development of lightweight 38mm short-neck screw finishes	
4. Implementation of energy-efficient optimized base molds for carbonated beverage bottles	
5. Development of wide-mouth PET bottles, plastic closures, and aluminum/tin caps	
6. Development of rice wine PET bottle	
7. Development of 38mm aseptic tethered cap 3.15g	
8. Development of new specifications 2622 1.85g CSD cap, aseptic cap, and hot fill cap	
9. Development of soy sauce clamshell cap for enhanced appearance and usability	
10. Development of 38 mm composite vacuum cap	
11. Development of 37 mm composite vacuum cap	
12. 100% rPET shrinkable colorful label	

4.1.2 Industry Status

4.1.2.1 Current Status and Development of the Industry

According to the 2024 Food Industry Year Book, the gross production value of Taiwan's beverage manufacturing industry reached NT\$65.03 billion in 2023, representing a 4.3% increase from the previous year.

By product category, tea was the top performer, generating NT\$24.17 billion (37.2%) in revenue. This was followed by vegetable juice at NT\$6.77 billion (10.4%), carbonated beverages at NT\$5.78 billion (8.9%), coffee at NT\$5.56 billion (8.5%), sports drinks at NT\$3.62 billion (5.6%), and mineral water at NT\$3.47 billion (5.3%). Except for coffee, all beverage categories experienced year-over-year growth in sales value.

In terms of corporate strategies, several beverage companies have begun expanding overseas, including Mainland China, Southeast Asia, Northeast Asia, and the Americas. On the product development front, packaging companies and tea shops are co-branding to introduce unique offerings — such as foreign flavors and textured ingredients — creating diverse flavors and novel experiences to capture a broader consumer base. Key trends shaping the future of Taiwan's beverage industry include: 1) Creating immersive sensory experiences for consumers. 2) Supporting health-conscious lifestyles through innovation and consumer engagement. 3) Offering personalized services integrated with digital touchpoints.

As the beverage industry matures, market competition has intensified. Industry players are increasingly required to invest in both marketing and product innovation. Globally, the

packaging sector is shifting toward lightweight, eco-friendly solutions, with a strong emphasis on reducing carbon footprints and adopting carbon labeling. Under the global movement to reduce plastic use, international beverage manufacturers are now investing heavily in greener and more sustainable materials, which could lead to the emergence of innovative packaging solutions in the market.

In response to growing public concern over food safety, the Company is actively strengthening supplier source management, implementing the SAP system for full product traceability, and maintaining strict quality control to meet customer expectations. Looking ahead, we will continue to partner with leading brands in the beverage industry to align with market trends, capture mainstream product demand, and expand our market presence.

The Company's primary product categories are detailed as the follows:

(1) Cap Category

Cap product: plastic closures, aluminum closures, metal lug closures.

Closures play a critical role in preserving product quality by ensuring airtight sealing and tamper-evidence. They are essential for safety and product integrity, making them a key component in the packaging of bottled goods. As such, closures are considered an upstream product for industries including food, beverages, chemicals, pharmaceuticals, and pickled goods.

Driven by the booming beverage industry, packaging requirements continue to rise, directly influencing demand for closure products. The cap market remains stable with a steady growth trend. However, shifts in packaging materials can lead to structural changes in the cap product mix. 1) Plastic Closures are seeing proportional increases in demand, especially with the growth of PET packaging. 2) Aluminum Closures are primarily used in alcoholic and functional beverages. Their demand continues to grow steadily due to their premium appearance and sealing properties. 3) Metal Lug Closures are suitable for high-temperature sterilization (up to 121°C) and are commonly used for high-acid or high-fat content products. While domestic demand remains stable, international market development is actively underway. The Company is collaborating with global glass bottle suppliers and has invested in a new screw cap production line, with mass production since April 2025.

(2) Label Product

Plastic labels include PET shrinkable colorful labels, OPP colorful labels, OPS shrinkable colorful labels, PET + PS co-extrusion shrinkable colorful labels, PET shrinkable labels with hot stamping, and rPET shrinkable colorful labels.

Plastic labels offer superior properties compared to traditional paper-based labels, including impact resistance, oil and water repellence, soaking resistance, and high temperature tolerance. These features make them highly versatile and ideal for a wide range of applications, especially in the beverage, food, and general consumer goods industries.

In an increasingly competitive market, companies are placing greater emphasis on packaging design and functionality to differentiate their products. As a result, plastic labels have become essential components in value-added packaging strategies. In recent years, they have been widely adopted alongside PET, PE, and glass bottles, as

well as metal and aluminum cans, serving as a critical tool for enhancing product image and market appeal.

(3) Multi-layer LDPE Shrinkable Film

Traditional monolayer shrinkable films suffer from poor homogeneity and are limited in simultaneously achieving both elongation strength and shrinkage ratio. To meet increasingly specific client requirements, higher-cost raw materials had to be added, often with limited effect. In response, the Company has adopted multi-layer LDPE shrinkable film technology. By using combinations of LDPE, LLDPE, mLLDPE, and HDPE, each layer can be customized to balance elongation strength and shrinkage according to client specifications. This multilayer structure not only improves film performance and consistency but also allows the incorporation of crushed materials and off-brand materials into the middle layer, effectively reducing overall raw material costs while maintaining quality.

(4) PET Bottle

PET bottles continue to dominate the beverage packaging market due to their advantageous properties such as transparency, lightweight, durability, resealability, pressure resistance, and excellent preservation capabilities. As these functional characteristics evolve, PET bottles have expanded beyond soft drinks to include packaging for flavored water, juices, dairy-based beverages, teas, sports and energy drinks, sauces and condiments (including double-layer seasoning bottle), cosmetics, autoclavable (freezable) products, alcoholic beverages, snacks, etc.

In addition to its functional benefits, PET is less environmentally harmful as it consumes less energy and pollution than other traditional packaging formats. Given the increasing emphasis on sustainability, PET has steadily replaced materials such as PP bottles, Tetra Paks, aluminum cans, tin cans, and glass bottles as the fastest-growing packaging solution in the market.

(5) Beverage Filling

The Company operates advanced aseptic beverage filling facilities equipped with the latest-generation German GEA technology. These systems support the production of both low-acid beverages (e.g., tea, coffee, milk tea) and aseptic carbonated beverages (e.g., soda, sparkling water, juice soda).

Key features of the aseptic PET bottle filling process include:

- ① **Material Efficiency:** Uses only 60% of PET material used in traditional hot-fill lines, reducing material costs.
- ② **Versatility:** Suitable for both high-acid and low-acid beverage filling.
- ③ **Flavor Retention:** Filling at room temperature preserves the beverage's original flavor profile.
- ④ **Shelf Stability:** Products can be stored at room temperature without refrigeration.
- ⑤ **Quality Control:** Products shall to be strictly controlled from raw materials and packaging materials to manufacturing process to ensure product safety and consumer confidence.
- ⑥ **Broader Product Range:** Capable of accommodating a diverse array of beverage types.
- ⑦ **Advanced Processing:** Represents a higher standard of manufacturing technology and operational excellence.

4.1.2.2 Correlation between Upstream, Midstream and Downstream Segments of the Industry

The Company's core business lies in packaging materials. Given the varying packaging methods required by different downstream products, the Company offers a diverse range of product categories. The materials used and manufacturing processes applied to each product differ significantly to meet the specific demands of downstream manufacturers. Accordingly, the correlations among the upstream, midstream, and downstream segments of the industry—particularly in relation to the Company's main products such as caps, labels, PET bottles, and beverage filling—are outlined as follows:

Product Category	Upstream	Midstream	Downstream
Cap Category	Mental material industry, plastic material industry	Domestic cap manufacturers (THC), import suppliers	Food/ beverage/ pharmaceutical/ chemical industries and etc.
Label Category	Plastic raw material industry	Domestic label manufacturers (THC), import suppliers	Food/ beverage/ pharmaceutical/ chemical industries and other bottle packaging industries
PET Bottle	Plastic raw material industry	Domestic PET bottle manufacturers (THC), import suppliers	Beverage/ food/ pharmaceutical/ other packaging industries
Beverage Filling	Beverage raw material industries, such as tea, sugar and formula	Domestic aseptic PET beverage filling manufacturers (THC), import suppliers	Clients in the beverage industry (brands)/ consumers

4.1.2.3 Main Product Development Trends and Competitiveness

(1) Product Development Trends

① Cap Category

As closures are an essential component of beverage packaging, trends in the cap industry are closely aligned with the overall development of beverage packaging. The current trends in beverage packaging can be analyzed as follows:

Beverage packaging materials commonly seen in the market today can be categorized into four main types: paper, plastic, metal, and glass. Advances in material technology have significantly influenced opinions on the suitability of each packaging type for different beverages. Nevertheless, since the packaging material must align with the characteristics of the beverage and consumer preferences, each type continues to hold a distinct share across various beverage market segments.

Among these, PET bottles have emerged as the dominant packaging material in the global beverage market, with a steadily increasing market share. As a result, plastic closures, which are typically seen in PET bottles, have also become the mainstream choice in beverage packaging.

That said, both plastic and glass packaging can accommodate either plastic or metal closures, depending primarily on the properties of the beverage. In contrast, metal packaging—due to its inherent material characteristics—is typically paired with metal closures, such as aluminum caps and SPTE (Steel Plate Tin, Electrolytic) closures.

In Taiwan, growing consumer awareness of health and wellness has fueled demand for biotech and health-related food products, which in turn is driving increased market demand for aluminum closures.

Thanks to their flexible form factors and compatibility with the fast-moving consumer goods (FMCG) supply chain, PET bottles have established themselves as the leading packaging format in the beverage industry, with their market share continuing to rise annually. PET bottles and plastic closures are easily sorted and recycled, highlighting their sustainability characteristic. This recyclability adds further value to PET bottles and supports their continued adoption in the market.

② Label Category

In fulfilling its corporate social responsibility, the Company has undertaken a series of proactive environmental initiatives. These include advancing energy-saving measures, implementing product lightweighting projects to reduce carbon emissions, and actively minimizing the release of volatile organic compounds (VOCs) typically associated with gravure label printing. In the first quarter of 2024, the Company's Taiwan headquarters successfully completed the full phase-out of all gravure label printing presses, marking a significant transition toward environmentally sustainable and socially responsible green manufacturing.

Between 2021 and 2024, the Company acquired three flexographic printing presses to align with evolving client needs and market trends. Flexographic printing offers a range of advantages, including enhanced packaging quality with tactile finishes, high-gloss hot stamping, and anti-counterfeiting features. More importantly, it utilizes UV-curable inks that contain low levels of VOCs, thereby reducing environmental impact and improving air quality. As UV inks do not require incineration or additional air pollution control measures, this technology also reduces energy consumption and lowers carbon emissions, contributing to increased climate resilience.

In addition, the flexographic process eliminates the need for engraved printing cylinders and solvent-based materials, thereby avoiding waste typically generated in gravure printing. This aligns with the Company's waste reduction goals and supports the United Nations Sustainable Development Goals (SDGs), further reinforcing its commitment to environmental responsibility.

In response to global trends toward environmental protection and plastic reduction, the Company introduced shrinkable films made with 30% recycled PET (rPET) in 2020, followed by 50% rPET shrinkable films in 2024, aiming to boost recycling rates and reduce virgin plastic usage.

To address low recycling rate of PET shrinkable labels, the Company developed Eco-Label PET shrinkable film in 2021. This innovation is designed

to facilitate improved recyclability and increase the overall recycling rate of PET shrinkable labels.

③ PET Bottle

PET bottles have gained a pivotal role in the development of the global beverage industry. According to research conducted by institutions such as Canadean Ltd., approximately half of all soft drinks worldwide are now packaged in PET bottles.

Originally introduced in the United States, PET later expanded into Europe and Asia, ultimately becoming a widely adopted global packaging material. As the applications and functionality of PET have continued to evolve, its usage in the beverage market has grown significantly. Among various packaging types, PET bottles have exhibited the fastest growth rate. Soft drinks and bottled water represent the two primary beverage categories utilizing PET bottles globally. In recent years, some breweries have even begun exploring the use of PET bottles for beer, offering an alternative to traditional glass containers for special occasions and new packaging formats.

PET bottles offer several key advantages, including lightweight properties, excellent preservation performance, and ease of handling and transportation. When paired with plastic closures made from the same material, the entire bottle can be efficiently recycled. During the recycling process, both the PET bottle and its closure can be sorted and reused, further enhancing the overall value of PET packaging.

In addition, PET bottles help reduce environmental pollution and energy consumption. The growing emphasis on recycling and the use of recycled PET (rPET) has led to its application in a variety of new formats, including double-layer bottles, packaging for daily chemical products, and ultra-high-pressure sterilized (frozen) bottles. These innovative uses underscore the increasing importance of PET in sustainable packaging solutions.

As a result, PET bottles have firmly established themselves as the mainstream packaging material for beverages worldwide.

④ Beverages Filling

During the aseptic filling manufacturing process, products undergo ultra-high temperature sterilization at 130°C instantaneously. They are then rapidly cooled and immediately transferred to PET filling machines within a clean room environment. This process ensures the full preservation of the tea's original aroma and flavor. Aseptic filling offers not only effective sterilization but also maintains the product's natural taste and scent, making it especially suitable for sensitive beverages. Compared to hot filling or room temperature filling followed by sterilization, aseptic filling provides a significantly longer shelf life. As such, the development of aseptic filling marks a major milestone in PET bottle technology.

Thanks to its dual functions—sterilization and preservation of original aroma and flavor—aseptic PET filling has gained increasing popularity. In recent years, the global growth in tea drinks, fruit and vegetable juices, coffee

beverages, and similar products has further accelerated PET's market recognition and this trend is expected to continue in the foreseeable future.

(2) The Competition Situation of All Types of Products

The Company holds a leading position in the domestic cap market providing excellent cap product quality and a complete range of specifications. In line with the growing dominance of PET bottles in beverage packaging, the Company is capable of producing PET bottles suitable for high-temperature filling and beverages requiring thermal processing—such as carbonated drinks, tea, and juices.

The Company has been actively advancing the development of aseptic PET bottles and offering OEM services for aseptic beverage filling at higher technical standards and for broader applications. By providing customers with integrated packaging solutions—including PET bottles, caps, labels, and OEM filling services—the Company enables one-stop purchasing. This comprehensive service model not only reduces costs for clients but also significantly enhances the Company's overall competitiveness.

4.1.3 Technology and R&D Overview

The R&D expenses and the technology or products successfully developed in the recent fiscal year and up to the annual report printing date:

Unit: NTD\$ Thousand

Year	R&D Fee	R&D Achievements
2024	324,386	<ol style="list-style-type: none"> 1. rPET introducing by various domestic beverage manufacturers 2. 38 bottle neck 1000ml freezing bottle 3. 38 bottle neck 100ml, 180ml, 220ml, 280ml, 400ml cold fill bottle 4. 1881 bottle neck 350ml and 450ml aseptic bottle
As of March 31, 2025	78,798	<ol style="list-style-type: none"> 5. 1881 bottle neck 400ml CSD bottle 6. 1810 bottle neck 250ml and 590ml CSD bottle 7. 1810 bottle neck 500ml and 900ml hot fill bottle 8. 1810 two-piece tethered cap 9. 2622 CSD plastic cap 1.85g (Thailand) 10. 2622 aseptic plastic cap 1.53g 11. 1881 tethered cap 12. Aluminum cap with QR code and high-transparency inner liner 13. Develop 21.3x13.7mm berlin aluminum cap 14. 50% rPET shrinkable film

4.1.4 Long-Term and Short-Term Business Development Plans

4.1.4.1 Short-Term Business Development Plans

- (1) Strengthen daily operations by enhancing personnel training, deepening sales and marketing capabilities, improving customer service, reinforcing internal management, and instilling a stronger understanding of cost of sales to boost overall competitiveness.

- (2) Keep up with the latest market and consumer trends through innovative thinking and creative strategies. Leverage technology and information systems to develop products and services that align with customers' needs.
- (3) Adopt a winning strategy by fully embracing the Company's role within the industry. Focus on strengthening customer management and service to enhance satisfaction, build emotional connections, and foster lasting brand trust, thereby earning customer loyalty and expanding both domestic and international markets.
- (4) Place emphasis on external market mechanisms, align closely with customer demands, and continuously improve the Company's core internal management competencies.

4.1.4.2 Long-Term Business Development Plans

- (1) Systematic Manufacturing Integration: The Company is committed to vertical integration to meet customer demand for one-stop solutions—offering comprehensive production, accountability, and service under one roof.
- (2) Pursue diversified operations and deepen vertical integration to establish clear product differentiation and build sustainable competitive advantages.
- (3) Actively partner with notable international brands to establish a global operational network and presence.
- (4) Continue to promote the “In-house” model to both domestic and international clients. By delivering high-quality, cost-effective packaging materials, the Company aims to build long-term, stable partnerships that support future growth and profitability.
- (5) Secure long-term customers contracts to stabilize pricing and volume. Adjust OEM pricing based on fluctuations in raw material costs. Simultaneously, help customers expand market share and create mutually beneficial, win-win outcomes.

4.2 Markets and the Overview of Production and Sales

4.2.1 Market Analysis

4.2.1.1 Main Products and Services Sales and Regions

The Company's main products in 2024 were all types of aluminum closures, plastic closures, lug closures, labels, performs, PET bottles, beverage filling, and etc., and for the markets, except for Taiwan, Mainland China, Thailand, Malaysia, Cambodia, Indonesia, Vietnam, Myanmar and Mozambique where there were mainly considered local domestic sales, the Company sold to the remaining countries by export. The main sales targets are all food, beverage, cosmetic and drug industry. The sales regions are mainly Taiwan, Hong Kong, Singapore, Malaysia, Cambodia, Mainland China, Japan, Thailand, Indonesia, Philippines, Vietnam, Myanmar, New Caledonia (Oceania), Australia, New Zealand, Canada, USA, Pakistan, Africa, Vanuatu, Mexico, South Korea, Ecuador, Suriname, United Kingdom, Guyana, Dubai, Guatemala, Maldives, Peru, Saint Lucia, and so on.

4.2.1.2 Market Share of Major Products

The Company's major products are packaging material, beverage (filling OEM), and others. In 2024, the revenue proportion of products were packaging material for 67.38%, beverage (filling OEM) for 29.16%, and others for 3.46%.

The Company has 51 production bases in 10 countries including Taiwan, China, Thailand, Indonesia, Malaysia, Myanmar, Vietnam, Cambodia, Philippines and Mozambique, providing one-stop shopping and full-range services to those well-known beverage companies.

Taiwan Hon Chuan has established itself as the largest beverage packaging and beverage OEM manufacturer in Taiwan, holding a market share of over 70%. In China, the Company has entered into long-term partnerships with major beverage brands. In Southeast Asia, it ranks among the top three food and beverage packaging companies in each respective country. The tariff-free preferential treatment among ASEAN countries has further strengthened the Company's regional competitiveness.

Leveraging its global platform, the Company offers both scale and geographical advantages to effectively support leading beverage and FMCG brands—whose top priorities include reliability, quality, and supply chain stability. Taiwan Hon Chuan remains committed to capturing growth opportunities and expanding its presence in the global beverage market.

4.2.1.3 Market Supply and Demand and Future Growth

The major products of our company are closures, labels, PET bottles and beverage filling, and etc., and the future market supply and demand and growth for each major product are explained as follows:

(1) Cap Category

The cap products include all kinds of materials such as aluminum closures, lug closures, plastic closures, etc., and the range of application covers industries such as beverage industry, food industry, alcohols, cosmetic and etc.; under the demand for packaging material diversification and small-scale bundled sales, the sales volume of the overall cap category is estimated to show a stable growth trend.

In recent years, the Company also introduced QR CODE to enable more dynamic marketing strategies and collection of data for analysis. The Company also introduced aluminum closure with anti-fraud stamp technology and eco-friendly TPE aluminum pull ring and metal lug closures to enhance customers' competitiveness. Through collaborating with global packaging dealers, we are also working on a few screw cap projects for international markets.

In response to the EU's tethered cap regulations, we have invested in the development of tethered plastic caps for the 1810, 1881, and 2622 neck finishes. The 1810 and 1881 cap models have entered mass production. Equipment and tooling for the 2622 cap model are scheduled to be installed, with production expected to commence in July 2025.

(2) Label Category

In response to increasing consumer awareness of environmental sustainability, the Company introduced a state-of-the-art flexographic printing system from Europe in 2021. This system utilizes UV inks with low VOC content, significantly reducing environmental impact while offering premium

packaging features such as enhanced textures, high-gloss hot stamping, and anti-counterfeit technology. These high-value products have successfully enabled clear market segmentation.

The flexographic system has also earned official recognition, with the Company receiving the "Outstanding Public and Private Sector Award for Pollution and Carbon Emissions Reduction" from the Taichung City Government in 2022. In 2024, the Company's Taiwan headquarters completed the full transition from gravure to flexographic label printing, further boosting competitiveness and aligning with the rising trend toward sustainable consumption and stakeholder engagement.

(3) PET Bottles

In addition to the steady growth of traditional beverages such as tea, juice, and coffee, PET bottle packaging has evolved to support diverse applications including double-layer fresh-keeping bottles, daily chemical bottles, ultra-high-pressure sterilized (frozen) bottles, snack containers, rice wine bottles, and environmentally driven recycling solutions. This diversification reflects broader market trends and environmental priorities.

(4) Beverage Filling

The future of beverage packaging in Taiwan—and globally—is expected to shift toward aseptic filling technology. This method not only extends shelf life but also preserves flavor and nutritional integrity, making it ideal for sensitive beverages. As growth potential in the beverage market remains strong, Hon Chuan plans to increase its market share through strategic alliances and expansion of its aseptic filling capabilities.

4.2.1.4 Competitiveness

(1) Customer-Centric, Innovated Business Model

The Company is committed to continuous innovation, focusing on customer needs by offering tailored, client-oriented services. By closely tracking market trends and customer service demands at each stage, the Company has evolved from offering individual product sales (closures, labels, PET bottles), to integrated packaging solutions (closures + labels + PET bottles), and further to comprehensive bundled services (closures + labels + PET bottles + filling OEM + packaging + warehousing). The Company also offers manufacturing-as-a-service models, including OEM, ODM, In-House, joint ventures, etc.—delivering holistic and flexible service solutions.

(2) Market Expansion through the In-House Model

- ① Leveraging over 50 years of track record and credibility, Hon Chuan offers integrated three-in-one products and services—closures, PET bottles, and labels. The Company established the In-House partnership model to strengthen partnerships with clients and enhance their competitiveness,
- ② Hon Chuan enhances customer competitiveness and market share by enabling clients to focus on brand building and marketing, while outsourcing production to a trusted OEM partner—an approach proven successful by leading global beverage companies.
- ③ Under the In-House model, Hon Chuan invests and installs PET bottle blowing equipment directly within customers' production facilities,

integrating with customers' existing beverage filling lines. Hon Chuan also provides related materials, including closures, labels, and preforms.

The advantages of the In-House partnership model are as follows:

- Ensures stable supply and uniform specification of PET bottles.
- Improves production efficiency and reduces defects with the use of advanced equipment.
- Assures high quality control, food safety and health through the In-House partnership model.
- Enables lightweight bottle production, reducing raw material costs and recycling expenses.

④ In-House Model Re-Evolution: The Company extends its service scope from supplying closures, preforms, and blowing machines to also providing beverage filling equipment—offering clients a complete bundled production solution from injection and bottle blowing to final filling.

- (3) Driving Innovation in Niche Products and Technologies: The Company actively promotes innovation by developing high-value, functional products, including anti-fraud aluminum closures, aluminum stamping and transfer printing, digital printed plastic closures, laser-engraved QR code plastic closures, thermal-sensitive ink labels, PVC-free lug closures, and circular economy products such as rPET bottles, preforms, and labels. These offerings address customer needs and solidify the Company's leadership position.
- (4) Strengthening Customer Relationships through Vertical Integration: By offering comprehensive services via vertical integration and bundled sales, the Company deepens customer relationships and reinforces its value proposition.
- (5) Strategic Vision for Global Growth: Recognizing the growth potential of the industry, the Company actively pursues international development to capture emerging opportunities.
- (6) Leveraging Group Platform for Regional Expansion: With the support from Group headquarters in Taiwan and seasoned management, the Company continues to expand its presence across Greater China, Southeast Asia, and Africa regions with strong growth potential.
- (7) Winning Strategy through Operational Excellence: Hon Chuan adopts a winning strategy by focusing on its core business, prioritizing customer service, pursuing diversified operations, committing to vertical integration and product differentiation, promoting strategic partnerships with major brands, monitoring industry trends, staying closely aligned with customer needs, and strengthening internal core management competencies.

4.2.1.5 The Favorable factors and Unfavorable Factors of the Development Prospect and the Countermeasures

Items	Favorable Factors	Unfavorable Factors	Countermeasures
1. Future business development outlook	<ol style="list-style-type: none"> 1. Products feature eco-friendly attributes and are well-received by consumers, indicating promising future prospects. 2. The Company actively explores international markets and expands its export business. 3. The Company provides customers with convenient and comprehensive services by offering a wide range of integrated packaging products and solutions. 	Labor shortage is driving up wage costs.	<ol style="list-style-type: none"> 1. Actively upgrade existing machinery and equipment by incorporating AI and automation. Collaborate with China Productivity Center to improve production process. Work with Plastics Industry Development Center to research new material technology and enhance production efficiency. 2. Introduce foreign labor to address workforce shortages and mitigate rising labor costs.
2. Sales status of major products	<ol style="list-style-type: none"> 1. The Company offers a wide variety of packaging products to meet a wide range of packaging needs. This broad product range helps diversify operational risks. 2. Equipment for core products—aluminum closures, plastic closures, and lug closures—is running at high utilization in mass production, reducing unit costs and enhancing price competitiveness. 3. The Company leads in both technology and market share, with patents granted for various cap products from Taiwan, China, Japan, and the U.S.. 	Although the packaging industry changes less rapidly than electronics, shifts in consumer habits still drive frequent changes in packaging designs. Continuous product development is needed to meet client demands.	<ol style="list-style-type: none"> 1. Expand R&D department, actively recruit talent, and adopt advanced technologies to improve product knowledge and quality. 2. Monitor market trends and participate in international trade shows to gather industry insights
3. Industry position	<ol style="list-style-type: none"> 1. The Company is a dominant market leader in Taiwan, recognized by global beverage brands with an extensive sales network. 2. The Company has strong R&D manufacturing capabilities, positioning it as a market leader. 	Smaller manufacturers can lead to fierce price competition.	<ol style="list-style-type: none"> 1. Develop added value, high-quality products to maintain competitiveness. 2. Proactively expand into international markets, actively launch new products, and aim to lead the packaging industry.
4. Supply status of major raw materials	The Company sources its major raw materials from reputable domestic and international suppliers (e.g., C.S. Aluminum Corporation, Formosa Oil, HYOSUNG of Korea) and maintains strong long-term partnerships.	Rising raw material prices increase production costs.	<p>Sign long-term procurement agreements with reputable suppliers to stabilize prices.</p> <p>Develop alternative materials and formulas to reduce costs.</p>
5. Financial condition	The Company has a sound financial structure with strong solvency and healthy short-term capital turnover. The ratio of long-term capital to fixed assets is at a reasonable level, with steady sales and profit growth.	Ongoing investment in new products and the acquisition of new equipment requires substantial capital.	As a publicly listed company, Hon Chuan benefits from capital market access supporting its long-term development plans.

4.2.2 Main Product Applications and Processes

4.2.2.1 Main Product Applications

(1) Aluminum Cap Category:

These caps are designed for a wide range of applications, including health foods, alcoholic beverages, pharmaceuticals, etc. Each product features a pilfer-proof function to ensure product safety. Major clients include Taiwan Tobacco and Liquor Corporation, as well as leading beverage, food, and pharmaceutical manufacturers.

(2) Plastic Cap Category:

Manufactured using specialized PP and HDPE materials, these caps offer superior impact resistance and heat tolerance compared to standard plastics. Available in a wide array of specifications, our plastic caps are protected by multiple patents and have been certified by major international beverage brands such as Coca-Cola and PepsiCo. They are widely used in products like mineral water, carbonated beverages, hot-fill beverages, aseptic beverages, and condiments. With strong development potential, the outlook for this product category is highly promising.

(3) Lug Cap Category:

These caps are suitable for pickled products and health supplements. They are made with advanced food-grade eco-friendly rubber and liners that can withstand high-temperature processing while maintaining optimal vacuum sealing. A built-in vacuum safety button provides an added layer of product security. To meet global market demands, a production line for metal screw caps has been added, offering customers more diverse packaging material options.

(4) Label Category:

Our labels are used for the external packaging of soft drinks, beverages, mineral water, chemicals, food products, instant noodles, and pharmaceuticals. With high tensile strength, excellent impact resistance, oil resistance, and moisture resistance, the bright and visually appealing labels help enhance the perceived value of the product.

(5) PET Bottles:

These bottles are suitable for mineral water, carbonated drinks, high-temperature sterilization, and hot-fill beverages. The product range covers mineral water, flavored water, tea drinks, juice, coffee, sports drinks, juice-based carbonated beverages, dairy products, soy sauce bottles, ultra-high-pressure sterilization bottles, daily chemical bottles, snack and biscuit containers, rice wine bottles, and eco-friendly recycled preforms and bottles.

(6) Beverage Filling:

In addition to high-acid products, our facilities can also fill low-acid beverages such as tea, coffee, and milk tea, as well as aseptic carbonated drinks like soda, juice-based sodas, and sparkling water. These products offer excellent taste and high safety standards. As the filling process is carried out at room temperature, lightweight PET bottles can be used—reducing both production costs and greenhouse gas emissions.

4.2.2.2 Production Processes of Major Products

(1) Aluminum Cap Category

- a. Aluminum sheet → printing → slitting → cap pressing → the side of aluminum cap knurling → liner → laser QR Code inside → computer quality inspection → finished product
- b. Aluminum sheet → printing → slitting → cap pressing → clean → laser security burn printing → braille by carving → polish → the side of aluminum cap knurling → liner → computer quality inspection → finished product
- c. Tinplate → printing → slitting → cap pressing → rolling → the side of aluminum cap knurling → gluing → baking and drying → visual inspection → finished product

(2) Plastic Cap Category

- a. Plastic cap: Material casting → injection/press molding → shape modifying → anti-theft ring cutting → the front of the plastic cap printing → liner → laser QR Code inside → computer visual inspection → finished product
- b. Soy sauce cap: Material casting → injection → combination → visual inspection → finished product

(3) Metal Lug Cap Category

- a. Printing tinplate → cap pressing → rolling → gluing → baking and drying → computer quality inspection → finished metal lug cap
- b. Printing tinplate → cap pressing → rolling → gluing → baking and drying → combination → computer quality inspection → finished composite vacuum cap
- c. Printing tinplate → cap pressing → thread rolling and knurling → gluing → baking and drying → computer quality inspection → finished screw cap

(4) Label Category

Draft creation → copperplate → printing → automatic inspection machine → slitting → center-seal and gusset → slicing → inspection → finished product

(5) PET Bottles

PET resin continuous drying treatment → preform injection and molding → automatic inspection machine → preform crystallization (applicable for hot-fill beverage) → automatic quality inspection → PET bottle blowing → automatic quality inspection → labeling → inspection → finished product

(6) Beverage Filling

Material casting → blending → sterilization → aseptic barrel → not aerating (aerating) → aseptic filling → capping → jet printing → labeling → finished product

4.2.3 Main Raw Materials' Supply Status

Main Product	Main Raw Material	Main Supplier	Supply Situation
Aluminum Cap	Aluminum sheet	Domestic and international supplier	Stable
Plastic Cap	PP chip, PE chip, Liner, Slip agent	Domestic and international supplier	Stable
Metal Lug Cap	Iron sheet	Domestic and international supplier	Stable
Label	PET film, PVC film, OPP film, Pearlized film, Ink	Domestic and international supplier	Stable
PET Bottle	PET resin	Domestic and international supplier	Stable
Beverage Filling OEM	Tea, Fructose, Sugar, Condensed milk, Milk powder, coffee powder, Carton and etc.	Domestic and international supplier	Stable

	
Aluminum Cap and Metal Lug Cap	Plastic Cap
	
Label	PET Bottle

4.2.4 List of Major Suppliers and Customers in the last two years

4.2.4.1 List of Major Suppliers

List the purchase amount and percentage of net purchases for major suppliers who accounted for more than 10% of net purchase in either of the past two years:

Unit: NTD\$ Thousand

Item	2024				2023			
	Name	Amount	Percentage of the annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of the annual net purchases (%)	Relationship with the issuer
1	Y	1,619,130	11%	None	X	1,687,196	13%	None
2	X	1,067,814	7%	None	Y	884,792	7%	None
3	Others	12,407,272	82%	None	Others	10,305,325	80%	None
	Net Purchases	15,094,216	100%		Net Purchases	12,877,313	100%	

4.2.4.2 List of Major Customers

List the sales amount and percentage of total sales for major customers whose purchases accounted for more than 10% of total sales in either of the past two years:

Unit: NTD\$ Thousand

Item	2024				2023			
	Name	Amount	Percentage of the annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of the annual net sales (%)	Relationship with the issuer
1	Z	4,128,915	15%	None	Y	2,747,848	10%	None
2	Others	24,279,249	85%	None	Others	23,661,359	90%	None
	Net Sales	28,408,164	100%		Net Sales	26,409,207	100%	

4.3 Human Resource

Employee information for the past two years and as of the date of publication of this annual report:

As of March 31, 2025

Year		2023		2023		As of March 31, 2025	
Number of Employees	Direct	2,821		2,919		3,021	
	Indirect	1,916		2,034		2,080	
	Total	4,737		4,953		5,101	
Average Age		35.91		35.82		36.18	
Average Years of Service		6.86		7.08		7.08	
Education	Ph.D.	0	0.00%	0	0.00%	0	0.00%
	Masters	122	2.58%	131	2.64%	133	2.61%
	Bachelor's Degree	2,128	44.92%	2,271	45.86%	2,375	46.56%
	High School	1,786	37.70%	1,842	37.19%	1,864	36.54%
	Below High School	701	14.80%	709	14.31%	729	14.29%

4.4 Environmental Protection and Occupational Health & Safety Measures

The Company actively promotes environmental protection. All plants have introduced the ISO 14001 Environmental Management System to systematize and standardize related management (water resources and wastewater, air pollution control, and waste). The Company has established the Occupational Safety and Health Center to handle courses related to environmental management, training for dedicated environmental personnel, and strict requirements on implementation and auditing.

The Company has obtained the stationary pollution source permit issued by the Environmental Protection Bureau to carry out regular inspection, maintenance, and records of raw materials, fuel, products, process equipment, control equipment, and facilities to ensure successful implementation of various improvements.

Due to the threat of global warming and extreme climate, the Company has actively introduced lightweight products, the In-house PWP coalition production model, energy-saving and environmental protection equipment, and solar energy systems to reduce raw materials consumption in production, packaging, and transportation. Therefore, we can reduce our carbon emissions, waste of medical care resources, and environmental impacts, continuously striving toward the goals of environmental friendliness and sustainable development.

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection).

4.4.1 The total amount of loss (including compensation) and fine which caused by polluting environment: None.

4.4.2 Countermeasure (including improvement) and possible expenditure in the future

1. The Company has introduced the ISO 14001 Environmental Management System to reduce environmental risks and increase our positive environmental impact.
2. As of the end of 2024, a total of 44 people in the Company have been certified with licenses for air pollution control, wastewater treatment, waste disposal, toxic chemical substances technician, and sustainability manager. The training for environmental dedicated personnel is conducted regularly.
3. The Company has recruited several environmental safety specialists, cooperated with the Environmental Protection Bureau to hold teaching workshops on pollution prevention practices in printing, and also cooperated with the Industrial Technology Research Institute to improve the air pollution control equipment. Their responsibilities are to increase the understanding and training of environmental protection regulations in all plants, promptly update related laws, and fully implement procedures related to environmental protection law, occupational safety, environmental sanitation.
4. The Company developed computer system, which can compare actual capacity figures of each production lines through online monitoring with the usage of raw materials and production volumes listed in environmental permits, generating preventive reminder messages for Company to apply permit changes timely, so as to comply with laws and regulations.
5. The Expenditure for Environmental Protection: (Currency: NTD)

Contents	<ol style="list-style-type: none"> 1. The maintenance cost for air and water pollution and waste installation. 2. Periodic and irregular inspection fee for environmental protection. 3. The Company outsources to proper disposal of the waste. 4. Related fees as air pollution, land pollution, and water pollution fees. 5. Related fees for park adoption, environmental education for employees, the review of the permit documents, environmental consultant, and implementation of the environmental management system. 		
Year	2022	2023	2024
Cost	70.75 million	62.68 million	161.03 million
Total	294.46 million		

6. The Company acquired a third flexographic printing machine in 2024 to demonstrate continuous improvement and a commitment to environmental protection. As part of this initiative, all traditional gravure printing equipment was officially decommissioned in September 2024, with flexographic printing systems now fully replacing gravure printing across operations. The new equipment can reduce VOC emissions by more than 95% compared to traditional gravure printing. For bottle cap printing, we are also transitioning to UV ink printing to replace existing solvent ink printing, aiming to completely solve the problem of

air pollution emissions and actively contribute to environmental protection efforts.

7. Comply with toxic and chemical substances regulations. Assess in advance and register to local Environmental protection bureau before implementing, keep records and report regularly during the implementation, also, conduct issues related to personnel training, hazard evaluation and prevention to prevent from destroying natural ecosystems and damaging property due to the operation of chemical substances.

4.4.3 Policy of Environmental Protection and Employee Safety and Health

1. Systematize and standardize the management of environmental protection in all plants.
 - (1) Implement ISO 14001 Environmental Management System and recruits environmental safety specialists to regularly inspect environmental protection matters and conduct training related to environmental management. In 2024, 656 employees participated in environmental management training to improve the quality of environmental practices and ensure compliance with environmental regulations.
 - (2) Environmental protection training is also mandatory for new employees to enhance environmental awareness from the outset.
 - (3) The Company has passed the Cleaner Production Assessment System of the Green Factory Label and continues to comply with its requirements to promote sustainable practices.
2. Promote waste reduction and recycling
 - (1) To reduce waste, the Company focuses on recycling waste plastic and transforming waste labels into solid recovered fuel (SRF) and recycled plastic resins, improving the recycling rate of plastic waste across all plants.
 - (2) A waste residue dehydrator has been installed to reduce the water content in waste, increasing the recycling rate of organic fertilizers.
 - (3) Sludge from food processing is used in anaerobic biogas power generation, turning waste into energy and promoting environmental friendliness.
3. Conduct water resource and sewage management
 - (1) The Company has conducted water vulnerability assessments and created water resource management plans in collaboration with clients. We are also participating in ISO 46001 water efficiency management systems to monitor water consumption and implement water conservation measures, including the reuse of recycled water for equipment cooling, cleaning, and watering.
 - (2) Additional cooling water tower drainage and process cooling water recovery systems have been installed to increase water reuse rates.
 - (3) Plans for preventing sewage overflow and strengthening spill containment in outdoor storage areas are in place. Wastewater leakage training and drills are held regularly to prevent environmental contamination.

- (4) Alarms have been installed in wastewater collection wells to prevent overflow.
- (5) Water meters are used at wastewater treatment facilities to track recycled water use.

4. Waste Management

- (1) The main sources of waste at the plant include plastic waste (preforms, PET bottles, bottle caps, waste labels) and plant-based waste. Around 98% of the waste is reused in back-end treatments, while non-recyclable waste is treated by incineration or thermal treatment.
- (2) Since 2019, the Company has adhered to waste management regulations and included recycling and reuse methods in the joint declaration. We will continue to improve waste management practices and raise employee awareness of waste separation and recycling.
- (3) Environmental protection personnel oversee waste management by inspecting the waste remover's capability and treatment process. An annual inspection of waste vendors is conducted to minimize pollution risks.

5. Conduct assessment in plants and the supply chain management

- (1) To ensure compliance with environmental regulations, the Company regularly monitors plant activities and tracks changes in legislation. New regulations are reviewed monthly to stay current.
- (2) An inspection system for pollution control is in place, with weekly checks on waste management and monthly inspections of air pollution, waste disposal, and storage.
- (3) The Company conducts annual supply chain assessments to enhance supplier management in areas such as environmental protection, occupational safety, and human rights, reducing risks associated with suppliers' practices.

6. Perform greenhouse gas inventory and registration

The Company completed the verification of its 2023 greenhouse gas (GHG) inventory for Taichung's 1st and 2nd plants, as well as the Aseptic Filling 1st, 2nd, and 3rd plants in 2024. The Taichung 2nd plant's GHG emissions exceeded the regulatory threshold set by the Environmental Protection Administration (EPA), and the plant completed its GHG inventory verification and registration.

In 2025, the Company plans to expand its GHG inventory and verification to include the Taichung Free Trade and In-house plants, completing a full corporate-wide self-initiated GHG inventory and verification process.

4.4.4 Employee Safety and Health

- 1. Employee safety is a top priority for the Company. To ensure a safe and healthy work environment, we are committed to fostering a culture of safety and providing a supportive, friendly workplace. Ongoing safety training, real-life case studies, and safety videos help raise and maintain employees' awareness of occupational

safety. We aim to implement a safety and health management system grounded in the “Safety Culture” framework, progressing through the three stages of safety awareness: dependence, independence, and interdependence.

2. To address operational risks related to occupational safety, we have established the Occupational Safety and Health Center and the Occupational Safety and Health Committee, which oversee the formulation, implementation, review, and planning of safety and health policies.

(1) Occupational Safety and Health Management System and Maintenance

All plants have implemented the ISO 45001:2018 standard and TOSHMS (Taiwan Occupational Safety and Health Management System) certification. All employees are dedicated to promoting the environment and occupational safety and health policy: Comply with Laws and Regulations of Government, Implement Continuous Improvement, Eliminate Risk, Fulfill Social Responsibility, Strengthen Communication and Consultation, Full Employee Participation, Build a Friendly Workplace, and Ensure Sustainable Operation.

Area	Certification	Term
Taichung 1st and 2nd Plant	ISO 45001:2018	2023/4/14-2026/4/14
Aseptic Filling 1st, 2nd, and 3rd Plant	ISO 45001:2018	2022/6/7-2025/5/31
Taichung 1st and 2nd Plant	CNS 45001:2018 and TOSHMS	2022/6/7-2025/5/30
Aseptic Filling 1st, 2nd, and 3rd Plant	CNS 45001:2018 and TOSHMS	2023/4/14-2026/4/13

(2) Risk Management and Continuous Improvement

Each department conducts annual hazard identification, risk assessment, and control measures, establishing clear improvement targets. These are verified through third-party validations and client audits, enabling continuous enhancement of the work environment and the prevention of occupational incidents.

(3) Occupational Safety and Health Committee Operations

Each plant's committee meets quarterly to plan, supervise, and promote occupational safety matters. Meeting results are executed under the supervision of the committee's highest-level officer to ensure effective implementation.

(4) Safety Training and Emergency Preparedness

In 2024, the Company provided 9,224 hours of occupational safety and health training. Training topics included: General safety and specific hazard education, Fire and evacuation drills, Toxic chemical incident response, and Confined space and gas leak drills. A total of 694 employees in the production department obtained safety and health certifications, while 216 employees completed new or refresher training in 2023. The total external training expenditure was NTD 91,800.

(5) Work Environment Monitoring

We conduct semi-annual job site monitoring, revising our monitoring plans based on operational needs. Results are disclosed in accordance with regulations, and any deficiencies are addressed promptly to safeguard employee health.

(6) Hazardous Chemical Management

We implement comprehensive source control and safe storage of hazardous chemicals. This includes: 1) Regular updates to the chemical inventory, 2) Centralized chemical storage with proper ventilation, 3) Fire safety equipment and compartmentalization, and 4) Compliance with regulations on chemical declarations and risk assessments

(7) Employee Health Protection

To safeguard employee health, annual health examinations are regularly conducted. The examination items exceed legal requirements, and the completion rate has consistently reached 100%. These check-ups help employees detect potential health issues early and prevent the development of occupational diseases.

Each employee receives a written copy of their health examination report. Employees may seek medical treatment for any abnormal findings on their own or schedule a health consultation during on-site services provided by the Company's contracted occupational medicine physician. If employees are identified as high-risk for cardiovascular diseases or exhibit major health abnormalities, the occupational health nurse will coordinate with the contracted occupational medicine physician to discuss job placement recommendations and manage night shift assignments and monthly overtime limits accordingly.

For specific health examinations for occupational disease prevention have also been conducted, covering the following exposures: 481 for noise, 38 for hexane, 16 for ionizing radiation, 10 for manganese and its compounds, and 30 for formaldehyde, totaling 575 examinations. These special examinations are managed based on legally mandated classification levels: 393 cases were classified as Level 1, 160 as Level 2, 0 as Level 3, and 22 as Level 4. For employees classified as Level 4, consultations and job placement discussions with occupational medicine physicians are arranged.

The health management initiatives include the following components:

- Annual health check-ups and risk assessments
- Personalized dietary education
- Follow-up on abnormal physiological and blood test results
- Regular health seminars (e.g., on workplace harassment and awareness of the “five highs”) and health education campaigns
- Medical referral services for employees

Moving forward, efforts will continue to strengthen employees' health awareness, enhance their capability for autonomous health management, and regularly review and optimize health management strategies to safeguard employee health and well-being.

Each plant employs full-time nursing staff and contracts with occupational medicine physicians to provide on-site services four times per month.

Together with occupational safety personnel, they identify annual labor health service priorities.

We actively promote five programs supported by the Occupational Safety and Health Administration (OSHA): 1) Maternal Health Protection at the Workplace, 2) Ergonomic Hazard Prevention, 3) Prevention of Abnormal Workload Disorders, 4) Prevention of Unlawful Infringement During Work, and 5) Occupational Health Management for Middle-aged and Elderly Workers. These initiatives are regularly implemented by occupational health nurses and safety personnel to ensure employees' physical health and to maintain consistent health management and promotion.

4.5 Labor Relations

4.5.1 The employee welfare measure, continuing education, training, retirement system and the implementation status, the agreement between employee and employer, and the status of the employee's right and interest maintenance measure

(1) Employee's benefit policies:

1. Offer health insurance and labor insurance to all employees, and group insurance to specific personnel in accordance with regulations.
2. To maintain employees' good health, THC provides free Health Examination every year.
3. The Company provides a safe work environment, arranges fire compartment in office area and sets adequate fire extinguisher in accordance with Fire Act. Also, the company organizes the Self-defense fire team and carries out training of fire prevention on a casual basis to reinforce employees' abilities to respond to emergency.
4. Set up Coffee bookstore, in which offering books, newspapers and magazines for employees to read and borrow.
5. Offer infirmary and Nursery room.
6. Provide dormitory for non-local employees to lower their financial burden and reduce risk in commuting.
7. Offer parking lots and buffet-style meals in canteen for employees.

(2) Benefit policies and implementation status which Employees' Welfare Committee organizes:

1. Offer Birthday Bonus, Marriage Subsidy, Childbirth Subsidy, Death Subsidy and Holiday bonus(gifts) for three Chinese festivals.
2. Organize incentive tours for excellent employees, year-end banquet and raffle.
3. Other various employees' subsidies and activities.

(3) Pension system:

The Company has formulated the Workers Retirement Measures in accordance with the Labor Law and established the Supervisory Committee of the Workers' Retirement Reserve Fund. The Company contributes labor pension to the Central Trust of China every month. Also, for the person who chooses to apply to the pension system of this Labor Pension Act after July 1, 2005, THC every month contributes 6% of the worker's monthly wage to individual accounts of labor pension.

An employee may apply for voluntary retirement under any of the following conditions: 1. Employees who have served the Company for more than 15 years and are 55 years of age or older ; 2. who have served the Company for more than 25 years ; 3. who have served the Company for more than 10 years and are 60 years of age or older.

(4) Education and continuous training:

Since its founding in 1969, the Company has upheld the values of honesty and integrity, treating employees as vital partners and assets in our collective growth. Through comprehensive welfare measures, we aim to enhance and

stabilize employees' quality of life. We also foster mutual trust and collaboration through robust education and training programs.

To support sustainable business development, the Human Resources Department established the Hon Chuan Academy to proactively cultivate future-ready talent. A standardized training system and education framework were developed to guide talent development and ensure the availability of professional managerial personnel.

In 2024, the Company conducted a total of 40,428 hours of training, covering essential topics such as food safety, quality management, occupational safety and health, ethical management, internal controls, and regulatory compliance.

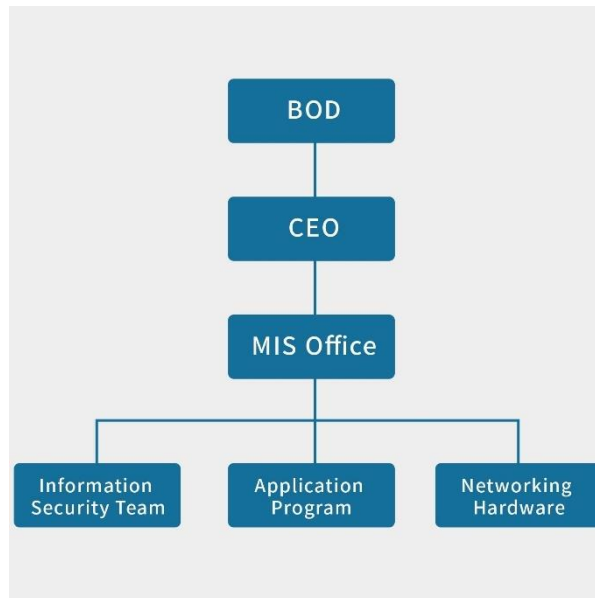
We are committed to providing a comprehensive training system that supports professional development and personal growth, helping to create a positive and secure work environment where employees can thrive.

4.5.2 List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None

4.6 Cybersecurity Management

4.6.1 Describe the cybersecurity risk management framework, cybersecurity policies, concrete management programs, and investments in resources for cybersecurity management

(1) The cybersecurity risk management framework

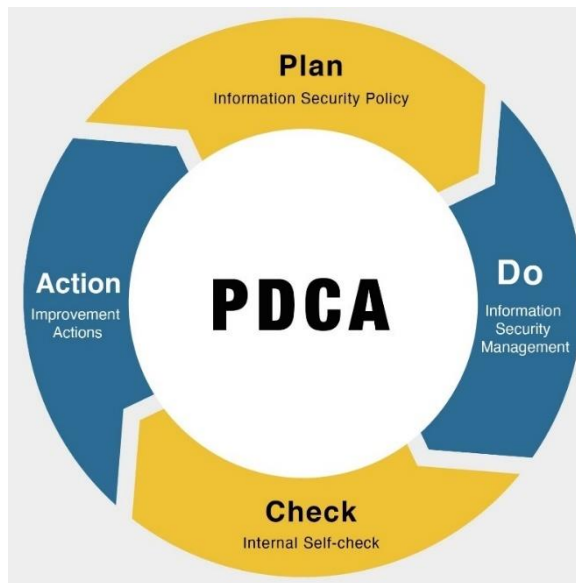


The Company aims to enhance information security management by establishing a dedicated supervisor and personnel for information security. Under the Information Department, there is a subordinate information security team responsible for coordinating the formulation, implementation, risk management, and compliance auditing of information security policies. Information Security's highest-level supervisor reports annually to the Board of Directors on the effectiveness of information security management, relevant security issues, and strategic directions. The internal announcement of the "THC International Information Security Policy" was made on March 21, 2023. The report on the effectiveness of information security execution in 2024 and the goals for 2025 was presented to the Board of Directors on May 9, 2025.

(2) Cybersecurity policies

"To maintain the Company information security, conduct self-manage, and raise information security awareness"

The Company has established an Information Security Team that promotes the concept of information security through the "Information Protection Working Committee." This committee spans all organizations, including Taiwan-based plants and overseas subsidiaries. Regular meetings are convened to monitor ongoing situations and ensure the effectiveness of information protection measures. The Committee utilizes the Plan-Do-Check-Act (PDCA) cycle to regularly evaluate the applicability and effectiveness of the information security policies and measures in place.



Plan: Refer to relevant information security systems, and formulate information policy and management measures.

Do: Multi-layer information security protection: and management (physical security, network security, device security, access management, and information security maintenance and operation.)

Check: Information security monitoring

Action: Review and improvement on information security measures, introduce the new information security protective tools, and training programs and promotion campaigns on information security

(3) Management programs

Program	Explanation	Result
Social engineering drills and information security promotion	Conduct social engineering drills and information security promotion regularly	In 2024, we conducted 2 times drills and 5 times promotion to cultivate employees' information security awareness.
Set multi-layer information security protection	Set up next-generation firewalls, intrusion detection and prevention systems, and email security filtering devices at gateway ends. Deploy important hosts with intrusion prevention antivirus and anti-intrusion systems. Deploy antivirus software on user computers.	Protect servers, networks, and computers. strengthens the depth of defense capabilities and reduces the chances of being attacked.
Vulnerability scanning and system update	Regular vulnerability scanning for hosts and networks, monthly system	In 2024, we conducted 2 times vulnerability scans. We performed monthly

	patch updates, and regular vulnerability scanning and remediation for publicly disclosed system vulnerabilities.	patch updates for the Windows operating system to strengthen the patching of server and software vulnerabilities, reducing opportunities for hackers to exploit vulnerabilities.
Information security monitor	The personnel set up abnormal alerts for cybersecurity equipment and antivirus software and review security equipment and antivirus system logs daily.	The personnel promptly detect anomalies or attack behaviors and take immediate action to prevent the escalation of security issues.
Disaster recovery exercise	Perform regular differential restoration and backup data restoration tests for critical core systems.	In 2024, we conducted 2 times disaster recovery exercises to confirm the effectiveness of backup data.

(4) Investments in cybersecurity management

In 2024, the corporate information security measures implementation results

- a. The core system to conduct disaster recovery drills: 2 times
- b. Conducted email social engineering drills: 2 times
- c. Information security promotion: 5 times
- d. Vulnerability scanning and remediation for hosts and networks: 2 times
- e. There has been no major information security incident occurred.

Although the Company has not purchased the cyber insurance, the performance of the Information Security Team and the implementation of the Information Security Policy can also create a secure IT environment to ensure the information security of the Company's various services.

4.6.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cybersecurity incidents, the possible impacts therefrom, and measures being or to be taken.

(1) There has been no major information security incident occurred in 2023.

(2) Information and communication security risks and countermeasures:

The Company has established a comprehensive cybersecurity and IT protection framework. However, given the rapidly evolving nature of cyber threats, it remains challenging to fully eliminate the risks and impact posed by emerging attack methods. These threats include cyberattacks targeting critical business systems, malicious activities by third-party hackers aiming to

paralyze operations, and intrusions involving computer viruses, destructive software, or ransomware. Such incidents could lead to operational disruptions, financial losses, and the need for significant resource investment to remediate and reinforce security measures.

To mitigate these risks, the company continuously enhances its cybersecurity measures and regularly updates its defense mechanisms. We have joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC), Taichung Port Technology Industrial Park [Information Security Sharing], Chunghwa Telecom HiNet SOC, etc. These partnerships enable us to receive timely security bulletins and threat intelligence. Key initiatives include promptly patching software and system vulnerabilities, deploying Intrusion Prevention Systems (IPS) on critical servers, and strengthening firewall configurations and access controls. Endpoint antivirus solutions are also implemented based on device types to ensure the integrity of our internal systems.

The Company also conducts regular information security promotion and social engineering drills to train and cultivate sound information security awareness among employees. The core system has established a backup mechanism and conducts disaster recovery drills twice a year to ensure the viability of important information systems.

Looking ahead, the company plans to further enhance cybersecurity infrastructure across all facilities. This includes expanding our cybersecurity workforce and implementing professional training and certification programs to continuously advance both the technical and human aspects of information security, thereby ensuring comprehensive protection of corporate information assets.

4.7 Major Contracts

March 31, 2025

Agreement	Counterparty	Period	Content	Restriction
Long-term Loan Contract	Mizuho Bank	2023.08.15 ~2025.08.15	To repay loan and strengthen operating capital	None
Long-term Loan Contract	CTBC Bank	2024.10.03 ~2027.10.31	To repay loan and strengthen operating capital	None
Long-term Loan Contract	E.SUN Bank	2019.07.15 ~2026.07.15	To support investment plans and strengthen operating capital	None
Long-term Loan Contract	Taipei Fubon Bank	2024.02.22 ~2029.01.11	Machinery Upgrade Loan	None

5. Review and Analysis of Financial Conditions and Performance and Risk Management



5.1 Financial Status

Financial Analysis

Unit: NTD\$ Thousand

Item \ Year	2024	2023	Increase (Decrease) Amount	Change Ratio (%)	Change Analysis
Current Assets	15,606,180	14,829,112	777,068	5.24	-
Property, Plant and Equipment	20,049,765	18,263,033	1,786,732	9.78	-
Intangible Assets	392,648	370,346	22,302	6.02	-
Other Assets	7,032,039	4,386,734	2,645,305	60.30	1
Total Assets	43,080,632	37,849,225	5,231,407	13.82	-
Current Liabilities	11,969,399	11,005,887	963,512	8.75	-
Non-current Liabilities	10,830,530	10,380,904	449,626	4.33	-
Total Liabilities	22,799,929	21,386,791	1,413,138	6.61	-
Capital Stock	2,957,859	2,877,859	80,000	2.78	-
Additional Paid-in Capital	6,803,917	5,354,457	1,449,460	27.07	2
Retained Earning	11,414,717	10,113,616	1,301,101	12.86	-
Non-controlling Equity	845,873	762,413	83,460	10.95	-
Other Equity	(1,741,663)	(2,645,911)	904,248	(34.18)	3
Treasury Shares	0	0	0		-
Total Equity	20,280,703	16,462,434	3,818,269	23.19	-

Please explain the variation reason for which exceeding 20%:

1. Increase in Other Assets: a. Due to operational expansion and the establishment of new production lines, prepayments for equipment increased ; b. The increase in financial assets measured at amortized cost was mainly attributable to new investments in financial products during the current period ; c. The increase in investment property was due to the addition of a cold chain warehousing at the Second Phase of Taichung Free Trade Plant, designated for lease.
2. Increase in Additional Paid-in Capital: A capital raising transaction conducted during the period led to an increase in "Capital Surplus – Premium on Ordinary Shares" and "Capital Surplus – Stock Warrants."
3. Increase in Other Equity: The increase in exchange differences on translation of foreign operations was primarily due to foreign exchange rate fluctuations during the period.

5.2 Analysis of Financial Performance

5.2.1 Financial performance analysis

Unit: NTDS\$ Thousand

Year Item	2024	2023	Increase (Decrease) Amount	Change Ratio (%)	Change Analysis
Net Sales	28,408,164	26,409,207	1,998,957	7.57	-
Cost of Goods Sold	22,142,337	20,789,102	1,353,235	6.51	-
Gross Profit	6,265,827	5,620,105	645,722	11.49	-
Operating Expense	2,720,768	2,438,267	282,501	11.59	-
Profit From Operation	3,545,059	3,181,838	363,221	11.42	-
Non-operating Income and Expense	105,832	(25,072)	130,904	522.11	1
Profit Before Income Tax	3,650,891	3,156,766	494,125	15.65	-
Income Tax	691,392	596,780	94,612	15.85	-
Net Income	2,959,499	2,559,986	399,513	15.61	-
Other Comprehensive Income	923,542	(274,114)	1,197,656	436.92	2
Total Comprehensive Income of This Year	3,883,041	2,285,872	1,597,169	69.87	-
Please explain the variation reason for which exceeding 20%: 1. Increase in Non-operating Income and Expense: 1. Due to currency fluctuations, there was an exchange gain in 2023, whereas there was an exchange loss in 2024. 2. The increase in Other Comprehensive Income was primarily attributable to exchange differences arising from the translation of financial statements of foreign operations during the current year.					

5.2.2 Forecasts of sales volumes and supportive sources, its impact on the Company's financial and operational situations and action plan

The sales volume forecast is based on industry trends, supply and demand conditions within the food and beverage sectors, and takes into account product sales performance and changes in client demand. For the upcoming year, no significant changes are anticipated, and the Company is well-positioned to effectively manage both financial and operational matters. For detailed projections, please refer to page 8 "2025 Projected sales volume and its reference."

5.3 Analysis of Cash Flow

5.3.1 Liquidity Analysis for the last 2 years

Year Item	2023	2024	Different (%)
Cash Flow Ratio (%)	46.2	33.97	-26.47
Cash Flow Adequacy Ratio (%)	97.41	83.29	-14.50
Cash Re-investment Ratio (%)	6.93	4.28	-38.24
<p>The decrease in Cash Flow Ratio: The decrease in cash flow ratio is primarily due to the reduction in net cash inflow from operating activities, which was mainly caused by an increase in inventory, resulting in higher net cash outflows related to inventories.</p> <p>Cash Re-investment Ratio: 1. Net cash inflow from operating activities declined mainly due to an increase in inventory levels leading to higher cash outflows related to inventories. 2. The Group's expansion plans led to an increase in gross fixed assets and prepayments for equipment. Additionally, the recognition of right-of-use assets from leased land and buildings contributed to the decrease in the cash reinvestment ratio.</p>			

5.3.2 Cash Liquidity Analysis for the coming year

Unit: NTD\$ Thousand

Cash Balance – Beginning (1)	Estimated Annual Net Cash Flow from Operating Activities (2)	Estimated Annual Cash Outflow (3)	Cash Balance (Deficit) (1)+(2)-(3)	Contingency Plans for Insufficient Cash	
4,847,741	5,990,039	4,528,606	6,309,174	Investment Plan	Financial Plan
				-	-
<p>1. Cash liquidity analysis for next year: (1) Operating activities: Net cash inflow is expected, primarily driven by projected profits from business operations in 2025. (2) Investing activities: Net cash outflow is anticipated due to increased capital expenditures. (3) Financing activities: Net cash outflow is expected as the Company plans to repay bank loans.</p> <p>2. Contingency plans for insufficient cash and liquidity analysis: Not applicable.</p>					

5.4 Impact of Major Capital Expenditures on Financials

5.4.1 Major Capital Expenditure and its Source of Capital

Unit: NTD\$ Thousand

Project	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Actual Capital Expenditure	
				2023	2024
Group plant	Equity fund & Bank loan	Complete before the 4th quarter of 2025	10,541,024	5,408,091	5,132,933

5.4.2 Impact on financial and business conditions

Given the steady growth of the global beverage market, the demographic dividends in emerging markets, and the ongoing rise in consumption levels, Hon Chuan has actively expanded its presence across Taiwan, Southeast Asia, and Africa. We have invested in new beverage filling lines and packaging production lines. Additionally, we have signed long-term partnership agreements with several leading beverage companies. Moving forward, the Company will continue to explore high-potential emerging markets through wholly owned operations or joint ventures to manufacture and distribute packaging materials. This niche market strategy is expected to support the Company's goal of sustainable growth and long-term development.

5.5 Reinvestment Policy, Profit/Loss Analysis, Improvement Plans, and Investment Plans for the Coming Year

Analysis of Re-investment

Unit: NTD\$ Thousand

Explanation Item	Amount (Note)	Policy	Main Reason for Profit or Loss Resulted	Improvement Plan	Other Investment Plan in the Future
Hon Chuan Holding Limited	15,369,869	Expand in Greater China, Southeast Asia and African markets.	Investments in Greater China and Southeast Asia turning profitable. Profits from investments in Hon Chuan Holding Limited stands at NT\$ 2,256,941 thousand in 2024.	Overseas markets provide attractive opportunities and is expected to deliver steady growth.	Depends on operation

Note: For the investments exceeding 5% of authorized capital up to December 31, 2024.

5.6 Risk Analysis and Evaluation

5.6.1 Impact of Interest Rate, Exchange Rate, and Inflation Changes on the Company's Profit and Loss, and Future Countermeasures

5.6.1.1 Impact of Interest Rate in the Most Recent Fiscal Year and Future Measures

Central banks in the U.S., U.K., and Europe announced the adoption of aggressive monetary tightening policies to curb inflation in 2022. The Central Bank of Taiwan followed suit, gradually raising interest rates. By July 2023, the U.S. Federal Reserve has raised federal funds rate to a peak range of 5.25%–5.00% and maintained at such levels. It was not until inflation showed signs of easing with falling prices in commodities such as crude oil that the Federal Reserve finally began cutting rates in September 2024. Meanwhile, Central Bank in Taiwan continues to hold its policy rate steady as policy makers wait for domestic inflation to drop below the target of 1.5%.

In 2025, the implementation of Trump 2.0 policies—focusing on tariffs and tax cuts to reshore manufacturing to the U.S.—has introduced rising political uncertainties. These policies can potentially weaken business and consumer confidence, lower global productivity, and increase production costs. Intensified global trade tensions could drive up inflation and constrain economic activities. Central banks in major economies are closely monitoring the effects of these policies and adjusting monetary strategies accordingly. The Company is also carefully observing the impact of Trump 2.0 on global interest and exchange rates to make timely adjustments.

Most of the Company's bank loans are denominated in NT dollars. In prior years, we took advantage of low interest rates to issue long-term fixed-rate corporate bonds. We also increased interest income through foreign currency time deposits. In 2024, we successfully raised NT\$4.09 billion through the issuance of unsecured convertible bonds (with 0% coupon rate), and conducted a capital increase of NT\$1.064 billion. These efforts have reduced the impact of rising interest rates on our operations. Going forward, we will continue to monitor market trends and leverage various financing instruments to maintain reasonable financing costs.

5.6.1.2 Impact of Exchange Rates in the Most Recent Fiscal Year and Future Measures

The Company has subsidiaries and factories in China, Southeast Asia, and Africa, focusing primarily on local markets, with relatively low export and import volumes. Most transactions are settled in local currencies. The main sources of foreign exchange gains or losses are from holding foreign currency-denominated financial assets and liabilities. In response, we apply natural hedging strategies by balancing foreign currency assets with foreign currency liabilities. We also closely monitor international financial and currency market developments, collect market information, and respond to exchange rate fluctuations. In line with our "Procedures for Derivatives Transactions," we conduct hedging operations to mitigate exchange rate risks when appropriate.

5.6.1.3 Impact of Inflation in the Most Recent Fiscal Year and Future Measures

The Company and its subsidiaries continue to promote the signing of medium- and long-term strategic partnership agreements with clients, under which product pricing can be adjusted based on floating price mechanisms. This approach helps reduce the risk of raw material price fluctuations. Additionally, we are committed to lean management and factory automation to minimize the impact of inflation on the Company's profit and loss.

The following information is provided as a reference for evaluating and comparing the aforementioned risk factors:

Unit: NTD\$ Thousand

Item / Year	2023	2024
Net foreign exchange gain (loss)	(12,036)	116,855
Net Sales	26,409,207	28,408,164
Profit from Operations	3,181,838	3,545,059
Profit before Income Tax	3,156,766	3,650,891
Interest revenue	124,681	122,850
Interest expense	277,119	327,923

5.6.2 Policies, Profit or Loss Causes, and Future Responses Regarding High-Risk/High-Leverage Investments, Loans to Others, Endorsements/Guarantees, and Derivative Transactions

1. The Company does not engage in high-risk or high-leverage investments. All activities involving loans to others, endorsements/guarantees, and derivative transactions are conducted based on operational needs and handled in accordance with the Company's internal procedures, including the "Procedures for Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others," "Procedures for Endorsements and Guarantees," and "Procedures for Derivative Transactions."
2. The Company and its subsidiaries engage in derivative transactions solely for the purpose of hedging against foreign exchange rate fluctuations. These transactions are executed in accordance with the Company's "Procedures for Acquisition or Disposal of Assets" and "Procedures for Derivative Transactions," and are fully disclosed in the financial statements.

The net gains (losses) from the Company's derivative transactions are as follows:

Unit: NTD\$ Thousand

Item	2023	2024
Gain (or Loss) on valuation of financial asset	23,990	(492)

5.6.3 Future R&D Plans and Projected R&D Expenditures

To support long-term development and improve product quality, the Company has established a strong R&D team to strengthen competitiveness and cultivate talent. Investments are focused on research and technological development in advanced

equipment and quality control tools. The Company monitors the latest packaging materials and beverage processing technologies domestically and abroad and aligns product development plans with customer needs. In FY2025, the Company plans to invest the same R&D dollar amount as previous years to support R&D efforts and reinforce competitiveness. For details on recent R&D projects, please refer to page 95.

5.6.4 Impact of Major Domestic and International Policy and Legal Changes on the Company's Financial and Business Operations, and Countermeasures

The Company and its subsidiaries closely monitor significant changes in domestic and international policies and regulations. We work with external legal and professional consultants to regularly update legal compliance frameworks and timely reports to management for informed decision-making. As such, there has been no material impact on the Company's financial or business operations.

5.6.5 Impact of Technology Changes (Including Cybersecurity Risks) and Industry Changes on the Company's Financial and Operations, and Countermeasures

The Company and its subsidiaries continue to monitor technological breakthroughs and industry developments. In recent years, we have optimized and customized our ERP system and introduced ERP integration for new production lines to enhance operational data access. Additionally, we have been actively developing our Business Process Management (BPM) system to digitize internal approval workflows. The Company is planning to establish a Business Intelligence (BI) platform to consolidate company-wide data, information, and knowledge for more effective data integration and analysis.

We aim to consistently improve product quality and manufacturing processes, stay aligned with the latest industry trends through close partnerships with clients, and maintain competitiveness through prudent financial management.

In terms of cybersecurity, the Company has joined the Taiwan Computer Emergency Response Team (TWCERT) to receive threat intelligence, enhance vulnerability patching, adopt security protection tools and equipment, and raise user awareness to mitigate risks.

Looking forward, the Company and its subsidiaries will continue to monitor relevant technological developments in the industry, strengthen internal R&D capabilities, actively explore new market applications, evaluate the potential operational impact, and make timely adjustments to reinforce business development and financial stability. As of now, technological and industrial changes have had no significant adverse impact on the Company or its subsidiaries.

5.6.6 Impact of Corporate Image Changes on Crisis Management and Countermeasures

Most of the Company's and its subsidiaries' customers are reputable multinational companies. Over the years, the Company and its subsidiaries have upheld a principle of integrity and professionalism, earning the trust of brands across the globe. We are

committed to contributing to social and economic development, supporting sustainability goals, and looking after our employees, while strictly complying with regulations. To date, the Company and its subsidiaries maintain a good corporate image, and no significant changes have occurred that would impact our crisis management.

5.6.7 Expected Benefits and Potential Risks of Mergers and Acquisitions (M&A) and Countermeasures

The Company and its subsidiaries have no merger or acquisition plans in place. However, we continue to evaluate potential M&A targets. Should any acquisition be pursued in the future, we will conduct thorough evaluations and focus on achieving synergies to maximize stakeholder interests.

5.6.8 Expected Benefits and Potential Risks of Plant Expansion and Countermeasures

1. Expected Benefits:

With increasing consumer emphasis on packaging quality and environmental sustainability, the Company and its subsidiaries have actively developed aseptic filling technologies in recent years. By integrating beverage filling capabilities with our existing packaging business, we offer customers a one-stop solution from packaging to beverage filling, providing a full-service, cost-effective approach. This allows for the direct shipment of finished beverage products, significantly reducing risks and expenses associated with bottle and cap transportation to in-house filling operations.

We have expanded our aseptic beverage filling operations from Taiwan into China and Southeast Asia to strengthen our global competitiveness. This strategic expansion has already led to notable increases in revenue and profit, and we plan to continue expanding overseas to deepen customer relationships and increase market share.

2. Possible Risks and Countermeasures:

(1) Construction Disruption: During plant construction, movement of personnel and vehicles may be affected, and logistics costs may increase. Our countermeasures include employing 24-hour security personnel to monitor vehicle access, setting up dedicated access routes for personnel, and separating human and vehicle traffic. We also work closely with the company's Environmental, Health & Safety (EHS) unit and comply with government labor safety inspections.

(2) Construction Delays: To prevent delays, the Company includes clear timelines and penalty clauses in contracts with contractors. Weekly progress reviews are conducted, corrective actions are implemented as needed, and meeting minutes are recorded for follow-up to ensure timely project completion.

5.6.9 Risks and Countermeasures Related to Procurement or Sales Concentration

The Company and its subsidiaries maintain procurement flexibility for bulk raw materials by sourcing from multiple suppliers, thus avoiding risks associated with over-concentration.

On the sales side, our clients are primarily well-known domestic food and beverage manufacturers with low credit risk. In addition, the Company and its subsidiaries continue to develop new customers and establish partnerships with reputable domestic and international food and beverage companies. Currently, there is no significant risk related to sales concentration.

5.6.10 Risks and Countermeasures Related to Large-Scale Transfers or Changes in Shareholding by Directors, Supervisors, or Major Shareholders (over 10%): None.

5.6.11 Risks and Countermeasures Related to Changes in Management Control: Not applicable.

5.6.12 Litigation and Non-Litigation Events: None.

5.6.12 Other Significant Risks and Countermeasures:

Environmental compliance risks are addressed through the following measures:

- Enhancing internal awareness and education regarding environmental regulations across all plants.
- Monitoring regulatory changes through the Legal Department for timely communication and training, with the Audit Office overseeing implementation and inspections.
- Increasing dedicated environmental safety personnel, engaging external consultants with practical expertise, and cooperating with environmental consultancy firms commissioned by the Environmental Protection Bureau to assist in workplace safety, environmental hygiene, and regulatory compliance.

5.7 Other Important Matters: None.

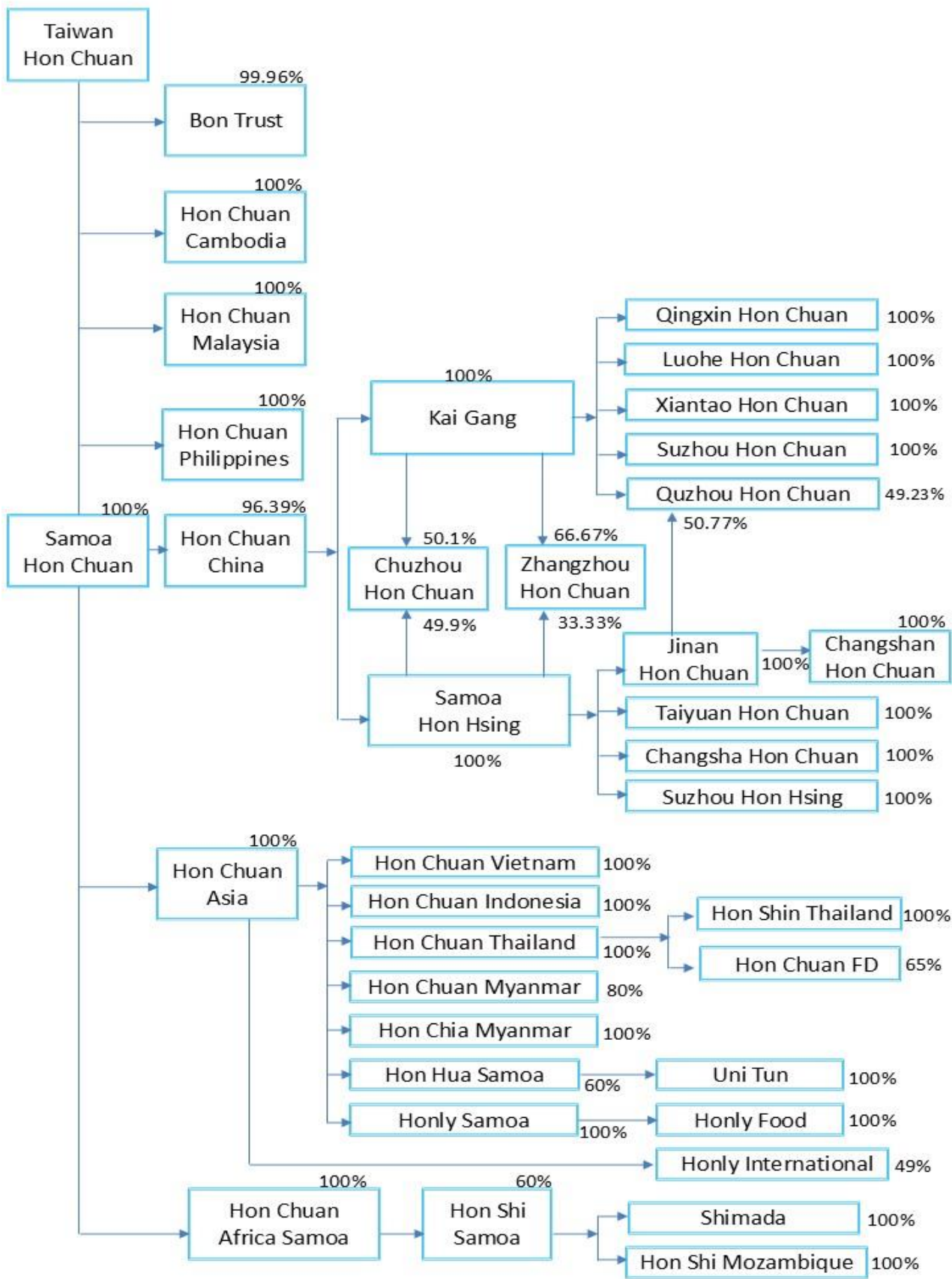
6. Special Disclosures



6.1 Information Related to The Company's Affiliates

6.1.1. Affiliated Companies Chart

As of December 31, 2024



6.1.2. Summary of Affiliated Companies

Unit: NTD\$ Dollar

Company	Date of Establishment	Address	Paid-in Capital	Main Business / Production
Bon Trust International Trade Co., Ltd.	April 9, 2019	24F.-1, No. 218, Sec. 1, Wenxin Rd., Nantun Dist., Taichung City 408, Taiwan (R.O.C.)	TWD\$ 25,000,000	International Equity Investment and Trade Business
Hon Chuan Holding Limited	March 15, 2002	Portcullis Chambers, P.O.Box 1225, Apia, Samoa	USD\$ 501,383,319	International Equity Investment
Hon Chuan (China) Holding Co., Ltd.	January 10, 2003	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, Grand Cayman, KY1-1208, Cayman Island	USD\$ 14,128,861	International Equity Investment
Kai Gang Industries Limited	January 29, 1991	Suit 1801-5, 18/F, Tower 2., China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	USD\$ 127,462,424	International Equity Investment
Hon Hsing (Samoa) Holding Limited	June 18, 2002	Portcullis Chambers, P.O.Box 1225, Apia, Samoa	USD\$ 113,806,000	International Equity Investment
Hon Chuan (Africa) Holdings Co., Ltd.	July 10, 2015	Portcullis Chambers, P.O.Box 1225, Apia, Samoa	USD\$ 13,044,118	International Equity Investment
Hon Shi (Samoa) Holding Limited	October 15, 2015	Portcullis Chambers, P.O.Box 1225, Apia, Samoa	USD\$ 5,231,316	International Equity Investment
Hon Chuan Enterprise (Suzhou) Company Limited	September 10, 1993	No.58 Yinbin Road., Luzhi Town, Wuzhong Area, Suzhou City, China.	USD\$ 26,630,000	Manufacture and sale of plastic caps, labels and PET film
Hon Chuan Food Packing (Qingxin) Co., Ltd.	May 18, 2009	No. M-05B YingFu Industrial Park, Taiping Town, Qingxin District, Qingyuan City, Guangdong Province, China	USD\$ 66,860,000	Manufacture and sale of plastic caps, metal lug caps, PET bottles and beverage filling OEM
Suzhou Hongxin Food Packing Co., Ltd.	May 23, 2002	No.58-8 Yingbin Road, Luzhi Economic Development Zone Wuzhong Area, Suzhou City, China	USD\$ 46,000,000	Manufacture and sale of PET bottles and beverage filling OEM
Hon Chuan Enterprise (Changsha) Co., Ltd.	December 02, 2002	Chuangye Road, Ningxiang Economic Development Zone, Changsha City Hunan Province, China	USD\$ 26,390,000	Manufacture and sale of plastic caps, PET bottles

Company	Date of Establishment	Address	Paid-in Capital	Main Business / Production
Hon Chuan Food Packing (Jinan) Co., Ltd.	January 10, 2003	Mingshui Economic Development, Shandong Province, China	USD\$ 36,000,000	Manufacture and sale of plastic caps, PET bottles and beverage filling OEM
Hon Chuan Food Packing (Taiyuan) Co., Ltd.	December 11, 2002	No. 11, Longsheng Street, Tanghuai Industrial Park, Transformation Comprehensive Reform Demonstration Zone, Shanxi Province, China	USD\$ 20,000,000	Manufacture and sale of plastic caps, PET bottles and beverage filling OEM
Hon Chuan Food Packing (Zhangzhou) Co., Ltd.	March 21, 2012	No. 1, Fuzhao Road, Chenxiang Town, Changtai District, Fujian Province, China	USD\$ 45,000,000	Manufacture and sale of plastic caps, PET bottles and beverage filling OEM
Hon Chuan Food Packing (Chuzhou) Co., Ltd.	October 16, 2013	No.1, Fuyang Road, Chengbei Industrial Park, Chuzhou City, Anhui Province, China	USD\$ 24,050,000	Manufacture and sale of plastic caps, preforms and caps
Hon Chuan Food Packing (Xiantao) Co., Ltd.	February 18, 2014	No.59, Gold Road West, Xiantao City, Hubei, China	USD\$ 15,000,000	Manufacture and sale of plastic caps, PET bottles and beverage filling OEM
Hon Chuan Food Packing (Luohe) Co., Ltd.	June 22, 2017	South side, Yongchang Road Eastern section, Industrial Cluster Zone, Linyi County, Luohe City, Henan Province, China	USD\$ 12,000,000	Manufacture and sale of plastic caps, PET bottles and beverage filling OEM
Hon Chuan Food Packing (Quzhou) Co., Ltd.	December 15, 2022	Building 3, No. 111, Sixth Road, Donggang, Quzhou City, Zhejiang Province, China	USD\$ 19,297,000	Manufacture and sale of plastic caps, preforms and caps
Hon Chuan Packaging Technology (Changshan) Co.,Ltd.	March 20, 2024	Room 223, No. 19, Hengsheng Road, Jinchuan Street, Changshan County, Quzhou City, Zhejiang Province, China	RMB\$ 6,000,000	Manufacture and sale of Aluminum cap
HC (Asia) Holdings Co., Ltd.	June 02, 2005	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman, KY1-1208, Cayman Island	USD\$ 235,593,480	International Equity Investment
Hon Chuan (Thailand) Co., Ltd.	July 12, 2004	101/116 Moo20, Khlong Nung, Khlong Luang, Pathum 12120, Thailand	THB\$ 1,370,000,000	Manufacture and sale of plastic caps and PET bottles
Hon Chuan FD Packaging Co., Ltd.	January 17, 2005	695/4 M001, Banbund-Bankai Rd, Klongkew, Banbung Chonburi 20220 Thailand	THB\$ 194,865,000	Manufacture and sale of PET bottles and labels

Company	Date of Establishment	Address	Paid-in Capital	Main Business / Production
Hon Shin (Thailand) Co., Ltd.	February 14, 2024	495/169 Moo. 4, Khanham Subdistrict, Uthai District, Phra Nakhon Si Ayutthaya Province 13210 Thailand.	THB \$ 270,000,000	Manufacture and sale of PET bottles and beverage filling OEM
PT Hon Chuan Indonesia	September 29, 2004	Delta Silicon V, jalan kenari raya Blok G2 No.1 & 17, Cikarang Pusat, Indonesia	IDR\$ 1,753,233,622,960	Manufacture and sale of plastic caps, labels and PET bottles and beverage filling OEM
Hon Chuan Vietnam Co., Ltd.	October 17, 2007	No.29, VSIP II Street 7, Vietnam-Singapore Industrial Park II, Hoa Phu Ward, Thu Dau Mot Town, Binh Duong Province, Vietnam	VND\$ 898,608,224,899	Manufacture and sale of plastic caps and PET bottles
Hon Chuan Malaysia Sdn. Bhd.	August 11, 2010	PT. 29469, Lengkok Teknologi 3, Kawasan Perindustrian Tech Park @ Enstek, 71760 Bandar Enstek, Negeri Sembilan Darul Khusus	MYR\$ 81,259,900	Manufacture and sale of plastic caps and PET bottles
Hon Chuan (Myanmar) Co., Ltd.	June 27, 2013	Plot No. B-5, Mingaladon Industrial Park, Mingaladon Township, Yangon Region, The Republic of the Union of Myanmar	MMK\$ 32,278,529,792	Manufacture and sale of plastic caps, PET bottles and LDPE film
Hon Hua (Samoa) Holdings Limited	October 17, 2016	Portcullis Chambers, P.O.Box 1225, Apia, Samoa	USD\$ 8,925,000	International Equity Investment and Trade Business
Uni Tun Co., Ltd.	November 08, 2016	No.525, Pyay Road, Hmawbi Township, Yangon, Myanmar	MMK\$ 186,938,598	Bottled water filling OEM
Hon Chia (Myanmar) Co., Ltd.	February 10, 2015	THILAWA SEZ ZONE A, PLOT A14 THANLYIN, YANGON REGION, MYANMAR	USD \$ 19,929,000	Manufacture and sale of plastic caps, PET bottles and labels
Honly Holding Co., Ltd.	January 30, 2014	Portcullis Chambers, P.O.Box 1225, Apia, Samoa	USD\$ 6,985,478	International Equity Investment
Honly International Co., Ltd.	January 30, 2015	No.44, National Road No.4, Group 5, Phum Trapeang Kol, Sangkat Kantouk, Khan Po Sen Chey, Phnom Penh, Cambodia	USD\$ 3,681,000	International Equity Investment
Honly Food & Beverage Co., Ltd.	July 21, 2014	House #44, Street National Road 4, Group 5, Trapeang Kol village, Kantouk commune, Po Sen Chey district, Phnom Penh	USD\$ 17,966,248	Beverage filling OEM

Company	Date of Establishment	Address	Paid-in Capital	Main Business / Production
Hon Chuan (Cambodia) Co., Ltd.	July 16, 2019	House #44, Street National Road 4, Group5, Trapeang Kol Village, Kantouk Commune, Po Sen Chey District, Phnom Penh, Cambodia	USD\$ 2,500,000	Manufacture and sale of PET bottles
Hon Chuan (Philippines) Co., Ltd	Feb 3, 2020	Lot 3, Block 7 Light Industry&Science Park IV (LISP IV) Malvar, Batangas, Philippines	PHP\$ 150,000,000	Manufacture and sale of plastic caps and PET bottles
Shimada International Limitada	June 28, 2004	Rua de Sofala, No.173-Matola C Maputo-Mozambique	MZN\$ 360,000	Manufacture and sale of plastic caps, PET bottles and LDPE film
Hon Shi Mozambique Co., Ltd.	December 04, 2015	Parcela No.3379/R, En4, Chumene, Motola, Mozambique	MZN\$ 161,584,000	Manufacture and sale of plastic caps

6.1.3. Data of Common Shareholders of Treated-as Controlled Companies and Affiliates: None.

6.1.4. Affiliated company's Operating Results

Unit: NTD\$ Thousand

Company	Paid-in Capital (Note 1)	Total Assets (Note 1)	Total Liabilities (Note 1)	Total Equity (Note 1)	Sales (Note 2)	Gross Profit (Loss) (Note 2)	Net Profit (Loss) of the period (Note 2)
Hon Chuan Holding Limited	16,437,852	25,478,480	26,027	25,452,453	77,596	2,481	2,256,941
Bon Trust International Trade Co., Ltd.	25,000	68,661	34,613	34,048	325,384	(4,723)	4,416
Hon Chuan (Cambodia) Co., Ltd.	81,963	109,245	26,344	82,901	99,598	7,530	7,177
Hon Chuan (Philippines) Co., Ltd	85,065	94,082	16,067	78,015	0	(1,258)	(1,148)
Hon Chuan (China) Holding Co., Ltd.	463,215	12,599,469	3,886,758	8,712,711	(43,559)	(43,742)	616,711
Kai Gang Industries Limited	4,178,856	7,092,050	0	7,092,050	0	(178)	690,440
Hon Hsing (Samoa) Holding Limited	3,731,130	5,488,608	202,002	5,286,606	0	(13,726)	193,539

Company	Paid-in Capital (Note 1)	Total Assets (Note 1)	Total Liabilities (Note 1)	Total Equity (Note 1)	Sales (Note 2)	Gross Profit (Loss) (Note 2)	Net Profit (Loss) of the period (Note 2)
Hon Chuan (Africa) Holdings Co., Ltd.	427,651	442,247	295	441,952	0	(30)	9,666
Hon Shi (Samoa) Holding Limited	171,509	189,467	7,270	182,197	0	(24)	16,056
Hon Chuan Enterprise (Suzhou) Company Limited	873,065	1,071,871	72,310	999,561	545,338	22,953	26,717
Suzhou Hongxin Food Packing Co., Ltd.	1,508,110	602,824	56,407	546,417	359,503	(57,685)	(41,392)
Hon Chuan Enterprise (Changsha) Co., Ltd.	865,196	1,101,322	37,321	1,064,001	321,888	41,641	34,938
Hon Chuan Food Packing (Jinan) Co., Ltd.	1,180,260	1,674,262	47,236	1,627,026	655,028	72,288	89,528
Hon Chuan Food Packing (Taiyuan) Co., Ltd.	655,700	1,201,984	36,136	1,165,848	554,743	10,325	10,854
Hon Chuan Food Packing (Qingxin) Co., Ltd.	2,192,005	3,456,429	185,682	3,270,747	2,591,474	493,936	444,430
Hon Chuan Food Packing (Zhangzhou) Co., Ltd.	1,475,325	1,794,271	311,838	1,482,433	798,769	142,364	117,658
Hon Chuan Food Packing (Chuzhou) Co., Ltd.	788,479	1,837,340	654,161	1,183,179	2,103,934	219,406	171,542
Hon Chuan Food Packing (Xiantao) Co., Ltd.	491,775	507,639	40,061	467,578	197,134	(2,401)	867
Hon Chuan Food Packing (Luohe) Co., Ltd.	393,420	456,980	42,995	413,985	272,245	(20,961)	(14,772)
Hon Chuan Food Packing (Quzhou) Co., Ltd.	632,652	1,601,366	886,532	714,834	1,108,363	131,813	91,070
Hon Chuan Packaging Technology (Changshan) Co., Ltd.	26,868	27,203	1,272	25,931	0	(1,241)	(931)
HC (Asia) Holdings Co., Ltd.	7,723,932	11,727,973	12,426	11,715,547	0	(2,759)	1,372,692

Company	Paid-in Capital (Note 1)	Total Assets (Note 1)	Total Liabilities (Note 1)	Total Equity (Note 1)	Sales (Note 2)	Gross Profit (Loss) (Note 2)	Net Profit (Loss) of the period (Note 2)
Hon Chuan (Thailand) Co., Ltd.	1,318,358	3,031,741	328,004	2,703,737	2,347,284	392,180	356,218
Hon Chuan FD Packaging Co., Ltd.	187,520	301,003	36,090	264,913	333,464	39,283	35,802
Hon Shin (Thailand) Co., Ltd.	259,822	257,772	269	257,503	0	(1,188)	(2,208)
PT Hon Chuan Indonesia	3,563,745	7,263,205	1,240,528	6,022,677	3,298,357	771,795	616,968
Hon Chuan Vietnam Co., Ltd.	1,148,974	1,627,668	88,849	1,538,819	1,070,278	130,006	108,892
Hon Chuan Malaysia Sdn. Bhd.	574,142	848,786	84,179	764,607	652,308	84,717	73,160
Hon Chuan (Myanmar) Co., Ltd.	503,728	1,158,537	220,178	938,359	1,254,061	298,299	367,522
Hon Chia (Myanmar) Co., Ltd.	653,111	304,003	39,219	264,784	0	(2,378)	9,280
Hon Hua(Samoa) Holdings Limited	292,606	316,827	0	316,827	0	(49,073)	24,662
Uni Tun Co., Ltd.	2,917	67,772	56,565	11,207	139,809	50,443	27,937
Honly Holding Co., Ltd.	229,019	68,796	0	68,796	0	(29)	(23,249)
Honly International Co., Ltd.	120,682	125,414	2,121	123,293	0	(620)	2,441
Honly Food & Beverage Co., Ltd.	589,023	70,056	1,379	68,677	0	(23,257)	(23,217)
Shimada International Limitada	185	205,726	75,862	129,864	129,541	17,301	16,698
Hon Shi Mozambique Co., Ltd.	82,890	110,216	50,613	59,603	45,323	2,560	(610)

(Note 1) Foreign exchange rates (to NTD) for balance sheet amounts are as follows: USD: 32.785, RMB: 4.478005, THB: 0.962305, RP: 0.002033, VND: 0.001279, MYR: 7.0655, MMK: 0.015606, MZN: 0.512987, PHP: 0.5671.

(Note 2) Foreign exchange rates (average in 2024, to NTD) for income statement amounts are as follows: USD: 32.112, RMB: 4.453999, THB: 0.915995, RP: 0.002055, VND: 0.001252, MYR: 6.755, MMK: 0.015285, MZN: 0.502489, PHP: 0.5606.

6.1.5. Business scope conversing by all affiliated companies:

Please refer to the basic information of affiliated companies.

6.1.6. Give explanations if there is mutual connections between affiliated companies: None.

6.1.7. Directors, Supervisors and Presidents of Affiliated Companies:

Unit: Share / %

Company	Title	Name or Representative	Shareholding	
			Share (Note)	%
Bon Trust International Trade Co., Ltd.	Director	Wang, Mei-Ying	1,000	0.04%
	Supervisor	Hsieh, I-Fang	-	-
Hon Chuan Holding Limited	Director	Cheng, Ya-Wen, Tsao, Hsih-Chung (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	501,383,319	100%
Hon Chuan (China) Holding Co., Ltd.	Director	● Dai, Hung-Chuan, Tsao, Hsih-Chung, (Representative of Hon Chuan Holding Limited)	136,190,903	96.39%
		● Dai, Hung- Chuan (Representative of Trans Victory Trading Limited)	5,097,710	3.61%
Kai Gang Industries Limited	Director	Dai, Hung-Chuan, Tsao, Hsih-Chung (Representative of Hon Chuan (China) Holding Co., Ltd.)	997,475,329	100%
Hon Hsing (Samoa) Holding Limited	Director	Dai, Hung-Chuan, Tsao, Hsih-Chung (Representative of Hon Chuan (China) Holding Co., Ltd.)	113,806,000	100%
Hon Chuan Enterprise (Suzhou) Company Limited	Director	Tsao, Hung-Yu, Liu, Yun-Chang, Liu, Li-Yuan (Representative of Kai Gang Industries Limited)	-	100%
Hon Chuan Food Packing (Qingxin) Company Limited	Director	Fang, Yu-Lung, Liu, Yun-Chang, Tsao, Chien-Hsia (Representative of Kai Gang Industries Limited)	-	100%
Suzhou Hong Xin Food Packing Company Limited	Director	Tsao, Hung-Yu, Liu, Li-Yuan, Liu, Yun-Chang (Representative of Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Enterprise (Changsha) Co., Ltd.	Director	Chang, Chun-Shu, Tsao Hsin-Wen, Liu, Yun-Chang (Representative of Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Food Packing (Jinan) Company Limited	Director	Yen, Ching-Chuan, Liu, Yun-Chang, Tsao, Chien-Hsia (Representative of Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Food Packing (Taiyuan) Company Limited	Director	Liu, Yun-Chang, Tsao Hsin-Wen, Yen, Ching-Chuan (Representative of Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Food Packing (Zhangzhou) Company Limited	Director	Yen, Ching-Chuan, Liu, Yun-Chang, Tsao, Chien-Hsia (Representative of Kai Gang Industries Limited and Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Food Packing (Chuzhou) Company Limited	Director	Tsao, Chien-Hsia, Liu, Yun-Chang, Fang, Yu-Lung (Representative of Kai Gang Industries Limited, Hon Hsing (Samoa) Holding Limited, and Hon Chuan Enterprise (Changsha) Co., Ltd.)	-	100%
Hon Chuan Food Packing (Xiantao) Company Limited	Director	Tsao, Chien-Hsia, Liu, Yun-Chang, Fang, Yu-Lung (Representative of Kai Gang Industries Limited)	-	100%

Company	Title	Name or Representative	Shareholding	
			Share (Note)	%
Hon Chuan Food Packing (Luohe) Company Limited	Director	Liu, Yun-Chang, Hsieh, Hung-Lung, Chuang, Kuei-Ching (Representative of Kai Gang Industries Limited)	-	100%
Hon Chuan Food Packing (Quzhou) Company Limited	Director	Tsao, Chien-Hsia, Tsao, Hsin-Wen, Fang, Yu-Lung (Representative of Kai Gang Industries Limited and Hon Chuan Food Packing (Jinan) Company Limited)	-	100%
Hon Chuan Packing Technology (Changshan) Co., Ltd.	Executive Director	Liu, Yun-Chang (Representative of Hon Chuan Food Packing (Jinan) Company Limited)	-	100%
HC (Asia) Holdings Co., Ltd.	Director	Dai, Hung-Chuan, Tsao, Hsieh-Chung (Representative of Hon Chuan Holding Limited)	235,593,480	100%
Hon Chuan (Thailand) Co., Ltd.	Director	Dai, Hung-Chuan, Tsao, Hsieh-Chung, Pai, Wen-Pin, Hsiao, Ming-Cheng (Representative of HC (Asia) Holdings Co., Ltd.)	137,000,000	100%
Hon Chuan FD Packaging Co., Ltd.	Director	● Dai, Hung-Chuan, Tsao, Hsieh-Chung, Pai, Wen-Pin, Tung, Chan-Wei (Representative of Hon Chuan (Thailand) Co., Ltd.)	12,666,225	65%
		● Li, his-chi, Mrs. Chintana Assodrmitee (Representative of F&D)	6,820,275	35%
Hon Shin (Thailand) Co., Ltd.	Director	Dai, Hung-Chuan, Tsao, Hung-Yu, Ting, Chih-Hao, Tung, Chan-Wei, Hsiao, Ming-Cheng (Hon Chuan (Thailand) Co., Ltd.)	27,000,000	100%
PT Hon Chuan Indonesia	Director	● Dai, Hung-Chuan, Tsao, Hsieh-Chung, Pai, Wen-Pin, Ting, Chih-Hao, Li, Cho-Pin (Representative of HC (Asia) Holdings Co., Ltd.)	138,794,150	100%
	Supervisor	● Tsao, Hung-Yu		
Hon Chuan Vietnam Co., Ltd.	Director	Dai, Hung-Chuan, Tsao, Hsieh-Chung, Pai, Wen-Pin, Tung, Chan-Wei, Yao, Chen-He (Representative of HC (Asia) Holdings Co., Ltd.)	-	100%
Hon Chuan Malaysia Sdn. Bhd.	Director	Dai, Hung-Chuan, Tsao, Hsieh-Chung, Pai, Wen-Pin, Ting, Chih-Hao, Li, Cheng-Yu (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	81,259,900	100%
Hon Chuan (Myanmar) Co., Ltd.	Director	● Dai, Hung-Chuan, Tsao, Hsieh-Chung, Ting, Chih-Hao (Representative of HC (Asia) Holdings Co., Ltd.)	153,470,388	80%
		● Tan Wei Yang, U Aung Win (Representative of Pack Master Co., Ltd.)	38,367,597	20%
Honly Holding Co., Ltd.	Director	Dai, Hung-Chuan, Tsao, Hsieh-Chung (Representative of HC (Asia) Holdings Co., Ltd.)	69,854,780	100%
Honly International Co., Ltd.	Director	● Dai, Hung-Chuan, Tsao, Hsieh-Chung, Cheng, Ya-Wen, Dai, Hung-I, Tsao,	1,002	49%

Company	Title	Name or Representative	Shareholding	
			Share (Note)	%
		Hung-Yu (Representative of HC (Asia) Holdings Co., Ltd.)		
		● Chuang, Savy	1,043	51%
Honly Food & Beverage Co., Ltd.	Director	Yen, Ching-Chuan (Representative of HC (Asia) Holdings Co., Ltd.)	17,966,248	100%
Hon Chuan (Cambodia) Co., Ltd.	Director	Pai, Wen-Pin, Tung, Chan-We (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	1,000	100%
Hon Chuan (Philippines) Co., Ltd.	Director	Dai, Hung-Chuan, Tsao, Hsih-Chung (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	15,000,000	100%
Hon Chuan (Africa) Holdings Co., Ltd.	Director	Dai, Hung-Chuan, Tsao, Hsih-Chung (Representative of Hon Chuan Holding Limited)	13,044,118	100%
Hon Shi (Samoa) Holding Limited	Director	Dai, Hung-Chuan, Tsao, Hsih-Chung, Fang, Yu-Lung (Representative of Hon Chuan (Africa) Holdings Co., Ltd.)	3,138,790	60%
Shimada International Limitada	Director	Fang, Yu-Lung, Huang, Kuan-Jen, Tsao, Hung-Yu, Wu, Liang-Cheng, Wu, Jui-Man (Representative of Hon Shi (Samoa) Holding Limited)	—	100%
Hon Shi Mozambique Co., Ltd.	Director	Fang, Yu-Lung, Huang, Kuan-Jen, Tsao, Hung-Yu, Wu, Liang-Cheng, Wu, Jui-Man (Representative of Hon Shi (Samoa) Holding Limited)	—	100%
Hon Hua (Samoa) Holdings Limited	Director	● Dai, Hung-Chuan, Tsao, Hsih-Chung, Ting, Chih-Hao (Representative of HC (Asia) Holdings Co., Ltd.)	5,355,000	60%
		● Chia, Hsin-Hua, Yang, Cheng-Lin	3,570,000	40%
Uni Tun Co., Ltd.	Director	● DAW MYA THAZIN KYAWE (Representative of HC (Asia) Holdings Co., Ltd.)	6,000	60%
		● DAW WIN WIN KHAING	4,000	40%
Hon Chia (Myanmar) Co., Ltd.	Director	● Dai, Hung-Chuan, Tsao, Hung-Yu, Ting, Chih-Hao (Representative of HC (Asia) Holdings Co., Ltd.)	19,929,000	100%

Note: Except for Hon Chuan Malaysia Sdn. Bhd., other limited companies do not issue shares.

6.1.8. Consolidated Financial Statements Covering Affiliated Enterprises, and Reports on Affiliations: Please refer to Market Observation Post System:

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

6.2 Status of Private Placements in the Most Recent Year and up to the Report Publication Date: None.

6.3 Other Supplementary Notes: None.

7. Significant Events Under Article 36, Paragraph 2, Section 2 of the Securities and Exchange Act Events with Significant Impact on Shareholder Equity or Stock Price in the Most Recent Year and up to the Report Publication Date: None.

Taiwan Hon Chuan Enterprise Co., Ltd.

Chairman: Ya-Wen, Cheng



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