

# 2025 ANNUAL REPORT

Stock Code **9939**



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Annual report is available at

<https://www.honchuan.com/en/investors/shareholder-service>

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.*

**1. Spokesperson and Acting Spokesperson**

Spokesperson : Emily Lu

Title : Investor Relations Officer/ Manager of Administration Dept.

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**2. Headquarters, Branches and Plants**

Headquarter : No.6, 2<sup>nd</sup> Rd., Taichung Industrial Park, Taichung City

Tel : (04) 2359-0088

Taichung Branch : No.11, Jing 3<sup>rd</sup> Rd., Wuqi Dist., Taichung City

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

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Website : www.kgi.com.tw

**4. Auditors**

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Auditors : Shao Chun, Wu, Shu Chin, Chiang

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Tel : (02) 2725-9988

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**5. Overseas Securities Exchange: None**

**6. Website: www.honchuan.com.tw**

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## **1. Annual Shareholders' Letter**



## To Our Stockholders

The past year has been characterized by heightened volatility in the global economy, driven by geopolitical tensions, trade tariffs, shifting interest rate environments, evolving monetary policies, and an increase in extreme climate events. These dynamics have introduced unprecedented challenges for businesses worldwide, as rising operational costs continue to test corporate resilience and adaptability. Amid this uncertainty, Taiwan Hon Chuan Enterprise Co., Ltd. (THC) has remained firmly anchored in our founding principle of steady progress with purposeful advancement, while continuously innovating in the face of challenges. We believe that a disciplined yet forward-looking approach enables us to turn uncertainty into opportunity, strengthen resilience through adversity, and build a solid foundation for sustainable long-term growth. Guided by keen market insight and strategic agility, we have continued to enhance operational efficiency, strengthen our global presence, and uphold our commitment to delivering enduring value to our shareholders.

In fiscal year 2025, THC's standalone revenue reached NTD\$ 9,939.4 million, reflecting a 1.16% increase from the NTD\$ 9,825.2 million achieved in 2024. Consolidated revenue in 2025 rose to NTD\$ 28,876.9 million, a 1.65% year-on-year increase from NTD\$ 28,408.2 million in 2024. Net profit after tax in 2025 showed a slight decline, with standalone net profit at NTD\$ 2,691.2 million (down 5.03% from NTD\$ 2,833.7 million in 2024) and consolidated net profit at NTD\$ 2,817.3 million (a 4.81% decline from NTD\$ 2,959.5 million in 2024). Earnings per share (EPS) reached NTD\$ 9.10 for the year of 2025.

Despite global currency fluctuations and broader economic uncertainties, our core operations remained resilient and stable. This performance underscores our solid financial foundation, disciplined strategic execution, and operational excellence in navigating an increasingly complex global landscape.

## 2025 Operation Highlights

At THC, we continue to strengthen our global footprint, advance technological innovation, and promote sustainable development, thereby enhancing overall operational competitiveness. Through these efforts, we remain firmly committed to creating long-term value for our shareholders, customers, employees, and communities.

### **1. Global Expansion: Steady Progress with a Global Vision**

Guided by our vision to achieve sustainable growth as a leading world-class enterprise, we have continued to expand our footprint across high-potential international markets. Our

participation in major beverage and packaging exhibitions across the Americas, Europe, Japan, New Zealand, India, and Africa has further strengthened our engagement with global brand partners.

Our capacity expansion strategy has also delivered meaningful progress. Newly established facilities—including Taiwan’s Free Trade Zone, Zhejiang’s Quzhou and Changshan plants, Guangdong’s Zhongshan plant, Thailand’s Hon Shin plant, Indonesia’s KIIC and Pandeglang plants, Vietnam’s VSIP II-A plant, and Myanmar’s Hon Chia plant—will become our key growth drivers. At the same time, we have continued to deploy additional beverage filling and packaging lines across our existing sites, with benefits beginning to materialize. This regionally coordinated capacity buildout not only enhances supply chain resilience and operational flexibility, but also mitigates risk and further strengthens our overall competitiveness.

## **2. Technological Innovation: Smart Manufacturing and Green R&D**

We uphold the principles of green manufacturing, circular economy, and sustainable development, integrating the 3R philosophy (Reuse, Reduce, Recycle) into product design and technological innovation. By combining environmental considerations with functional design, we develop innovative packaging solutions that meet international standards and address the market’s dual mandate for low carbon footprint and high product quality.

We have long been recognized for our innovation and leadership in packaging product development. In 2025, our eco-friendly tethered caps were awarded the Silver Medal for Innovative Packaging Design by the Food Industry Association, while our 100% rPET sustainable labels received an Honorable Mention. In addition, our ESG R&D project with Kao Corporation was honored with the Best Collaborative R&D Award and an Outstanding R&D Achievement Award by the Taichung Industrial Association—further demonstrating our strong innovation and technical capabilities.

We remain focused on enhancing the value of our core business while diversifying our product portfolio to strengthen competitiveness. At the same time, we are actively advancing smart manufacturing and digital transformation, including the adoption of AI-driven tools for process optimization and predictive equipment maintenance, automation pilot programs, and the implementation of digital management systems for occupational safety and health inspections. These initiatives are driving meaningful improvements in overall operational efficiency. Through our state-of-the-art laboratory, we conduct precise raw material validation and pilot-scale production testing to ensure rapid responsiveness to evolving market demands—enhancing production efficiency while maintaining consistent product quality.

### **3. Sustainable Growth: Talent-Centric Strategy and Environmental Stewardship**

We firmly believe that corporate growth must advance in harmony with our communities and the environment. Talent development, sustainability strategy, and innovation form the core pillars underpinning our long-term competitiveness.

At THC, we are committed to strengthening partnerships with our customers through deep insights into industry trends and evolving consumer demands. Through agile execution and innovative offerings, we continue to enhance our product development and manufacturing capabilities—delivering fully integrated, end-to-end solutions that create shared value for our partners. We believe that credibility in the marketplace begins with integrity, and we therefore hold ourselves to the highest standards of accountability and discipline.

Talent is the driving force behind our growth. We are dedicated to fostering a diverse and inclusive workplace, supported by comprehensive talent development programs, structured career progression pathways, and international opportunities. By promoting continuous learning, professional excellence, and cross-border collaboration, we institutionalize talent development as a long-term strategic priority—ensuring the sustained strength and evolution of our organization.

In sustainability, we actively implement energy-saving and carbon reduction initiatives, including carbon inventory and certification across our facilities, the adoption of lightweight packaging, and the development of low-carbon products. We also engage actively in community initiatives and environmental protection efforts. In corporate governance, we continue to strengthen internal controls, risk management, and transparency in information disclosure.

In 2025, our efforts were recognized with numerous honors, including the Silver Award in the Source Management Category of the 8th Resource Circulation Awards by the Ministry of Environment; the Annual Excellence Golden Vessel Award by Taiwan International Ports Corporation; the “Happy Workplace – Excellence Award” by the Taichung City Government; the TCSA Corporate Sustainability Performance Award and Corporate Sustainability Report Gold Award; the Ministry of Education’s Top-Tier Industry-Academia Collaboration Award; and SGS’s Occupational Safety and Health Performance Excellence Award, among others.

#### **Outlook**

We remain guided by our long-term strategic priorities: optimizing systems, enhancing efficiency, reducing costs, driving product innovation, deepening partnerships, and delivering stable profitability. We will continue to expand our global footprint, pursue innovation, and adapt

proactively to an evolving market environment. By integrating group-wide resources, strengthening partnerships with global customers, accelerating the adoption of AI-driven technologies in manufacturing, and reinforcing corporate governance, we aim to deliver sustainable growth and operational excellence.

At the same time, we are committed to building a strong foundation through our industry expertise, continuous innovation, and talent development—unlocking the full potential of our organization.

Looking ahead, we will continue to solidify our leadership in Taiwan, expand across China, Southeast Asia, and Africa, and progressively extend into global markets. Together with our shareholders, employees, and communities, we will create long-term value and drive sustainable growth—building on our legacy while shaping new opportunities for the future.

Chairman :  
Ya-Wen, Cheng

President :  
Hung-Yu, Tsao

Chief Accounting officer :  
Kuei-Ching, Chuang

## 1.2 Business Report

### 1.2.1 Operating Result in 2025

#### 1.2.1.1 Execution of Business Plans in 2025

In 2025, the consolidated revenue posted at NTD\$ 28,876,866 thousand, increased by 1.65% from 2024. The consolidated income before tax booked NTD\$ 3,549,972 thousand, decreased by 2.76% from 2024; The consolidated income after tax reached NTD\$ 2,817,256 thousand, decreased by 4.81% than previous year. The earning per share was 9.10 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 2025.

#### 1.2.1.3 Financial Results and Profitability Analysis

Item		2025	2024
Finance Structure (%)	Debt to Assets Ratio	56.05	52.92
	Long-Term Capital to Fixed Assets, Machinery and Equipment Ratio	142.65	155.17
Solvency (%)	Current Ratio	110.94	130.38
	Quick Ratio	75.10	84.85
	Interest Coverage (times)	10.41	12.13
Profitability (%)	Return on Assets	6.94	7.97
	Return on Equity	13.79	16.11
	Pre-tax Profit to Paid-in Capital Ratio	120.02	123.43
	Net Margin	9.76	10.42
	Earnings Per Share (NTD\$)	9.10	9.80

#### 1.2.1.4 Research and Development

At Hon Chuan, we emphasize on research and development (R&D) and are committed to promoting sustainable packaging materials. Through continuous innovation, the company maintains its leading position in the industry. In addition to supporting energy conservation and carbon reduction by advancing lightweight product designs, we also focus on developing and promoting rPET eco-friendly packaging in line with the principles of a circular economy. Currently, the company is actively assisting customers in adopting rPET packaging, developing rHDPE caps with 30% recycled content, and 100% rPET shrink films. At the same time, Hon Chuan actively develops more new functionalities, materials,

and cross-industry products to enhance product value and meet the needs of consumers.

Our key R&D achievements in 2025 include the following:

- (1) 38 bottle neck 290ml, 400ml, 450ml, and 1000ml for Freezing PET Bottle
- (2) 38 bottle neck 320ml and 415ml for Cold Fill PET Bottle
- (3) 1881 bottle neck 340ml, 350ml, and 600ml for Aseptic PET Bottle
- (4) 1881 bottle neck 450ml, 500ml, 900ml, and 1500ml for Hot Fill PET Bottle
- (5) 1810 bottle neck 500ml and 1500ml for Hot Fill PET Bottle
- (6) 3025 bottle neck 1450ml Bottled Water
- (7) 2.95g Customized Hot Fill Plastic Closure
- (8) 2.23g 1881 Hot Fill Plastic Closure
- (9) 2.15g CSD (Carbonated Soft Drink) Plastic Closure
- (10) 2.20g 1881 Aseptic Fill Plastic Closure
- (11) 1.83g 2622 CSD (Carbonated Soft Drink) Plastic Closure
- (12) 2.20g 1881 Aseptic Fill Plastic Closure
- (13) Develop metal screw cap

Sustainable products:

- (1) Continuous collaboration with clients to implement rPET packaging materials for environmental sustainability and carbon reduction.
- (2) 30% rHDPE plastic closure
- (3) 100% rPET shrinkable film

## **1.2.2 Business Plans in 2026**

### **1.2.2.1 Business Objectives**

#### **1. Maximizing the Benefits of New Production Lines**

In 2026, the company will complete the construction of new production facilities across various locations—including the Taiwan's Free Trade Plant, Guangdong's Zhongshan plant, Thailand's Hon Shin plant, Indonesia's KIIC and Pandeglang plants, Vietnam's VSIP II-A plant, and Mozambique's Hon Jeng Plant. These facilities will be progressively put into operation. The company will focus on business expansion and talent training to ensure the smooth mass production of these new production lines.

#### **2. Strengthening Core Competitiveness**

- (1) Expanding mid- and long-term strategic partnerships with customers.
- (2) Actively promote In-House (Plant-Within-a-Plant) strategic partnerships with c

customers, providing high-quality packaging materials and product services to expand business scale and achieve a win-win strategy for both the company and customers.

- (3) Implement Corporate Governance Evaluation System to institutionalize, standardize, and rationalize the overall operations, aiming to achieve sustainable corporate development.
  - (4) Carry out lean management initiatives and tendering procedures for Group's 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 conducting new product development to enhance value added products by focusing on innovative R&D, developing new materials, new functionalities, and cross-industry solutions.
  - (6) The Company remains committed to driving quality improvement initiatives by embedding them into our frontline operations. Building upon our existing achievements, we continue to optimize areas for improvement—such as the implementation of iReporter quality assurance systems, and fostering a strong culture of quality improvement. Knowledge transfer and experience sharing will be promoted to improve overall quality standards across the company.
  - (7) To accelerate digital transformation, the Company has formed a specialized AI committee focused on enhancing workforce AI capabilities and fostering human-machine collaboration. Through the integration of smart monitoring and data-driven insights, we continue to refine our manufacturing workflows and drive substantial gains in production efficiency.
  - (8) Emphasize on risk management and early warning systems to minimize and prevent unnecessary losses thereby ensuring sustainable operations. Our comprehensive risk control framework includes environmental risk, operational risk, market risk, financial risk, quality risk, legal and compliance, as well as information and cybersecurity risks.
3. 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.
4. 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. Accelerate replacement of outdated inverter energy-saving 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. Manage operations with the objective of achieving carbon neutrality.
  - b. Continue to move towards energy conservation, carbon reduction, and upgrade energy efficiency.
  - c. Based on the customer 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 2026 is outlined as follows:

Unit: Thousand Pcs/Kg/Bottle/Box

Main Products	Sales Volume
Plastic Closures	34,122,966
PET Bottles	11,356,645
Labels	2,610,988
Aluminum Closures	736,076
Films & Electronics Packaging	17,579
Commercial Trade Packaging	986
Beverage Filling OEM	2,492,933
TR Filling OEM	144,422
Metal Lug Caps	445,105
Others	917
<b>Totals</b>	<b>51,928,617</b>

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 actively develop new products and explore new customer bases, emphasizing both customer-oriented and product-oriented strategies. The focus is on creating packaging materials and services that meet customer needs and align with 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 address the growing demand for business expansion, the company is actively building comprehensive international marketing and logistics management capabilities and establishing closer and stronger supply chains with renowned international beverage companies.
4. Operations: We focus on cultivating versatile and multi-skilled talent, adopt flexible and adaptive competitive strategies, and stay attuned to industry trends and market demands. We aim to launch new products to meet the rapidly changing market environment and future challenges.

## **1.2.3 Strategy and Outlook**

### **1.2.3.1 Innovation and Technology Development**

Hon Chuan embodies a spirit of innovation, actively developing niche products and technologies such as lightweight bottles, single-piece plastic caps, eco-friendly labels, sustainable packaging materials, barrier packaging, PET beer bottles, and plastic beer caps. These initiatives aim to enhance product functionality, added value, and differentiation. Through creative ideas and transforming them into commercially viable products, the company extends and expands product applications and domains. Leveraging AI technologies, Hon Chuan shortens innovation cycles, enhancing core competitiveness.

The adoption of new technologies such as 3D printing, QR codes, digital printing, 3D laser anti-counterfeit technology, and PVC-free TPE composite materials increases product safety and competitiveness. Additionally, Hon Chuan ventures into new industrial domains such as food, household, and cleaning products, providing functional and specialized packaging to meet the needs of customers and consumers.

### **1.2.3.2 Differentiated Business Strategy**

By understanding market trends and customer service needs at each stage, Hon Chuan evolves from selling individual items (e.g., caps, labels, or PET bottles) to combined sales (caps + labels + PET bottles) and eventually to offering a total solution package (e.g., caps, labels, PET bottles, filling and packaging services, and warehousing). In addition, the company provides manufacturing-related services (e.g., material contracting, ODM, on-site manufacturing collaboration, and joint ventures), embedding itself deeply into customers' manufacturing processes and establishing irreplaceable partnerships.

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

### **1.2.4.1 Impact of External Competition**

Taiwan's beverage industry is highly competitive, with hundreds of new beverages launched annually. Beverage companies must constantly innovate to maintain market prominence. As the leading provider of beverage packaging materials in Taiwan, Hon Chuan holds the highest market share in caps, labels, and PET bottles. The company continuously develops new functionalities, visual designs, and formats for packaging materials, helping clients reduce costs, add value, and maintain their market competitiveness.

### **1.2.4.2 Impact of Regulatory Environment**

Regarding the regulatory landscape, Hon Chuan complies with relevant national laws and international agreements. In alignment with regulatory requirements, the company implements governance systems and processes, reinforcing corporate governance principles while adapting to changing legal frameworks.

### **1.2.4.3 Impact of Macroeconomic Conditions**

We operate in the fast-moving consumer goods (FMCG) industry closely tied to population size and national income levels. However, Taiwan's drastically declining birth rate and aging population present challenges to future growth in consumer spending. This demographic shift indirectly impacts Hon Chuan's revenue growth. To address this, the company aggressively pursues international expansion and implements vertical integration to broaden the depth and range of products and services, ensuring comprehensive offerings to enhance its competitiveness and sustain revenue growth.

## **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, 2026

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 61-65	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, THC (2) Director, Hon Chuan Investment Co., Ltd. (3) Director, 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) President, THC (2) Director, Hsih-Yueh Development Co., Ltd. (3) President, Fan and Tsao Company	Director	Hsin-We n, 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, THC	—	—	—	—
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%	429,342	0.15%	0	0	Graduated from National Taichung Institute of Commerce, Taiwan	Director, THC	—	—	—	—
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 (3) Department of Architecture, Tamkang University (4) A Chartered Architect in ROC	(1) Director, THC (2) Dai Hongyi Architects (3) Chairman, Ren Sun Construction Co., Ltd., Hong-I investment Co., Ltd., Hong-Shan investment Co., Ltd. (4) Chairman, Hon Tung Construction Co., LTD. (5) Member of Building Regulations, Taichung City (6) Assistant professor, Department of Architecture, Feng Chia University (7) Assistant professor, Department of Landscape design, National Chin-Yi University of Technology (8) An arbitrator of Chinese Arbitration Association, Taipei	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	
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, General Administration Dept., THC (2) Director, 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, THC	—	—	—	—
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) Accounting Partner of BDO Taiwan Joint Accounting Firm (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) Accounting Partner of EnWise CPAs & Co. (2) Independent Director, THC (3) Independent director, InterServ International Inc. (4) Independent director, WFE Technology Corp. (5) Member of Remuneration Committee in Lelon Electronics Corp. (6) Member of Remuneration Committee in Liton Technology Corp.	—	—	—	—
Independent Director	R.O.C.	Po-Yuan, Cho	M 61-65	2023.05.31	3 years	2023.05.31	0	0	0	0	0	0	0	0	(1) Bachelor Degree in Law, National Taiwan University (2) Master Degree 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 (11) General Education in Dayeh University	(1) Independent Director, THC (2) Vice President, NTU Alumni Association (3) Director, Chaoyang University of Technology (4) Associate Dean, Taiwan Development Institute (5) President, Central Taiwan Association Alliance, Taiwan Listed Companies Association	—	—	—	—

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's spouse are 3,572,019 shares, which include 600,000 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 14-15 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 NTS500,000 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-Chan g, Liu	Hsin-We n, Tsao	Chao-Nan, Hung	Hsiang-Yi ng, Huang	Po-Yuan, Cho
Gender	F	M	F	M	M	F	M	M	M
Age	61-65	36-40	76-80	56-60	66-70	41-45	81-85	66-70	61-65
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 16 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 14 to 15 of this annual report under “2.1.1. Information regarding Directors.”

### (3) Information Regarding Management Team

March 31, 2025

Title (Note 1)	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 (Note 2)	%	Shares (Note 2)	%	Shares (Note 2)	%			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, Hsih-Yueh Development Co., Ltd. (2) President, Fan and Tsao Company	Assistant Vice President	Shih-Feng, Hsu	Relationship in law	-
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) Ming-Dao 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	-	-	-	-	-
Beverage Technical Group Vice President	R.O.C.	Ching-Chou, Lu	M	2018.01.01	10,000	0	0	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 <sup>st</sup> Taiwan industrial excellence manager Award	-	-	-	-	-

Title (Note 1)	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 (Note 2)	%	Shares (Note 2)	%	Shares (Note 2)	%			Title	Name	Relationship	
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	-	-	-	-	-
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 (Zhangzhou) Co., Ltd. Senior Assistant Vice President	R.O.C.	Hsuan-Che, Huang	M	2022.01.17	20,000	0.01%	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	14,000	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	7,000	0	1,000	0	0	0	Graduated from Accounting and Statistics Dept., Ling Tung 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	-	-	-	-	-
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)	-	-	-	-	-

Title (Note 1)	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 (Note 2)	%	Shares (Note 2)	%	Shares (Note 2)	%			Title	Name	Relationship	
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	500	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	-	-	-	-	-
Sustainable Development Department Assistant Vice President (Note 4)	R.O.C.	Shih-Feng, Hsu	M	2026.02.01	17,289	0.01%	2,102,110	0.71%	0	0	California Polytechnic State University	-	President	Hung Yu, Tsao	Relationship in law	-

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: Present shareholding figures of Shih-Feng, Hsu's spouse are 2,102,110 shares, which include 428,000 shares under trust with discretion reserved.

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.

Note 4: Shih-Feng, Hsu was promoted to Assistant Vice President on February 1, 2026.

## 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, 2025  
Unit: NTDS Thousand

Title	Name	Remuneration for Directors								Sum of A+B+C+D and ratio to net income		Compensation Earned as Employee of HON CHUAN or HON CHUAN Subsidiary Affiliates								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)(Note1)		Compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		From THC	From All Consolidated Entities	From THC	From All Consolidated Entities	From THC	From All Consolidated Entities	From THC	From All Consolidated Entities			From THC	From All Consolidated Entities	From THC	From All Consolidated Entities	From THC	From All Consolidated Entities	From THC				
										Cash	Stock							Cash	Stock			
Chairmen	Ya-Wen, Cheng																					
Director	Hung-Yu, Tsao																					
Director	Hsin-Wen, Tsao	0	0	0	0	20,389	20,389	0	0	20,389	20,389	11,897	11,897	137	137	11,927	0	11,927	0	44,350	44,350	0
Director	Hung-I, Dai									0.7576%	0.7576%									1.6479%	1.6479%	
Director	Chun-Shu, Chang																					
Director	Yun-Chang, Liu																					
Independent Director	Chao-Nan, Hung																					
Independent Director	Hsiang-Ying, Huang	0	0	0	0	2,340	2,340	0	0	2,340	2,340	0	0	0	0	0	0	0	0	2,340	2,340	0
Independent Director	Po-Yuan, Cho									0.087%	0.087%									0.087%	0.087%	

- 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.
- 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

Note 1: Pension was recorded as expenses and appropriated in 2025.

## Remuneration Brackets

Range of Remuneration	Names of Directors			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	From THC	From All Consolidated Entities H	From THC	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 Hsin-Wen, Tsao	Hung-I, Dai Chun-Shu, Chang Hsin-Wen, Tsao
NT\$ 3,500,000 (incl.) ~ NT\$ 5,000,000 (excl.)	0	0	0	0
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, 2025  
Unit: NTDS Thousand

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		From THC	From All Consolidated Entities	From THC	From All Consolidated Entities	From THC	From All Consolidated Entities	From THC		From All Consolidated Entities		From THC	From All Consolidated Entities	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
General Manager	Hung-Yu, Tsao	40,774	40,774	479	479	0	0	20,327	0	20,327	0	61,580 2.29%	61,580 2.29%	—
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 2025.

## Compensation Brackets

Range of Compensation	Names of President and Vice President	
	From THC	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 Wen-Fu, Lee	Chia-Jui, Chang Wen-Fu, Lee
NT\$ 3,500,000 (incl.) ~ NT\$ 5,000,000 (excl.)	Chin-Hsiung, Lee Kuei-Ching, Chuang Hung-Lung, Hsieh Ching-Chou, Lu	Chin-Hsiung, Lee Kuei-Ching, Chuang Hung-Lung, Hsieh Ching-Chou, Lu
NT\$ 5,000,000 (incl.)~ NT\$ 10,000,000 (excl.)	Chih-Hao, Ting Yun-Chang, Liu	Chih-Hao, Ting Yun-Chang, Liu
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 Distributions of Employee Profit-Sharing Compensation to Management Team

December 31, 2025  
Unit: NTDS Thousand

	Title	Name	Amount in Stock	Amount in Cash	Total	As a % of Net Profit
Management Team	General Manager	Hung-Yu, Tsao	0	34,428	34,428	1.28%
	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 (Chuzhou) 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 (Zhangzhou) 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 (Note 3)	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				
Administration of Aseptic Filling Plant Assistant Vice President	Hsin-Chang, Wu					
Aseptic Filling 1st Plant Assistant Vice President	Hsien-Wen, Chen					
Corporate Governance Officer	Yu-Li, Su					

Note 1: 2025 the net profit of the individual financial statements was NTDS 2,691,189 thousand.

Note 2: 2025 the director profit sharing and employee profit sharing have not been distributed and shall be proposed as an estimation of the amount.

Note 3: Tsang-Pin, Lin, Assistant Vice President, retired from the Company effective February 28, 2026.

**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 2025 Net Profit		Total Remuneration as % of 2024 Net Profit	
	From THC	From All Consolidated Entities	From THC	From All Consolidated Entities
Directors	1.73%	1.73%	1.80%	1.80%
General Manager and Vice Presidents	2.29%	2.29%	2.41%	2.41%

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

Note 2: 2025 the net profit of the individual financial statements was NTDS 2,691,189 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, flexibility, and sustainability related indicators) 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 4 meetings (A) in 2025 with the attendance record of Board members as follows:

Title	Name	Actually Attendance (B)	Attendance by proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Ya-Wen, Cheng	4	0	100	-
Director	Hung Yu, Tsao	3	1	75	-
Director	Yun-Chang, Liu	4	0	100	-
Director	Chun-Shu, Chang	3	1	75	-
Director	Hung-I, Dai	3	1	75	-
Director	Hsin-Wen, Tsao	4	0	100	-
Independent Director	Chao-Nan, Hung	4	0	100	-
Independent Director	Hsiang-Ying, Huang	4	0	100	-
Independent Director	Po-Yuan, Cho	4	0	100	-

Other required information:

1. 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:

(1) 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.

(2) Any resolution, to which an independent director objects or expresses reservations, has been recorded or declared in writing: None.

2. 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:

Date of meeting	Directors' name	Content of motion	Cause for avoidance	Voting situation
2025.8.8	Ya-Wen, Cheng Hung Yu, Tsao Yun-Chang, Liu Hung-I, Dai Hsin-Wen, Tsao Chun-Shu, Chang (represented by proxy Ya-Wen, Cheng)	The proposal for the subsidiary, Hon Chuan Holding Co., Ltd., to acquire a 3.61% equity stake in Hon Chuan China Holdings Co., Ltd. from Trans Victory Trading Limited.	The directors involved in the conflict of interest are shareholders of the counterparty, Trans Victory Trading Limited, or are the spouses or second-degree relatives of such shareholders.	The directors excused themselves and withdrew from the meeting during the discussion and voting of this proposal to avoid a conflict of interest.

3. 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 2025 performance evaluation and improvements for the Board and Functional Committees were reported to the Board of Directors on March 6, 2026. The weighted average score for the overall performance of the Board of Directors is 4.81 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 Sustainability and Risk Management Committee is 4.83 out of 5. The overall board’s evaluation is great.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	From January 1, 2025 to December 31, 2025	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"> <li>■ Participation in the operation of the company</li> <li>■ Improvement of the quality of the board of directors' decision making</li> <li>■ Composition and structure of the board of directors</li> <li>■ Election and continuing education of the directors</li> <li>■ Internal control</li> </ul> <p>(2) The individual director’s evaluation of the Company includes six aspects:</p> <ul style="list-style-type: none"> <li>■ Alignment of the goals and missions of the company</li> <li>■ Awareness of the duties of a director;</li> <li>■ Participation in the operation of the company</li> <li>■ Management of internal relationship and communication</li> <li>■ The director's professionalism and continuing education</li> <li>■ Internal control</li> </ul>
Once a year	From January 1, 2025 to December 31, 2025	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"> <li>■ Participation in the operation of the company</li> <li>■ Awareness of the duties of the Audit Committee</li> <li>■ Improvement of quality of decisions made by the Audit Committee</li> <li>■ Makeup of the Audit Committee and election of its members</li> <li>■ Internal control</li> </ul>

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	From January 1, 2025 to December 31, 2025	Evaluation of the Remuneration Committee	Internal evaluation of the Remuneration Committee	The Remuneration Committee evaluation includes four aspects: <ul style="list-style-type: none"> <li>■ Participation in the operation of the company</li> <li>■ Awareness of the duties of the Remuneration Committee</li> <li>■ Improvement of quality of decisions made by the Remuneration Committee</li> <li>■ Makeup of the Remuneration Committee and election of its members</li> </ul>
Once a year	From January 1, 2025 to December 31, 2025	Evaluation of the Sustainability and Risk Management Committee	Internal evaluation of the Sustainability and Risk Management Committee	The Sustainability and Risk Management Committee evaluation includes four aspects: <ul style="list-style-type: none"> <li>■ Participation in the operation of the company</li> <li>■ Awareness of the duties of the Sustainability and Risk Management Committee</li> <li>■ Improvement of quality of decisions made by the Sustainability and Risk Management Committee</li> <li>■ Makeup of the Sustainability and Risk Management Committee and election of its members</li> <li>■ Internal control</li> </ul>

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:

- To strengthen Board functionality, the Board of Directors resolved on August 8, 2025, to establish a “Nomination Committee” to enhance the selection and appointment procedures for directors and senior management.
- The Company has established several functional committees, including the “Remuneration Committee,” “Audit Committee,” “Sustainability and Risk Management Committee,” and “Nomination Committee.” The Remuneration Committee evaluates the performance of directors and executives to ensure the reasonableness of compensation. The Audit Committee ensures the fairness of financial and non-financial reporting, as well as the effectiveness of internal control systems. The Sustainability and Risk Management Committee reinforces our vision for sustainable development, oversees the execution of sustainability initiatives, and establishes mechanisms for the identification, assessment, and mitigation of material risks—including operational, financial, information security, and climate change risks. The Nomination Committee assists in establishing selection criteria, reviewing candidate qualifications, and planning succession strategies to optimize the diversity and expertise of the Board’s composition.

- The Company’s Independent Directors possess extensive expertise in accounting, finance, business, and law; they consistently provide effective and professional insights on Board matters regarding finance, business operations, management, new investment projects, internal controls, and risk management.

(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 maintained Directors and Officers Liability Insurance for all directors and key executives annually since 2010. The current insured amount is US\$7 million, and the insurance expires in January 2026, the policy was renewed and subsequently approved by the Board on March 6, 2026.

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

- To align with regulatory amendments and operational requirements, the Board of Directors resolved on March 7, 2025, to amend portions of the “Articles of Incorporation,” formally establishing the profit-sharing distribution ratio for entry-level employees.
- To enhance the Company’s sustainability performance and strengthen the overall risk management mechanism, the Board resolved on May 9, 2025, to expand the mandate and responsibilities of the original “Sustainability Development Committee,” officially renaming it the “Sustainability and Risk Management Committee.” On March 6, 2026, the 2025 Annual Risk Management Report was presented to the Board, detailing the auditing and identification of risk assessments across all departments, alongside the implementation of appropriate mitigation measures.
- In compliance with personal data protection regulations and to ensure the security and privacy of sensitive information—such as employees' basic personal and financial data—the Board resolved on May 9, 2025, to establish the “Personal Data Protection Policy.” 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 reinforce the management and protection of R&D achievements and technological assets, the Board resolved on May 9, 2025, to formulate the “Intellectual Property Management Plan” and concurrently promote the implementation of an “Intellectual Property Management System.” This initiative will enhance the Company’s capabilities in identifying, protecting, and utilizing intellectual property, thereby strengthening market competitive advantages and risk control mechanisms. On March 6, 2026, a report on the 2025 intellectual property management execution was presented to the Board.
- To strengthen Board operations and functions, the Board resolved on August 8, 2025, to establish a “Nomination Committee” to regulate the selection procedures for directors and executives and to optimize the composition of the Board. On March 6, 2026, the Nomination Committee convened to nominate and review candidates for the upcoming term of the Board—including Independent Directors—and subsequently submitted the shortlist to the Board of Directors for approval.
- To enhance corporate value, the Board resolved on August 8, 2025, to amend portions of the “Corporate Governance Best Practice Principles,” formulate and disclose operational strategies and business plans, clarify specific measures to increase corporate value, and actively engage in communication with shareholders.
- The Company conducts business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement the ethical corporate management policy and actively prevent unethical conduct, in accordance with the “Ethical Corporate Management Best Practice Principles” and the operations of the Company and its group enterprises, the Board resolved on March 6, 2026, to establish the “Procedures for Ethical Management and Guidelines for Conduct.”
- To align with the Company’s current operational processes and practices, the Board resolved on March 6, 2026, to amend the “Whistleblowing Measures for Violations of Ethical Corporate Management,” the “Charter of the Remuneration Committee,” and the “Procedures for Election of Directors.”

## 2.3.2 Operations of Audit Committee

### 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 2025 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
2025.03.07	<ol style="list-style-type: none"> <li>1. Approval of the 2024 distribution of remuneration for employees and directors.</li> <li>2. Approval of the 2024 Financial Statements.</li> <li>3. Approval of the 2024 Consolidated Financial Statements.</li> <li>4. Approval of the 2024 Profit Distribution.</li> <li>5. Approval of the proposal to establish a 100% owned subsidiary, "Hon Jeng Mozambique "SU", Limitada," for investment in packaging production lines.</li> <li>6. Approval of the amendments to the "Articles of Incorporation."</li> <li>7. Approval of the independence assessment of the Company's Certifying Public Accountants (CPAs).</li> <li>8. Approval of the pre-approval for Deloitte &amp; Touche and its affiliates to provide non-assurance services to the Company and its subsidiaries for 2025.</li> <li>9. Ratification of the Internal Control System Statement.</li> <li>10. Approval of decrease of corporate guarantee for subsidiaries.</li> </ol>	Approved by all members of Audit Committee
2025.05.09	<ol style="list-style-type: none"> <li>1. Approval of the 1st quarter of 2025 Consolidated Financial Statements.</li> <li>2. Approval of the establishment of the "Personal Data Protection Policy."</li> <li>3. Approval of the establishment of the "Intellectual Property Management Plan."</li> <li>4. Approval of the amendments to the Company's internal control system PW400 "Labor and wage cycle-salary."</li> <li>5. Approval of increase (decrease) of corporate guarantee for subsidiaries.</li> </ol>	Approved by all members of Audit Committee
2025.08.08	<ol style="list-style-type: none"> <li>1. Approval of the first half of 2025 Consolidated Financial Statements.</li> <li>2. Approval of the proposal to establish "Hon Chuan Food Packing (Qingxin) Co., Ltd., Zhongshan Branch" for investment in packaging production lines.</li> <li>3. Approval of the proposal for the subsidiary, Hon Chuan Holding Co., Ltd., to acquire a 3.61% equity stake in Hon Chuan China Holdings Co., Ltd. from Trans Victory Trading Limited.</li> <li>4. Approval of the amendments to the "Risk Management Policy and Procedures."</li> <li>5. Approval of the amendments to the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors (Including Independent Directors) and Managers."</li> <li>6. Approval of the amendments to the "Sustainable Development Best Practice Principles."</li> <li>7. Approval of the amendments to the "Corporate Governance Best Practice Principles."</li> </ol>	Approved by all members of Audit Committee
2025.11.07	<ol style="list-style-type: none"> <li>1. Approval of the 3rd quarter of 2025 Consolidated Financial Statements.</li> <li>2. Approval of the amendments to the "Regulations Governing the Issuance and Conversion of the Second Domestic Unsecured Convertible Bonds."</li> <li>3. Approval of the capital increase of Hon Shin (Thailand) Co., Ltd. (a subsidiary of Hon Chuan (Thailand) Co., Ltd.) from THB 800 million to THB 1.175 billion.</li> <li>4. Approval of the Company's 2026 Annual Audit Plan.</li> <li>5. Approval of the amendments to the "Sustainable Development Best Practice Principles."</li> <li>6. Approval of the amendments to the "Sustainability Reports Preparation and Disclosure Management Guidelines."</li> </ol>	Approved by all members of Audit Committee

- 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
2025.03.07	Separate meeting	1. Report on the implementation of internal audits from November to December in 2024 and January to February in 2025. 2. Report on the implementation of ethical management in 2024. 3. Reviewed the Company's 2024 the Internal Control System Statement.	All independent directors had no opinion
2025.05.09	Separate meeting	Report on the implementation of internal audits from March to April 2025.	All independent directors had no opinion
2025.08.08	Separate meeting	Report on the implementation of internal audits from May to July 2025.	All independent directors had no opinion
2025.11.07	Separate meeting	1. Report on the implementation of internal audits from August to October 2025. 2. Reviewed the Company's 2026 Annual Audit Plan	All independent directors had no opinion

■ Summary of communication between independent directors and CPAs:

Date	Meeting	Item discussed	Opinion of Independent Directors
2025.03.07	Auditing meeting	1. Discussion with the CPAs regarding the 2024 Individual and Consolidated Financial Statements, including audit scope and methodology, Key Audit Matters (KAMs), and the reporting of audit results. 2. In accordance with the Audit Quality Indicators (AQI) issued by the Financial Supervisory Commission, the certified public accountants	All independent directors had no opinion

Date	Meeting	Item discussed	Opinion of Independent Directors
		<p>reported on the Company's 2024 audit quality indicators.</p> <p>3. Report of regulatory changes.</p>	
2025.11.07	Auditing meeting	<p>1. Discussion with the CPAs regarding the 3rd quarter of 2025 Individual and Consolidated Financial Statements, including audit scope and methodology, Key Audit Matters (KAMs), and the reporting of review results.</p> <p>2. Report of regulatory changes.</p>	All independent directors had no opinion
2025.03.07	Separate meeting	Discussion with the CPAs regarding the 2024 Individual and Consolidated Financial Statements, including adjusting entries, audit scope and methodology, Key Audit Matters (KAMs), and the reporting of audit results.	All independent directors had no opinion
2025.11.07	Separate meeting	Discussion with the CPAs regarding the 3rd quarter of 2025 Individual and Consolidated Financial Statements, including adjusting entries, audit scope and methodology, Key Audit Matters (KAMs), and the reporting of review results.	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 August 8, 2025. The Company has disclosed on its official website ( <a href="http://www.honchuan.com.tw">www.honchuan.com.tw</a> ) 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:	V			
(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 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	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			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 29, 2025, is the Prevention of Insider Trading Seminar. A total of 53 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		<p>(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 17-18.</p> <p>The Company’s diversity policy targets and achievements:</p> <ol style="list-style-type: none"> <li>1. Female directors, at least 1/3 of all directors: achieved</li> <li>2. Independent directors, at least 1/3 of all directors: achieved</li> <li>3. At least four members under the age of 65: achieved</li> <li>4. At least one of the independent directors has the law, certified public accountant license, and financial expertise: achieved</li> </ol>	None
(2) Besides existing Remuneration Committee and Audit Committee, is the company voluntarily setting up other functional committees?	V		<p>(2) In addition to the Audit Committee and the Remuneration Committee established in accordance with the law, the Board of Directors has established the Sustainability and Risk Management Committee and the Nominating Committee. Each committee is composed of five directors, three of whom are Independent Directors.</p> <p><b>Sustainability and Risk Management Committee:</b> The core operation of this committee lies in deepening the integrated management of ESG (Environmental, Social, and Governance) principles. Through regular meetings, the committee oversees the execution of the Company’s sustainability goals, identifies and mitigates potential corporate</p>	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			<p>risks, and translates sustainability strategies into <b>concrete</b> operational policies. This systematic approach ensures the creation of long-term value for both the Company and its stakeholders.</p> <p><b>Nominating Committee:</b> The committee is dedicated to optimizing the leadership structure by establishing a transparent and impartial nomination system for directors and senior management. Its responsibilities include assessing the Board’s structure, talent selection and nomination, independence reviews, and the formulation of succession plans and training programs. These efforts ensure that the core decision-making body possesses the professional strength required to lead the enterprise through evolving market challenges.</p>	
(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 2025 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 6, 2026. 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	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			introduction of audit innovation tools to improve audit quality-related initiatives and plans. The 2025 CPAs independence and suitability evaluation of the Company has been completed and resolved by the Audit Committee and Board of Directors on March 6, 2026, and confirmed that there is no need to change the accounting firm. For CPAs independence and suitability evaluation results, please refer to Note 1 (page 48).	
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 2025, please refer to page 78.	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, customers, 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 ESG website or Chapter 2.1 "Stakeholder Identification" in THC's 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: (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	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	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
information, implementing fully spokesperson system and webcasting investor conference?			Company, disclosing and reporting material information, uploading information, pictures and PowerPoints of investor conference in Investors' section on the Company's website.	
(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 2025 financial statements in March, 2026, and publicly announced and filed the first, second, and third quarter financial statements of 2025 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 an Employee Welfare Committee to proactively promote various welfare initiatives and safeguard employee rights. Furthermore, we provide comprehensive educational training and talent cultivation system alongside a structured promotion framework to enhance employees' professional competencies and career development.</p> <p>2. Employee care: The Company takes employee's physical and mental health into deep consideration. In addition to providing dormitory, coffee bookstore, recreational facilities, and an on-site medical office (with professional medical staff, and doctor comes on-site regularly), we have set up an Occupational Health and Safety Committee, which is responsible for employees' safety and health affairs and assistance of those physical and mental health problems. We have also implemented diverse complaint channels—including monthly meeting, President's mailbox, and employee satisfaction survey to ensure effective bilateral dialogue, allowing us to respond to feedback and improve workplace conditions.</p> <p>3. Investor relation: The Company continues to maintain positive interaction with the investment community. We have established an investor relations zone on the website, for the timely disclosure of financial information and hold regular institutional investor briefings. Our dedicated Investor Relations Office manages the spokesperson system, utilizing multi-channel communication to build strong relationships and engagement with investors.</p>	None

Item	Implementation Status			Reason for Deviations from Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			<p>4. Supplier relation &amp; Rights of stakeholders: Through internal management meetings and the operations of the Sustainability and Risk Management Committee, the Company identifies key stakeholders and establishes dedicated consultation and communication channels. Specific functional units are responsible for receiving, recording, and addressing the feedback and requirements of various stakeholder groups. Communication status is publicly disclosed on our official website. By leveraging diverse communication platforms and transparent information disclosure, we strengthen our collaborative partnerships and engagement with suppliers and all relevant stakeholders.</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: In accordance with its "Risk Management Policy and Procedures" and "Risk Management Best Practice Principles," the Company identifies and assesses Environmental, Social, and Governance (ESG) risks, constructing a management mechanism characterized by universal participation and multiple lines of defense. The status of risk management execution is reported to the Board of Directors at least once a year. On November 7, 2025, the "Risk Management Policy and Procedures" were amended, with key highlights including: designating the "Sustainability and Risk Management Committee" as the central coordinating body for the risk response organization, with the Board of Directors serving as the highest decision-making and supervisory authority; and the introduction of a Risk Level and Governance Maturity Matrix, alongside the establishment of a Key Performance Indicator (KPI) tracking mechanism. The 2025 Risk Management Report was submitted to the Board of Directors on March 6, 2026. For further details, please refer to Chapter 4.2 "Risk Management" in THC's Sustainability 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</p>	

Item	Implementation Status			Reason for Deviations from Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies																																				
	Yes	No	Description																																					
			<p>of market competition advantages. Please refer to page 107 to 117 “4.2 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 2026, such as the insured period, insured amount, coverage, premium rate and so on have been resolved by the Board of Directors on March 6, 2026.</p> <p>9. Intellectual Property Management Plan: To strengthen the Company’s intellectual property management system and enhance technological and brand competitiveness, the Board of Directors approved the “Intellectual Property Management Plan” on May 9, 2025. Simultaneously, a digitalized Intellectual Property Management System (IPMS) was established to consolidate data regarding patents, trademarks, copyrights, and trade secrets. This system enhances functionalities such as data retrieval, maintenance, inventory tracking, and early-warning alerts. Furthermore, internal access control settings ensure the security of confidential information, reinforcing information governance and compliance. The 2025 Intellectual Property Execution Status was reported to the Board of Directors on March 6, 2026.</p> <p>The 2025 execution status is as follows: (1) Current Patents: As of 2025, the Company holds a total of 74 valid patents:</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Patent</th> <th>Product</th> <th>Patent</th> </tr> </thead> <tbody> <tr> <td>Taiwan</td> <td>44</td> <td>Plastic closures</td> <td>34</td> </tr> <tr> <td>China</td> <td>16</td> <td>Metal closures</td> <td>3</td> </tr> <tr> <td>South-east Asia (Note 1)</td> <td>10</td> <td>Bottles</td> <td>26</td> </tr> <tr> <td>Japan</td> <td>1</td> <td>Label</td> <td>5</td> </tr> <tr> <td>USA</td> <td>1</td> <td>Raw materials</td> <td>1</td> </tr> <tr> <td>Australia</td> <td>1</td> <td>Others</td> <td>5</td> </tr> <tr> <td>New Zealand</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>74</td> <td>Total</td> <td>74</td> </tr> </tbody> </table>	Region	Patent	Product	Patent	Taiwan	44	Plastic closures	34	China	16	Metal closures	3	South-east Asia (Note 1)	10	Bottles	26	Japan	1	Label	5	USA	1	Raw materials	1	Australia	1	Others	5	New Zealand	1			Total	74	Total	74	
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			<p>Note 1: Including Thailand, Myanmar, Indonesia, Malaysia and Vietnam</p> <p>(2) 2025 Management Plan and Results:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Management Measures</th> <th>Achievements &amp; Results</th> </tr> </thead> <tbody> <tr> <td>Patents</td> <td>Managed by the R&amp;D Technical Department in accordance with internal Intellectual Property Management Regulations.</td> <td> <ul style="list-style-type: none"> <li>As of December 2025, the company holds 74 valid patent certificates, including: 21 Invention Patents, 30 Utility Model Patents, and 23 Design Patents.</li> <li>As of December 2025, no patent infringement incidents have occurred.</li> </ul> </td> </tr> <tr> <td>Trademarks</td> <td>Handled by the R&amp;D Technical Department following group-wide standards; professional firms assist with registration and renewals.</td> <td> <ul style="list-style-type: none"> <li>As of December 2025, the company holds a total of 38 valid trademarks.</li> <li>As of December 2025, no trademark infringement incidents have occurred.</li> </ul> </td> </tr> <tr> <td>Trade Secrets</td> <td> <ul style="list-style-type: none"> <li>Based on the Code of Integrity Management and Confidential Information Management Regulations to strengthen employee awareness. This provides an internal basis for restrictions and penalties beyond legal requirements.</li> <li>Established a trade secret protection</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Management regulations are posted on the internal website and system for employee compliance.</li> <li>In 2025, there were no complaints regarding customer privacy or data loss.</li> <li>In 2025, no trade secret leaks or infringement incidents occurred.</li> <li>Training: From</li> </ul> </td> </tr> </tbody> </table>	Category	Management Measures	Achievements & Results	Patents	Managed by the R&D Technical Department in accordance with internal Intellectual Property Management Regulations.	<ul style="list-style-type: none"> <li>As of December 2025, the company holds 74 valid patent certificates, including: 21 Invention Patents, 30 Utility Model Patents, and 23 Design Patents.</li> <li>As of December 2025, no patent infringement incidents have occurred.</li> </ul>	Trademarks	Handled by the R&D Technical Department following group-wide standards; professional firms assist with registration and renewals.	<ul style="list-style-type: none"> <li>As of December 2025, the company holds a total of 38 valid trademarks.</li> <li>As of December 2025, no trademark infringement incidents have occurred.</li> </ul>	Trade Secrets	<ul style="list-style-type: none"> <li>Based on the Code of Integrity Management and Confidential Information Management Regulations to strengthen employee awareness. This provides an internal basis for restrictions and penalties beyond legal requirements.</li> <li>Established a trade secret protection</li> </ul>	<ul style="list-style-type: none"> <li>Management regulations are posted on the internal website and system for employee compliance.</li> <li>In 2025, there were no complaints regarding customer privacy or data loss.</li> <li>In 2025, no trade secret leaks or infringement incidents occurred.</li> <li>Training: From</li> </ul>	
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Item	Implementation Status			Reason for Deviations from Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			<p>mechanism covering visitor control, tiered internal data access permissions, and confidentiality obligations for departing employees.</p> <ul style="list-style-type: none"> <li>• New employees must read and sign the “Integrity and Anti-Corruption Commitment” upon onboarding, with the HR Department ensuring all information is accurately recorded.</li> <li>• The Company has established the “Customer Property Management Regulations,” which systematically manage confidential customer information categorized into three types: drawings, formulations, and molds. When internal business needs require access, requests are made according to the “Technical Document Management Regulations” and “Document Management Procedures,” reviewed by relevant department</li> </ul>	<p>January to December 2025, trade secret protection seminars were held with a total of 368 participants and 2,595 cumulative training hours.</p>

Item	Implementation Status			Reason for Deviations from Corporate Governance Best- Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			heads, and approved for use.	
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	
2.14	Did the company have a nomination committee, and did it have not less than three members, with at least half of the members being independent directors, and with an independent director serving as convener and meeting chair, and did the company disclose the organization, functions, and operations of the committee?		The Company established a “Nomination Committee” by resolution of the Board of Directors on August 8, 2025.	
2.22	Was the company's risk management overseen by the audit committee or a board-level functional committee (e.g., risk management committee), and has the company adopted risk management policies and procedures that have been passed by the board, and disclosed the organizational structure in place for risk management, the risk management procedures, and the status of risk management operations, and did it report to the board of directors on these at least once a year?		To enhance the Company’s sustainability performance and strengthen the overall risk management mechanism, the Board of Directors resolved on May 9, 2025, to officially rename the “Sustainability Development Committee” to the “Sustainability and Risk Management Committee,” with a corresponding expansion of its functions and responsibilities. On March 6, 2026, the 2025 Annual Risk Management Report was presented to the Board, detailing the auditing and identification of risk assessments across all departments, alongside the implementation of appropriate mitigation measures.	

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 Functional Committee

### 2.3.4.1 Composition, Responsibilities and Operations of Remuneration Committee

#### Members

##### (a) Information of Remuneration Committee Members

Identity	Terms		Professional Qualification and Experience	Independence Status	Serving as a Remuneration Committee member of another public company
	Name				
Convenor and chairman (Independent director)	Chao-Nan, Hung		Please refer to page 14-16.		None
Member (Independent director)	Hsiang-Ying, Huang				2
Member (Independent director)	Po-Yuan, Cho				None

##### (b) Responsibilities of Remuneration Committee

- Define and periodically review the policies, systems, standards, and structures for the performance evaluation and compensation of directors and senior management.
- Periodically assess and determine the compensation packages for directors and senior management.

##### (c) Operation status of Remuneration Committee

- There are 3 members in Remuneration Committee of the Company.
- Current term of office: From May 31, 2023 to May 30, 2026. A total of 2 (A) Remuneration Committee meetings were held in 2025.

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.

## **2.3.4.2 Composition, Responsibilities and Operations of Sustainability and Risk**

### **Management Committee Members**

#### **(a) Information of Sustainability and Risk Management Committee Members**

The Board of Directors resolved to rename the “Sustainability Development Committee” to the “Sustainability and Risk Management Committee,” on May 9, 2025.

The committee’s scope was expanded to encompass seven dedicated functional groups: **Sustainability Strategy, Environment & Climate, Social Responsibility & Supply Chain, Sustainable Energy, Governance & Compliance, Stakeholder Engagement, and Corporate Risk Response.**

The Committee consists of five members: Chairman Ya-Wen, Cheng (Convener and Chairman), Director Hung-Yu, Tsao, Independent Director Chao-Nan, Hung, Independent Director Hsiang-Ying, Huang, and Independent Director Po-Yuan, Cho. More than half of the members are Independent Directors, and at least one member possesses the requisite professional expertise for the committee's functions.

#### **(b) Responsibilities of Sustainability and Risk Management Committee**

- Integrate the Group’s overall sustainability strategy with the enterprise risk management (ERM) system.
- Strengthen the execution and oversight of Environmental (E), Social (S), and Governance (G) initiatives.
- Implement rigorous procedures for risk identification, assessment, monitoring, and disclosure.
- Enhance information transparency and maintain effective communication with stakeholders.

#### **(c) Operation status of Sustainability and Risk Management Committee**

- The Committee is comprised of 5 members.
- Current term of office: From May 31, 2024 to May 30, 2026. A total of 2 (A) Sustainability and Risk Management Committee meetings were held in 2025.

The qualification and attendance record of the Sustainability and Risk Management Committee members were as follows:

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

**(d) Significant resolutions reached in Sustainability and Risk Management Committee**

Meeting Date	Content of Motion	Members' opinion to resolutions and the Company's response
2025.08.08	1. Completed the 2024 Greenhouse Gas (GHG) Inventory and obtained the SGS Verification Statement.	Approved as proposed
	2. Completed the compilation and SGS assurance of the 2024 Sustainability Report, which has been published on the Company's ESG website.	
	3. Scheduled participation in external sustainability assessments, including CDP (Carbon Disclosure Project), S&P corporate sustainability ratings, and the Taiwan Sustainability Awards.	
	4. Approval of the amendments to the "Risk Management Policy and Procedures."	
2025.11.07	1. Completed participation and reporting for external sustainability assessments, including CDP (Carbon Disclosure Project), S&P corporate sustainability ratings, and the Taiwan Sustainability Awards.	Approved as proposed
	2. Conducted the kick-off meeting and progress report for the 2025 Sustainability Report.	
	3. Approval of the amendments to the "Sustainable Development Best Practice Principles."	
	4. Approved the establishment of new corporate policies—specifically the "Human Rights Policy," "Biodiversity Policy," and "Sustainable Procurement Policy."	
	5. Approval of the Company's 2025 Annual Risk Management Report.	
	6. Approval of the amendments to the "Sustainability Reports Preparation and Disclosure Management Guidelines."	

### **2.3.4.3 Composition, Responsibilities and Operations of Nomination Committee Members**

#### **(a) Information of Nomination Committee Members**

The Committee consists of five members: Independent Director Chao-Nan, Hung (Convener and Chairman), Independent Director Hsiang-Ying, Huang, Independent Director Po-Yuan, Cho, Chairman Ya-Wen, Cheng, and Director Hung-Yu, Tsao. More than half of the members are Independent Directors, and at least one member possesses the requisite professional expertise for the committee's functions.

#### **(b) Responsibilities of Nomination Committee**

- Policy Formulation: Define and periodically review the size and qualification requirements for directors and senior management, taking into account the Company's scale, business nature, and the requisite professional knowledge, technical skills, and experience—as well as considerations for gender diversity and independence.
- Talent Acquisition: Identify qualified candidates for directors and independent directors, submit lists of candidates to the Board of Directors, and conduct rigorous evaluations of the nominees' qualifications.

#### **(c) Operation status of Nomination Committee**

- The Committee is comprised of 5 members.
- Current term of office: From August 8, 2025 to May 30, 2026. A total of 2 (A) Nomination Committee meetings were held in 2025 and up to the date of annual report publication.

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

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener & Chairman (Independent Director)	Chao-Nan, Hung	2	0	100%	-
Member	Hsiang-Ying, Huang	2	0	100%	-
Member	Po-Yuan, Cho	2	0	100%	-
Member	Ya-Wen, Cheng	2	0	100%	-
Member	Hung-Yu, Tsao	2	0	100%	-

**(d) Significant resolutions reached in Nomination Committee**

Meeting Date	Content of Motion	Members' opinion to resolutions and the Company's response
2025.11.07	1. Approval of the Nomination Committee Charter	Approved as proposed
2026.03.06	1. Approval of the nomination and review of candidates for Directors (including Independent Directors).	Approved as proposed
	2. Resolution of the 2026 appointment or dismissals of executives at the level of assistant vice president (inclusive) or higher position.	

### 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 initially established the “Sustainability Development Committee” under the direct oversight of the board of directors. To further strengthen the integration of sustainability and risk management, the board approved an upgrade to this committee on May 9, 2025, renaming it the "Sustainability and Risk Management Committee." Chaired by the Chairman of the Board, the committee consists of five members, including three independent directors, and reports to the board on a regular basis.</p> <p>To support its work, the committee oversees the "Sustainability Development Department," which is responsible for overall planning and execution. This department organizes specialized task groups to focus on key areas such as sustainability strategy, environmental and climate management, social responsibility and supply chain practices, governance and compliance, risk management, and stakeholder engagement. These efforts are designed to ensure the company's strategies are effectively implemented.</p> <p>The committee chair regularly reports progress and outcomes of key sustainability initiatives to the board. In fiscal year 2025, the Sustainability and Risk Management Committee held two meetings where major topics were discussed, including:</p> <ol style="list-style-type: none"> <li>(1) Greenhouse Gas: Progress update and timeline for the planning, implementation, and verification of greenhouse gas inventory and reporting.</li> <li>(2) Risk Management: Review of the annual risk management report and findings from material topics.</li> <li>(3) ESG Performance: Assessment of ESG execution results and issues raised by stakeholders.</li> <li>(4) Policy Amendments: Revision of the Sustainability Development Code of Practice and related management guidelines.</li> <li>(5) New Policies: Introduction of new policies, including the Human Rights Policy, Biodiversity Policy, and Sustainable Procurement Policy.</li> <li>(6) Data Security &amp; Reporting: Advancement of initiatives in information security and the preparation and disclosure of the sustainability report.</li> </ol>	None

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			<p>(7) Energy &amp; Emissions: Approval of energy conservation, carbon reduction, and renewable energy projects.</p> <p>(8) Risk Policy Revision: Update to the Risk Management Policy and Procedures.</p> <p>(9) Risk Reporting: Approval of the 2025 Risk Management Report.</p> <p>(10) External Sustainability Evaluations: Reporting on participation in external sustainability assessments, including CDP (Carbon Disclosure Project), S&amp;P corporate sustainability ratings, and the Taiwan Sustainability Awards.</p> <p>The Board of Directors serves as the highest supervisory body for sustainability at THC, overseeing decisions on strategies, goals, and significant initiatives related to sustainability. Through committee operations and regular reporting mechanisms—at least annually, with quarterly updates from the Sustainability Development Department—the board continually reviews the effectiveness of sustainability measures and adjusts management approach as needed. This integration of ESG strategies with business operations strengthens both corporate governance standards and operational resilience. For detailed information about the company's sustainability efforts, visit the ESG website: <a href="https://esg.honchuan.com/en">https://esg.honchuan.com/en</a></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>On November 7, 2025, THC revised its “Risk Management Policy and Procedures” and “Risk Management Best Practice Principles” to enhance governance-level coordination. The Sustainability and Risk Management Committee now oversees the company’s risk response mechanisms, with the Board of Directors serving as the highest decision-making and supervisory body. The committee reports to the board at least once a year and has introduced a graded risk management framework and key performance indicators (KPIs) to improve transparency and measurability in risk management.</p> <p>The 2025 Risk Management Report was approved by the committee on November 7, 2025, and presented to the board on March 6, 2025. The report identified 11 categories of risks, with classifications as follows: 5 “extreme risk” items, 4 “high risk” items, 1 “moderate risk” item, and 1 “low risk” item. For extreme and high-risk items, these have been incorporated into existing internal control and risk management mechanisms, with regular monitoring and improvement measures conducted through scheduled meetings to ensure risks are properly managed.</p> <ul style="list-style-type: none"> <li>● <b>Extreme Risk Items:</b> Product quality and food safety, Occupational safety and health, Dependency on key customers, Ethical business conduct and anti-corruption, Exchange rate fluctuations</li> </ul>	None

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"> <li>● <b>High Risk Items:</b> Wastewater and air pollution, Information security, Supply chain disruptions, Labor rights and talent retention</li> <li>● <b>Moderate to Low-Risk Items:</b> Climate change and carbon costs, Water resource management and wastewater discharge</li> </ul> For further details, please refer to Chapter 4.2 “Risk Management” in THC’s Sustainability Report.	
3. Sustainable Environment Development: (1) Dose the company develop proper environmental management policy suitable for its industry characteristics?	V		(1) THC operates in the beverage packaging and beverage filling industry and has developed environmental and occupational safety management systems tailored to this industry. The Environmental and Occupational Health Management System Policy, signed and issued by the CEO, aims to achieve “Zero Accidents, Low Risk, and Improving Health.” The company has established an Occupational Safety and Health Center to oversee related tasks, holding quarterly Occupational Safety and Health Committee meetings to review and follow up on action items, ensuring the effective implementation of the system. In fiscal year 2025, THC continued its efforts in pollution prevention, waste reduction, staff training, and risk improvement measures. The company successfully maintained SGS external certification for the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System (including TOSHMS). Facility certification validity dates are listed as follows: <ul style="list-style-type: none"> <li>• <b>Taichung Plant 1 and Plant 2:</b> Valid until January 9, 2027</li> <li>• <b>Aseptic Plants 1, 2, 3, and Free Trade Plant:</b> Valid until June 11, 2028</li> </ul> These management systems demonstrate our full compliance with the latest international environmental and safety management standards. Certification details are available at: <a href="https://esg.honchuan.com/en/interaction/download/quality-certification">https://esg.honchuan.com/en/interaction/download/quality-certification</a>	None
(2) Does the company endeavor to use energy more efficiently and to use renewable materials which low environmental impact?	V		(2) THC adheres to the principles of circular economy and environmental stewardship, focusing on the 3Rs: Reduce, Reuse, and Recycle. The company continues to promote lightweight product designs and the adoption of recycled materials, reducing resource consumption and carbon emissions. Through innovative research, development, and process optimization, THC enhances energy efficiency and pursues sustainability strategies with lower environmental impact. <ol style="list-style-type: none"> <li>In fiscal year 2025, THC focused on producing sustainable products, such as</li> </ol>	None

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
			<p>eco-friendly tethered caps (compliant with EU Single-Use Plastics Directive standards), rPET bottles/preforms, and rPET labels:</p> <ul style="list-style-type: none"> <li>➤ <b>rPET bottles/preforms:</b> Production reached ~937 million units, reducing ~14,734 metric tons of CO<sub>2</sub> emissions.</li> <li>➤ <b>rPET labels:</b> Production reached ~26.5 million units, yielding a reduction of ~21 metric tons of CO<sub>2</sub> emissions.</li> <li>➤ <b>Tethered caps:</b> Production exceeded ~103 million units.</li> </ul> <p>ii. THC completed the installation of flexographic label production lines, replacing traditional gravure printing equipment and transitioning to eco-friendly inks. This transformation reduces ~509.7 metric tons of volatile organic compounds (VOCs) annually. In fiscal year 2025, total flexographic label production reached ~3.16 billion units, significantly lowering carbon emissions and demonstrating the decarbonization benefits of manufacturing process innovation.</p>	
(3) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	V		<p>(3) The Company has established the “Sustainable Development Best Practice Principles” and “Biodiversity Policy.” Under the IFRS S2 and TCFD frameworks, THC evaluates both physical and transition risks posed by climate change on its operations. Climate-related issues have been categorized as key sustainability topics, with regular progress reviews conducted by the Board of Directors and the Sustainability and Risk Management Committee. Key initiatives include: conducting greenhouse gas inventories and implementing reduction measures, planning and deployment of renewable energy projects, evaluating the adoption of Energy Management Systems (EMS), enhancing energy efficiency, and strengthening supply chain and material management to mitigate climate risks and operational costs. For further analysis of climate risks and opportunities, refer to Chapter 5.1 “Climate Change” and Chapter 5.5 “TNFD” in the Sustainability Report.</p>	None
(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>(4) THC has established its “Sustainability Development Best Practice Principles”, which is guided by five key principles to advance environmental management. The company regularly monitors and manages environmental indicators such as greenhouse gas emissions, water usage, and waste treatment, using analytical insights to implement improvement measures. The Sustainability Development Department oversees efforts to promote energy conservation, carbon reduction, resource efficiency, and pollution prevention, setting medium- and long-term</p>	None

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			<p>quantitative targets to minimize the environmental impact of the company's operations.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Mission</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>Emission Reduction</td> <td> <ul style="list-style-type: none"> <li>● Achieve carbon neutrality by 2035</li> <li>● Achieve net zero carbon emissions by 2040</li> </ul> </td> <td>Reduce Scope 1 &amp; Scope 2 emissions by an average of 2% annually (based on 2024 levels) through energy efficiency improvements and renewable energy adoption</td> </tr> <tr> <td>Water Management</td> <td> <ul style="list-style-type: none"> <li>● Increase rainwater recycling by 20% by 2030</li> <li>● Increase waste water recycling by 30% by 2030</li> </ul> </td> <td>Install rainwater harvesting systems and wastewater recycling technologies</td> </tr> <tr> <td>Waste Management</td> <td> <ul style="list-style-type: none"> <li>● Reduce total waste output by 10% by 2035</li> </ul> </td> <td>Focus on source reduction and recycling</td> </tr> </tbody> </table> <p>Statistical Data Summary (Scope: Taiwan Plants ; Period: Jan 1 – Dec 31)</p> <p>1. Greenhouse Gas (GHG) Emissions (Unit: tCO<sub>2</sub>e):</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2025</th> <th>2024</th> <th>YOY%</th> </tr> </thead> <tbody> <tr> <td>Scope1: Direct greenhouse gas emissions</td> <td>16,165</td> <td>15,880</td> <td>1.79%</td> </tr> <tr> <td>Scope2: Indirect greenhouse gas emissions</td> <td>78,984</td> <td>81,890</td> <td>-3.55%</td> </tr> <tr> <td>Scope3: Other indirect greenhouse gas emissions</td> <td>206,795</td> <td>218,515</td> <td>-5.36%</td> </tr> <tr> <td>Emissions Intensity= CO<sub>2</sub>e/Revenue NT\$ (million)</td> <td>30.3797</td> <td>32.1912</td> <td>-5.63%</td> </tr> </tbody> </table> <p>Note: The emission intensity for 2025 was 30.3797, representing a decrease from 2024. This was primarily attributed to the commencement of commercial production at new production lines in the Free Trade Zone plant.</p> <p>2. Water Consumption (Unit: Million Liters):</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2025</th> <th colspan="2">2024</th> <th rowspan="2">YOY</th> </tr> <tr> <th>Water consumption</th> <th>WRU</th> <th>Water consumption</th> <th>WRU</th> </tr> </thead> <tbody> <tr> <td>Packaging Business</td> <td>274.15</td> <td>0.030</td> <td>264.88</td> <td>0.029</td> <td>3.50%</td> </tr> <tr> <td>Beverage Business</td> <td>1,492.28</td> <td>0.162</td> <td>1,559.59</td> <td>0.170</td> <td>-4.32%</td> </tr> <tr> <td>Total</td> <td>1,766.43</td> <td>0.192</td> <td>1,824.47</td> <td>0.199</td> <td>-3.18%</td> </tr> </tbody> </table> <p>Note: WUR (Water Utilization Ratio) = Water Consumption / Million TWD Revenue. In 2025, water</p>	Item	Mission	Action	Emission Reduction	<ul style="list-style-type: none"> <li>● Achieve carbon neutrality by 2035</li> <li>● Achieve net zero carbon emissions by 2040</li> </ul>	Reduce Scope 1 & Scope 2 emissions by an average of 2% annually (based on 2024 levels) through energy efficiency improvements and renewable energy adoption	Water Management	<ul style="list-style-type: none"> <li>● Increase rainwater recycling by 20% by 2030</li> <li>● Increase waste water recycling by 30% by 2030</li> </ul>	Install rainwater harvesting systems and wastewater recycling technologies	Waste Management	<ul style="list-style-type: none"> <li>● Reduce total waste output by 10% by 2035</li> </ul>	Focus on source reduction and recycling	Year	2025	2024	YOY%	Scope1: Direct greenhouse gas emissions	16,165	15,880	1.79%	Scope2: Indirect greenhouse gas emissions	78,984	81,890	-3.55%	Scope3: Other indirect greenhouse gas emissions	206,795	218,515	-5.36%	Emissions Intensity= CO <sub>2</sub> e/Revenue NT\$ (million)	30.3797	32.1912	-5.63%		2025		2024		YOY	Water consumption	WRU	Water consumption	WRU	Packaging Business	274.15	0.030	264.88	0.029	3.50%	Beverage Business	1,492.28	0.162	1,559.59	0.170	-4.32%	Total	1,766.43	0.192	1,824.47	0.199	-3.18%	
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			<p>consumption decreased by approximately 3.18% compared to 2024, primarily due to adjustments in production planning and enhancements in equipment efficiency.</p> <p>3. Waste Management (Unit: Tons):</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2025</th> <th>2024</th> <th>YOY</th> </tr> </thead> <tbody> <tr> <td>Waste Generation</td> <td>17,197.47</td> <td>17,008.22</td> <td>1.11%</td> </tr> <tr> <td>Disposal Volume</td> <td>17,351.92</td> <td>17,038.14</td> <td>1.84%</td> </tr> <tr> <td>Intensity</td> <td>1.73</td> <td>1.73</td> <td>-</td> </tr> </tbody> </table> <p>Note: Emission Intensity = Total Waste Generation / Million TWD Revenue. While the emission intensity remained stable in 2025, the overall total weight of waste increased. This was mainly due to an increased production ratio of plant-based products and the higher moisture content of tea dregs. The recycling and reuse rate for the entire plant reached 97%.</p> <p>For further details, please refer to Chapter 5 “Green Sustainability” in the Sustainability Report.</p>	Year	2025	2024	YOY	Waste Generation	17,197.47	17,008.22	1.11%	Disposal Volume	17,351.92	17,038.14	1.84%	Intensity	1.73	1.73	-	
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<p>4. Social issues:</p> <p>(1) Does the company develop related management policies and procedures in compliance with relevant regulations and International Bill of Human Rights?</p>	V		<p>(1) THC observes the Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights (UNGPs), United Nations Global Compact (UNGC), and domestic labor laws, adopting Human Rights Policy approved by the Board of Directors on November 7, 2025. The policy promises the protection of human rights, prohibiting child labor, forced labor, discrimination, and mistreatments.</p> <p>Scope of Application:</p> <ul style="list-style-type: none"> <li>• All THC employees</li> <li>• Taiwan and overseas subsidiaries</li> <li>• Suppliers and contractors</li> <li>• Business partners</li> </ul> <p>The Human Resources Department is responsible for planning and implementation, with oversight provided by the Sustainability and Risk Management Committee. Human rights due diligence process and progress are reported to the Board annually to fulfill supervisory responsibilities.</p> <p>For further details, refer to Chapter 6.1 “Human Rights Protection” in the Sustainability Report.</p>	None																
<p>(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?</p>	V		<p>(2) According to Article 28 of the Company’s “Articles of Incorporation,” the Board of Directors shall resolve to allocate 1.5% to 15% of the annual profits before income tax—before deducting employee and director remuneration—as employee remuneration. Furthermore, the Company has remuneration and</p>	None																

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			<p>various bonus regulations. 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>For further details, please refer to Chapter 6.1 "Human Rights Protection" and Chapter 6.3 "Compensation and Benefits" in THC's Sustainability Report.</p> <p>The Company has established Labor Retirement Regulations in accordance with the law and formed the Labor Pension Reserve Fund Supervisory Committee. Each month, a labor pension reserve is contributed at a rate of 2% of the total salary expenses and deposited into a dedicated account at the Bank of Taiwan. Effective July 1, 2005, the Company has concurrently adopted the New Labor Pension System. Under this system, the Company contributes 6% of each employee's monthly insurable salary to their individual labor pension accounts. For employees who opt for voluntary contributions, the Company also withholds and remits the specified voluntary amount from their monthly wages to their individual accounts at the Bureau of Labor Insurance.</p> <p>The Company's pension reserve amount, at the end of 2025, was NT\$187,216,931. The Company's Labor Pension Act, please refer to page 126 in this annual report.</p> <p>To achieve workplace diversity and equality, the number and percentage of female employees in management and non-management positions for 2025 are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Number</th> <th>Ration</th> </tr> </thead> <tbody> <tr> <td>Female employees</td> <td>387</td> <td>23.15%</td> </tr> <tr> <td>Management</td> <td>54</td> <td>3.23%</td> </tr> <tr> <td>Non-management</td> <td>333</td> <td>19.92%</td> </tr> </tbody> </table> <p>Note: "Management" refers to personnel at the level of Team Leader or above.</p>		Number	Ration	Female employees	387	23.15%	Management	54	3.23%	Non-management	333	19.92%	
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(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>(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/e-Newsletter, issuing emergency response pocket cards, holding irregular safety &amp; health related speech, onsite operation educational training and disaster prevention drill, have detailed policy and been fully implemented.</p> <p>In 2025, there were 6 recorded occupational incidents, representing an increase of 2 cases from 2024. Based on total man-hours worked, the occupational injury rate was 1.42. The Company remains committed to further strengthening employee hazard awareness and enhancing supervisory management. For further details, please refer to Chapter 6.5 “Occupational Safety and Health” in THC’s Sustainability Report.</p> <p>There have been no fire incidents occurred in fiscal year 2025. In addition to complying with fire safety regulations, the company implemented the following measures:</p> <ul style="list-style-type: none"> <li>● Quarterly Inspections: Outsource facility and equipment inspections each quarter to ensure firefighting systems are fully operational in case of emergencies.</li> <li>● Electrical Fire Prevention: Deploy infrared thermal imaging devices in all facilities for monthly electrical panel inspections and detection of abnormalities.</li> <li>● Disaster Mitigation Planning: Install systems capable of automatically detecting and extinguishing fires during emergencies to prevent the escalation of damage.</li> <li>● Forklift Charging Area Safety: Install ceiling-mounted extinguishers above forklift charging areas for immediate response to potential incidents during charging.</li> </ul> <p>To reinforce workplace safety awareness and minimize occupational accidents, the Company has been curating safety case studies and OHS (Occupational Health and Safety) knowledge from both internal and external sources since June 2022. This information is disseminated through safety newsletters and communicated by OHS personnel during daily morning briefings. These efforts</p>	None

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			<p>aim to cultivate correct disaster prevention concepts and safety mindsets among staff, with the ultimate goal of reducing the occurrence of workplace accidents. Safety and health educational training in the past three years is as follows:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Training (number of session)</th> <th>Training (number of hours)</th> </tr> </thead> <tbody> <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> <tr> <td>2025</td> <td>25,090</td> <td>17,085</td> </tr> </tbody> </table> <p>Relevant certifications: All plants in Taiwan obtained occupational health and safety management systems ISO 45001 and TOSHMS certifications.</p>	Year	Training (number of session)	Training (number of hours)	2023	10,552	14,141	2024	14,595	9,224	2025	25,090	17,085	
Year	Training (number of session)	Training (number of hours)														
2023	10,552	14,141														
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(4) Does the company offer career development training program to employees?	V		(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 125 to 128 “4.5 Labor Relations” in this annual report and the “Human Resource” and “ESG” section on the Company’s website.	None												
(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 customer’s rights and complaint procedures?	V		(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 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. For the past few years, the Company has produced products in accordance with	None												

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			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.	
(6) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		<p>(6) THC has established the Contractor Safety and Health Management Rules and Guidelines to ensure all suppliers adhere to relevant regulations and international standards in areas including environmental protection, occupational safety and health, and labor rights. These policies serve as critical criteria for supply chain management and procurement decisions.</p> <p>When selecting suppliers, the company considers their compliance with the following requirements:</p> <ol style="list-style-type: none"> <li>1. Environmental Protection Standards: <ul style="list-style-type: none"> <li>● <b>Compliance and Permits:</b> Suppliers must comply with local environmental regulations and obtain and maintain the necessary permits (e.g., waste disposal licenses, factory registration certificates).</li> <li>● <b>Waste and Wastewater Management:</b> Waste and wastewater generated during contractor operations must be managed appropriately and handled in accordance with legal requirements, without arbitrary disposal or discharge.</li> <li>● <b>Resource Recycling:</b> Suppliers should enhance resource efficiency and promote circular economy practices.</li> </ul> </li> <li>2. Occupational Safety and Health Standards: Suppliers are required to establish safety and health management systems, enroll workers in labor insurance and employer liability insurance, provide safe working environments, and conduct regular training sessions.</li> <li>3. Labor Rights Standards: Suppliers must prohibit forced labor and child labor, eliminate discrimination and harassment, protect employees' right to unionize, and ensure fair working hours and wages.</li> </ol>	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	V		The Company's Sustainability Report is prepared in accordance with the "Global Reporting Initiative Standards" and the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," while also aligning with the United Nations Sustainable Development Goals (SDGs). The 2025 Hon Chuan	None

Item	Implementation Status			Reason for Deviations from Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description	
the aforesaid report obtain the assurance or accreditation of an impartial third party?			International Sustainability Report has been verified by SGS Taiwan, an independent third-party institution. The report will be approved by the Board of Directors on May 8, 2026, and officially published on July 31, 2026.	
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. Additional key achievements reflecting THC’s commitment to sustainability in fiscal year 2025 include:				
<ul style="list-style-type: none"> <li>a. <b>TCSA Taiwan Corporate Sustainability Awards</b> – Recognized with <i>the Outstanding Corporate Sustainability Performance Award and Gold Award for Corporate Sustainability Reports</i>.</li> <li>b. <b>Taichung City Government Workplace Happiness Awards</b> – Received the <i>Happy Workplace Excellence Award</i>.</li> <li>c. <b>Kao Corporation Best ESG Collaboration Award</b> – Honored for excellence in ESG partnership and innovation.</li> <li>d. <b>SGS Occupational Safety and Health Excellence Award</b> – Recognized for exemplary performance in occupational safety and health management systems.</li> <li>e. <b>Port of Taiwan Excellence Golden Pelican Award</b> – Celebrated for outstanding operational achievements.</li> <li>e. <b>Signed a Sustainability Development Initiative with E.SUN Bank</b> – Strengthening collaborative efforts in sustainable development.</li> <li>f. <b>Ministry of Education Vocational Education Partnership Assessment</b> – Received the <i>First-Class Award for excellence in industry-university collaboration</i>.</li> <li>g. <b>Ministry of Environment Resource Recycling Source Management Award</b> – Received the <i>Silver Award for outstanding contributions to source management initiatives</i>.</li> <li>h. 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: <a href="https://esg.honchuan.com/en/interaction/download/esg-report">https://esg.honchuan.com/en/interaction/download/esg-report</a></li> </ul>				

## Climate-Related Information of TWSE/TPEX Listed Company

### 1. Implementation of Climate-Related Information

Item	Implementation status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p><b>Governance Framework and Responsibilities:</b>                      THC has established a comprehensive climate governance framework to ensure the effective management of climate-related risks. This framework involves coordination across four key entities: the Board of Directors, the Sustainability and Risk Management Committee, the Sustainability Development Department, and individual operational departments. Each entity plays a defined role in driving climate governance and risk mitigation:</p> <ol style="list-style-type: none"> <li>1. Board of Directors:                             <ul style="list-style-type: none"> <li>• Provides overall guidance on climate governance strategies and objectives.</li> <li>• Oversees decisions on major climate risks and transition-related issues.</li> </ul> </li> <li>2. Sustainability and Risk Management Committee (Under the Board):                             <ul style="list-style-type: none"> <li>• Supervises the implementation of climate-related sustainability policies.</li> <li>• Establishes risk management systems and tracking mechanisms to achieve climate goals.</li> <li>• Conducts periodic reviews of climate action plans and execution progress.</li> </ul> </li> <li>3. Sustainability Development Department (Under the Committee):                             <ul style="list-style-type: none"> <li>• Manages compliance with climate regulations, participation in international evaluations, data collection, and the preparation of sustainability reports.</li> </ul> </li> <li>4. Operational Departments:                             <ul style="list-style-type: none"> <li>• Responsible for identifying, assessing, and addressing climate change risks.</li> </ul> </li> </ol> <p><b>Communication Mechanism</b>                      THC has established a robust communication mechanism to monitor climate-related strategies and performance:</p> <ul style="list-style-type: none"> <li>• The <b>Board of Directors</b> oversees the progress of climate strategies and objectives biannually.</li> <li>• The <b>Sustainability and Risk Management Committee</b> reviews the execution of climate strategies and targets on a quarterly basis and submits a semi-annual report to the Board of Directors detailing ongoing progress and key actions.</li> </ul> <p>For a detailed analysis of the company's climate-related initiatives and risk management, please refer to Chapter 5.1 "Climate Change" in THC's Sustainability Report.</p>
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long</p>	<p>THC has adopted the IFRS S2 and TCFD frameworks to identify climate-related risks and opportunities, assessing their impact on the company's business model, value chain, operational strategy, and financial planning. Climate risks are categorized by time horizon—short-term (within 3 years), mid-term (3–5 years), and long-term (5+ years)—to guide risk management and strategic adjustments.</p>

Item	Implementation status						
term).	<p>Climate change may affect various aspects of the company's operations, including:</p> <ul style="list-style-type: none"> <li>• <b>Material Supply:</b> Disruptions to raw material availability.</li> <li>• <b>Energy Costs:</b> Increased costs for energy sourcing.</li> <li>• <b>Regulatory Compliance:</b> Stricter regulation requirements.</li> <li>• <b>Cost Structures:</b> Adjustments to operational cost composition.</li> </ul> <p>In the meantime, climate change also presents opportunities, including:</p> <ul style="list-style-type: none"> <li>• <b>Renewable Energy Integration:</b> Adoption of sustainable energy solutions.</li> <li>• <b>Energy Efficiency Improvements:</b> Advancing energy-saving technologies and practices.</li> <li>• <b>Sustainable Product Development:</b> Innovating advanced, eco-friendly products.</li> </ul> <p>The outcomes of these assessments have been integrated into the company's capital expenditure planning, energy strategy, and operational decision-making processes. These efforts aim to enhance the company's long-term resilience and financial stability.</p> <p>For further details on THC's approach to climate-related risks and opportunities, please refer to Chapter 5.1 "Climate Change" in THC's Sustainability Report.</p> <p><b>Climate-Related Risks, Opportunities, and Financial Impacts Summary Table:</b></p>						
		Impact Duration			Impact on Business	Impact on Supply Chain	Financial Impact
Risks	Details	Short	Mid	Long			
Transition Risks: Regulations	Carbon tax implementation	⊙	⊙	⊙	Increases costs for carbon management, energy-saving investments, and regulatory compliance	Upstream and downstream partners must collaborate to provide emission data and adjust carbon reduction strategies	Increase capital expenditures and operating cost (carbon management and energy investment)
	Water usage regulations	⊙	⊙				
	Requirements on carbon emission disclosure and verification	⊙	⊙				
	Renewable energy deployment	⊙	⊙				
	International plastic packaging regulations	⊙	⊙	⊙			
Transition Risks: Markets	Changes in customer behavior	⊙	⊙		Strengthens development of low-carbon products and optimization of materials	Suppliers may pass on cost increases, potentially adjusting product pricing	Higher R&D costs, which may affect profitability structure
	Increasing raw material costs		⊙	⊙			
Physical	Extreme	⊙			Enhances water	Supply chain may be	Potential increases in

Item	Implementation status							
	Risks	weather events (e.g., typhoons, floods)				resource management, energy efficiency, and emergency preparedness mechanisms	required to enhance water resource management and operational resilience	energy costs, insurance premiums, and emergency response expenditures
		Drought and water scarcity		⊙				
		Global warming			⊙			
	Opportunities : Resource Efficiency	Improving transportation efficiency	⊙			Reduces energy and raw material usage, enhancing production efficiency	Promoting green supply chain collaborations	Reduced operational costs through efficient resource utilization
		Improving energy efficiency	⊙					
		Reusing and recycling packaging materials	⊙					
		Reducing water resource consumption	⊙					
	Opportunities : Incentive Policies	Government energy-saving subsidies	⊙			Reduces carbon intensity and enhances energy autonomy	Support downstream customers in reducing product carbon footprints	Lower energy procurement costs, contributing to long-term cost stability
	Opportunities : Products and Market	Developing low-carbon products	⊙			Increases proportion of low-carbon products, enhancing market competitiveness	Meeting customer sustainability requirements	Opportunities for potential increases in revenue and brand recognition
		Customer and product diversifications	⊙					
		Government incentive programs	⊙					
	Opportunities : Resiliency	Investing in renewable energy	⊙	⊙		Improves long-term energy and cost stability	Enhance overall supply chain sustainability	Lower future carbon costs and mitigate energy risks
	3. Describe the financial impact of extreme weather events and transformative actions.	<p><b>1. Direct costs:</b> Extreme climate events such as typhoons, floods, and water scarcity may result in direct losses, including physical damage to production equipment and interruptions to manufacturing.</p> <p><b>2. Indirect costs:</b> Climate change may lead to increases in raw material prices and reduced market demand, negatively impacting the company's financial health.</p> <p><b>3. Transformation costs:</b> In response to climate-related transitions, the company is investing in low-carbon</p>						

Item	Implementation status
	<p>production, energy-efficient equipment, and sustainable product development. These initiatives may result in increased short-term expenditures, affecting financial performance.</p> <p><b>4. Potential opportunities and benefits:</b></p> <ul style="list-style-type: none"> <li>■ <b>Low-Carbon Production Benefits:</b> Reducing energy consumption and carbon emissions can lower long-term operating costs.</li> <li>■ <b>Sustainable Product Development:</b> Expanding the market for eco-friendly products and increasing brand visibility can drive long-term revenue growth.</li> </ul>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p><b>Risk Management Process:</b> Under the company's overall risk management framework, climate-related risks and opportunities are managed by the Sustainability and Risk Management Committee. The committee identifies and evaluates physical and transition risks annually.</p> <p>Key Steps in the Risk Management Process:</p> <ol style="list-style-type: none"> <li>1. Data Collection: Gather information on global climate trends, research reports, regulatory changes, and stakeholder feedback.</li> <li>2. Impact and Risk Identification: Use scenario analysis and regulatory trend assessments to pinpoint significant climate risks and opportunities related to operations.</li> <li>3. Risk Evaluation: Assess and rank risks based on their impact and likelihood, identifying the most critical risks and opportunities.</li> <li>4. Response Strategies and Financial Assessment: Evaluate the potential financial implications of major issues and formulate strategies for mitigation and adaptation.</li> <li>5. Monitoring and Reporting: Regularly track the execution status of climate actions and report progress to both management and the Board of Directors.</li> </ol> <p>For further details, please refer to Chapter 5.1 “Climate Change” in the Sustainability Report.</p>
<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>	<p><b>Climate Scenario Analysis</b></p> <p>The company has conducted scenario analyses for climate transition risks and physical risks to assess the impact of climate change on operational resilience.</p> <ol style="list-style-type: none"> <li>1. Scenarios and Parameters <ol style="list-style-type: none"> <li>(1) Transition Risks: <p>The analysis references Taiwan’s Intended Nationally Determined Contribution (INDC) carbon reduction targets, assuming greenhouse gas emissions in 2030 will decrease by 50% compared to the business-as-usual (BAU) scenario. Evaluations are based on Taiwan’s projected 2025 power structure, where renewable energy accounts for 20%, coal 30%, and natural gas 50%.</p> </li> <li>(2) Physical Risks:</li> </ol> </li> </ol>

Item	Implementation status
	<p>The analysis uses data from the Taiwan Climate Change Projection and Adaptation Information Platform (TCCIP) and the National Science and Technology Center for Disaster Reduction. Under the SSP5-8.5 scenario, projections for 2021–2040 evaluate potential impacts of rising temperatures and increased extreme rainfall events on operations.</p> <p>2. Analytical Factors The assessment focuses on how climate policies, energy transitions, and extreme weather events might affect:</p> <ul style="list-style-type: none"> <li>• Manufacturing Processes</li> <li>• Supply Chain Stability</li> <li>• Operational Costs</li> </ul> <p>3. Key Financial Impacts Climate change may result in several financial challenges, such as:</p> <ul style="list-style-type: none"> <li>• Energy and Carbon Management Costs: Higher costs associated with carbon reduction and transitioning to renewable energy.</li> <li>• Production Disruptions: Damage to equipment or interruptions in manufacturing caused by extreme weather events.</li> <li>• Supply Chain Interruptions: Instability in supply chains, potentially leading to increased operational costs and impacts on financial performance.</li> </ul> <p>For a detailed evaluation of these climate-related impacts, refer to Chapter 5.1 "Climate Change" in the company's Sustainability Report.</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>To address the physical and transition risks posed by climate change, THC has incorporated climate considerations into its overarching risk management framework and actively promotes transition initiatives. Key activities include:</p> <ol style="list-style-type: none"> <li>1. Identifying the impacts of climate change on operations and the supply chain.</li> <li>2. Setting carbon reduction and energy efficiency targets.</li> <li>3. Implementing energy-saving and low-carbon production measures.</li> <li>4. Strengthening supply chain resilience.</li> <li>5. Establishing regular monitoring and evaluation mechanisms to track results and ensure effective execution.</li> </ol> <p>In terms of management indicators and goals, the company uses greenhouse gas emissions, energy efficiency, and resource efficiency as key metrics to guide its management approach. By setting carbon reduction targets, replacing energy-intensive equipment with energy-efficient alternatives, introducing renewable energy, and collaborating with the supply chain, the company continuously works to mitigate climate risks' impacts on operations and finances, driving a transition to a low-carbon business model and promoting sustainable</p>

Item	Implementation status		
	development.		
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	While an internal carbon pricing mechanism has not yet been formally adopted, the company plans to introduce it into its economic decision-making processes by 2030. The pricing model will be based on carbon cost estimation and internal emission accounting, integrating carbon costs into operational decision-making, product pricing, and investment strategies.		
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.	<b>Indicators and Targets for 2035:</b>		
	Category	Goal	Description
	Greenhouse Gas Emissions	Carbon neutrality by 2035 Net zero emissions by 2050	Using 2024 as the baseline year, reduce Scope 1 and Scope 2 emissions by an average of 2% annually through energy-saving measures, renewable energy adoption, and low-carbon manufacturing processes.
	Renewable Energy Usage	Increase renewable energy usage by 10% in 2030	Implement solar energy systems and procure renewable energy to reduce operational carbon emissions.
	Energy Intensity	10% reduction compared to 2024 by 2035	Achieve lower energy consumption per unit product through equipment upgrades, process optimization, and the introduction of energy management systems.
	Waste Utilization	10% reduction by 2035	Improve manufacturing processes, promote source reduction, and adopt circular utilization practices to enhance resource efficiency.
	Rainwater Recycling	20% increase by 2030	Install rainwater harvesting systems in facilities for green space irrigation, cleaning, and non-process water usage, reducing reliance on municipal water.
	Wastewater Recycling	30% increase in recycling rates by 2030	Use wastewater recycling equipment and systems to increase the reuse rate of water resources.
Plastic Material Reduction	10% reduction in virgin plastic usage by 2030	Introduce lightweight bottle preform designs and increase the proportion of recycled materials, such as rPET, in production.	
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 71 to 72.		

## 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.**

In compliance with regulatory roadmaps, the parent company has commenced mandatory greenhouse gas (GHG) inventory since 2022, while consolidated subsidiaries are scheduled to begin inventory in 2026.

The Company has established a GHG inventory mechanism based on the ISO 14064-1 standard. Since 2022, we have conducted annual inventories of the parent company’s GHG emissions to fully monitor usage and emission status while verifying the effectiveness of carbon reduction initiatives. Furthermore, GHG emission data for the two most recent years have been aggregated based on the “Operational Control” approach (Period: Jan 1 – Dec 31), as detailed below:

Year	2025		2024	
Item	Emissions (tCO2e)	Intensity	Emissions (tCO2e)	Intensity
Scope 1: Direct greenhouse gas emissions	16,165.0644	Omitted	15,880.3859	Omitted
Scope 2: Indirect greenhouse gas emissions	78,984.1653		81,890.2345	
Scope 3: Other indirect greenhouse gas emissions	206,794.6425		218,514.4995	
Total	301,943.8722	30.38	316,285.1199	32.19

Note 1: Parent Company Intensity = Total Emissions (tCO2e) / Million TWD Revenue.

Note 2: 2024 Parent Company Revenue: NT\$9,825 million; 2025 Parent Company Revenue: NT\$9,939 million.

Note 3: Direct Emissions (Scope 1: Emissions from sources owned or controlled by the Company); Energy Indirect Emissions (Scope 2: Indirect emissions from the generation of purchased electricity, heat, or steam); and Other Indirect Emissions (Scope 3: Emissions resulting from Company activities but originating from sources owned or controlled by other entities).

### 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.**

In accordance with the regulatory requirements, the parent company has commenced mandatory assurance since 2022, while its consolidated subsidiaries are scheduled to complete assurance and disclosure by 2028.

Regarding the total greenhouse gas (GHG) emissions disclosed in Table 1-1-1, the scope of assurance for the years 2024 and 2025 covers the Company’s parent-company-only entities. This process was conducted by the assurance institution, SGS Taiwan, in accordance with the International Standard ISO 14064-3:2019. The Company has received an unmodified opinion, with “Reasonable Assurance” for Category 1 and Category 2, and “Limited Assurance” for Category 3 through Category 6. The complete assurance information will be disclosed in the Sustainability Report.

For further details, please refer to Chapter “7.7 Independent Verification Statement and Assurance Report” and “7.8 Greenhouse Gas Emissions Verification Statement” in the company’s Sustainability Report.

## 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.**

### **Reduction Goal:**

Using 2024 as the baseline year, Scope 1 and Scope 2 emissions are targeted to decrease by an average of 2% annually, with the ultimate goal of achieving carbon neutrality by 2050.

### **Reduction Strategies:**

1. **Employee Awareness:** Encourage employees to switch off lights and appliances when not in use.
2. **Low-Carbon Production:** Introduce low-carbon production technologies, develop sustainable products, and replace outdated equipment with energy-efficient alternatives.
3. **Renewable Energy Initiatives:** Evaluate self-built solar power systems and increase the procurement of renewable energy (green electricity) to reduce reliance on conventional “gray electricity.”
4. **Operational Efficiency:** Continue implementing energy-saving measures, improve equipment efficiency, and optimize production processes.
5. **Supply Chain Emissions Reduction:** Work with suppliers to reduce greenhouse gas emissions within the supply chain, encouraging environmentally friendly production and transportation practices.

### **Specific Actions:**

1. Replace aging process equipment, such as chilled water compressors and high-pressure air compressors, with energy-saving models featuring variable frequency systems.
2. Enhance lightweight product designs and develop eco-friendly low-carbon products like rPET bottles, preforms, and labels.
3. Regularly promote energy-saving awareness campaigns to strengthen employees’ understanding of energy conservation and carbon reduction.
4. Plan to procure approximately 2.6 million kWh of renewable energy between 2026 and 2030.

### **Target Achievement Status:**

1. **Solar Energy Deployment:** Installed a 1,500 kWp solar power generation system, producing approximately 1.8 million kWh annually.
2. **Waste Plastic Reuse:** Achieved a 97% waste reuse rate across all facilities through internal recycling efforts.
3. **Sustainable Product Development:**
  - Produced 937 million rPET bottles/preforms, reducing ~14,734 metric tons of CO<sub>2</sub> emissions.
  - Produced 26.48 million rPET labels, with each label reducing greenhouse gas emissions by ~10–30%, collectively cutting ~21 metric tons of CO<sub>2</sub> emissions.
4. **Energy-Saving Measures in 2025:**
  - Implemented 2 energy-saving projects, including ESPC initiatives and optimization of the air conditioning process system at Taichung plants.
  - Reduced energy consumption by ~8,632.51 GJ (approximately 2.4 million kWh), cutting ~1,136.61 metric tons of CO<sub>2</sub> emissions during the year.

## 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

Evaluation 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 Corporate Management Best-Practice Principles for TWSE listed companies?	V		(3) The Company has formulated the “Corporate Governance Best Practice Principle,” “Ethical Corporate Management Best Practice Principles,” “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	None

Evaluation item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
			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 2025 was reported to the Board of Directors by the chief auditor on March 6, 2026.	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 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?	V		(4) In order to make sure the implementation of ethical management, the Company has established an effective accounting system, set up the independent 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." 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.	None

Evaluation item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
(5) Does the company hold internal and external ethical corporate management training courses regularly?	V		(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 2025, the Company held in total 368 attendants and 368 hours of courses related to ethical corporate management.	None
3. Whistle-blowing system: (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?	V		(1) To implement the Ethical Management Policy and proactively prevent unethical conduct, the General Administration Division established the “Whistle-blowing Procedures for Violations of Ethical Corporate Management” on July 24, 2018. These procedures, implemented upon approval by the Chairman/President, establish internal and external whistleblowing channels and processing systems. To assist whistleblowers in providing complete and clear information—thereby accelerating the investigation and handling process—we recommend downloading and completing the “Whistleblowing Case Handling Form” and submitting it through the following channels: <ul style="list-style-type: none"> <li>• Email: <a href="mailto:ethics@mail.houchuan.com.tw">ethics@mail.houchuan.com.tw</a></li> <li>• Paper document: No.6, 2nd. Road, Industrial Park, Xitun Dist., Taichung Taiwan, R.O.C (To Auditing Office).</li> </ul> The Company also provides accessible whistleblowing and grievance channels for customers, suppliers, contractors, and employees. <ul style="list-style-type: none"> <li>• President’s Mailbox</li> <li>• Workplace Integrity Protection System</li> <li>• Official Website: Stakeholder Section</li> </ul>	None
(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		(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

Evaluation item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
(3) Does the company have protection mechanism for whistleblower?	V		<p>(3) The Company's "Whistle-blowing Procedures for Violations of Ethical Corporate Management" incorporates a robust whistleblower protection framework. Under this policy, all personal information—including names, contact numbers, and residential addresses of whistleblowers and interested parties—is subject to strict confidentiality management.</p> <p>The Company designates specific personnel to conduct investigations into reported matters. Such investigators are mandated to maintain absolute confidentiality regarding both the identity of the whistleblower and the details of the report.</p> <ul style="list-style-type: none"> <li>• <b>Consent for Disclosure:</b> Should the disclosure of a whistleblower's identity become necessary, the Company must obtain the prior explicit consent of the individual.</li> <li>• <b>Anti-Retaliation Measures:</b> The Company strictly prohibits the respondent (the accused), their department, or any other related units from engaging in activities intended to uncover the whistleblower's identity.</li> <li>• <b>Breach of Confidentiality:</b> In the event that a whistleblower's identity is inadvertently compromised, the unit responsible for handling the report shall investigate the circumstances of the exposure and initiate disciplinary actions in accordance with the Company's internal regulations.</li> </ul>	None
4. Enhancing Information Disclosure: Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System?	V		<p>The Company has set up an official website, which discloses our business culture and management 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.</p> <p>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</p>	None

Evaluation item	Implementation Status			Reason for Deviations from ECM Best-Practice Principles for TWSE Listed Companies
	Yes	No	Summary Description	
			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:				
<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>				

### 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	2025.05.23	Taiwan Institute of Directors	Challenges and Solutions for Family Business Succession, and Mergers, Acquisitions, and Anti-Takeover Strategies	3 hours
			2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
			2025.08.22	Chinese National Association of Industry and Commerce	2025 TS Holdings Net Zero Summit	3 hours
Director	Hung-Yu, Tsao	2023.05.31	2025.03.19	Taiwan Academy of Banking and Finance	Corporate Governance	3 hours
			2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Director	Chun-Shu, Chang	2023.05.31	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Director	Yun-Chang, Liu	2023.05.31	2025.07.22	Taiwan Corporate Governance Association	Sustainable Development Advocacy Seminar	3 hours
			2025.07.31	Taiwan Stock Exchange Corporation	2025 Strengthening Taiwan's Capital Market Summit	3 hours
Director	Hung-I, Dai	2023.05.31	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Director	Hsin-Wen, Tsao	2023.05.31	2025.03.19	Taiwan Academy of Banking and Finance	Corporate Governance	3 hours
			2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Independent Director	Chao-Nan, Hung	2023.05.31	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Independent Director	Hsiang-Ying, Huang	2023.05.31	2025.03.24	CPA Associations R.O.C.(Taiwan)	Emerging Financial Crimes: Trends, Cases, and AML Defenses	3 hours
			2025.05.13	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3 hours
Independent Director	Po-yuan, Cho	2023.05.31	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours

Continuing education and training of the head of corporate governance in 2025 were as follows:

Title	Name	Date of Course	Organizer	The course name	Duration	Total education hours
Head of Corporate Governance	Yu-Li, Su	2025.07.07	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours	12
		2025.10.28	Accounting Research and Development Foundation	IFRS 18 Presentation and Disclosure in Financial Statements: Standard and Practical Analysis	6 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 6, 2026

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 6, 2026. 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 29, 2025	1. Approval of 2024 Business Report and Financial Statements.	1. Related statements have been submitted to competent authority and publicly reported in accordance with The Company Act and related regulations.
	2. Approval of 2024 Profit Distribution Proposal.	2. Set up July 8, 2025 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 7, 2025	<ol style="list-style-type: none"> <li>1. Report on the implementation of internal audits from November to December in 2024 and January to February in 2025.</li> <li>2. Report on the performance evaluation results of the board of directors, each director, audit committee, and remuneration committee of 2024.</li> <li>3. Report on the implementation of ethical management in 2024.</li> <li>4. Report on the Group (including subsidiaries) GHG inventory and confirmation.</li> <li>5. Report on the Company’s derivative transactions.</li> <li>6. Approval of the 2024 distribution of remuneration for employees and directors.</li> <li>7. Approval of the 2024 Financial Statements.</li> <li>8. Approval of the 2024 Consolidated Financial Statements.</li> <li>9. Approval of the 2024 Profit Distribution.</li> <li>10. Approval of the 2024 Business Report.</li> <li>11. Resolution of holding the 2025 annual shareholders’ meeting.</li> <li>12. Resolution of the place and the period of accepting the proposal of 2025 shareholders’ meeting.</li> <li>13. Approval of the proposal to establish a 100% owned subsidiary, “Hon Jeng Mozambique “SU”, Limitada,” for investment in packaging production lines.</li> <li>14. Resolution of the 2025 appointment or discharge of employees of assistant vice president (inclusive) or higher position.</li> <li>15. Approval of the amendments to the “Articles of Incorporation.”</li> <li>16. Approval of the independence assessment of the Company’s Certifying Public Accountants (CPAs).</li> <li>17. Approval of the pre-approval for Deloitte &amp; Touche and its affiliates to provide non-assurance services to the Company and its subsidiaries for 2025.</li> <li>18. Ratification of the Internal Control System Statement.</li> <li>19. Resolution of the renewal of directors’ and officers’ liability insurance.</li> <li>20. Approval of decrease of corporate guarantee for subsidiaries.</li> </ol>
May 9, 2025	<ol style="list-style-type: none"> <li>1. Report on the implementation of internal audits from March to April 2025.</li> <li>2. Report on the Group (including subsidiaries) GHG inventory and confirmation and disclosure schedule.</li> <li>3. Report on the 2024 implementation of Information Security Management and 2025 target.</li> <li>4. Approval of the 1st quarter of 2025 Consolidated Financial Statements.</li> <li>5. Approval of the record date of common stocks transferred from the second domestic unsecured convertible corporate bond.</li> <li>6. Approval of 2024 Taiwan Hon Chuan Sustainability Report.</li> <li>7. Approval of renaming the “Sustainability Development Committee” to the “Sustainability and</li> </ol>

Date	Major Proposals
	<p>Risk Management Committee.”</p> <ol style="list-style-type: none"> <li>8. Approval of the establishment of the “Personal Data Protection Policy.”</li> <li>9. Approval of the establishment of the “Intellectual Property Management Plan.”</li> <li>10. Approval of the amendments to the Company's internal control system PW400 “Labor and wage cycle-salary.”</li> <li>11. Approval of increase (decrease) of corporate guarantee for subsidiaries.</li> </ol>
August 8, 2025	<ol style="list-style-type: none"> <li>1. Report on the implementation of internal audits from May to July 2025.</li> <li>2. Report on the Group (including subsidiaries ) GHG inventory and confirmation and disclosure schedule.</li> <li>3. Report on the Company’s derivative transactions.</li> <li>4. Approval of the first half of 2025 Consolidated Financial Statements.</li> <li>5. Approval of the proposal to establish “Hon Chuan Food Packing (Qingxin) Co., Ltd., Zhongshan Branch” for investment in packaging production lines.</li> <li>6. Approval of the proposal for the subsidiary, Hon Chuan Holding Co., Ltd., to acquire a 3.61% equity stake in Hon Chuan China Holdings Co., Ltd. from Trans Victory Trading Limited.</li> <li>7. Approval of the Company established the “Nominating Committee.”</li> <li>8. Approval of the amendments to the “Risk Management Policy and Procedures.”</li> <li>9. Approval of the amendments to the “Guidelines for the Adoption of Codes of Ethical Conduct for Directors (Including Independent Directors) and Managers.”</li> <li>10. Approval of the amendments to the “Sustainable Development Best Practice Principles.”</li> <li>11. Approval of the amendments to the “Corporate Governance Best Practice Principles.”</li> </ol>
November 7, 2025	<ol style="list-style-type: none"> <li>1. Report on the implementation of internal audits from August to October 2025.</li> <li>2. Report on the Group (including subsidiaries) GHG inventory and confirmation and disclosure schedule.</li> <li>3. Approval of the 3rd quarter of 2024 Consolidated Financial Statements.</li> <li>4. Approval of the amendments to the “Regulations Governing the Issuance and Conversion of the Second Domestic Unsecured Convertible Bonds.”</li> <li>5. Approval of the capital increase of Hon Shin (Thailand) Co., Ltd. (a subsidiary of Hon Chuan (Thailand) Co., Ltd.) from THB 800 million to THB 1.175 billion.</li> <li>6. Approval of the Company’s 2026 Annual Audit Plan.</li> <li>7. Approval of the amendments to the “Sustainable Development Best Practice Principles.”</li> <li>8. Approval of the amendments to the “Sustainability Reports Preparation and Disclosure Management Guidelines.”</li> </ol>
March 6, 2026	<ol style="list-style-type: none"> <li>1. Report on the implementation of internal audits from November to December in 2025 and January to February in 2026.</li> <li>2. Report on the implementation of ethical management in 2025.</li> <li>3. Report on the performance evaluation results of the board of directors, each director, audit committee, and remuneration committee of 2025.</li> <li>4. Report on the Group (including subsidiaries) GHG inventory and confirmation.</li> <li>5. Report on the 2025 Intellectual Property Management execution status.</li> <li>6. Report on 2025 Risk Management.</li> <li>7. Report on the 2025 Human Rights Due Diligence risk assessment and mitigation results.</li> <li>8. Approval of the 2025 distribution of remuneration for employees and directors.</li> <li>9. Approval of the 2025 Financial Statements.</li> <li>10. Approval of the 2025 Consolidated Financial Statements.</li> <li>11. Approval of the 2025 Profit Distribution.</li> <li>12. Approval of the 2025 Business Report.</li> <li>13. Resolution of holding the 2026 annual shareholders’ meeting.</li> <li>14. Resolution of the place and the period of accepting the proposal of 2026 shareholders’ meeting.</li> <li>15. Approval of the re-election of the Board of Directors.</li> <li>16. Approval of the nomination and review of candidates for Directors (including Independent Directors).</li> <li>17. Approval of the lifting of non-competition restrictions for the Directors and Independent Directors.</li> <li>18. Approval of the change of the Company’s Certifying Public Accountants (CPAs).</li> <li>19. Approval of the independence assessment of the Company’s Certifying Public Accountants</li> </ol>

Date	Major Proposals
	(CPAs). 20. Approval of the pre-approval for Deloitte & Touche and its affiliates to provide non-assurance services to the Company and its subsidiaries for 2026. 21. Ratification of the Internal Control System Statement. 22. Approval of the Establishment of the “Procedures for Ethical Management and Guidelines for Conduct.” 23. Approval of amendments to the “Whistleblowing Procedures for Violations of Ethical Management.” 24. Approval of amendments to the “Remuneration Committee Charter.” 25. Approval of amendments to the “Procedures for Election of Directors.” 26. Approval of revisions to the “Payroll Cycle - Salary” internal control process. 27. Resolution of the renewal of directors’ and officers’ liability insurance. 28. Resolution of the 2026 appointment or discharge of employees of assistant vice president (inclusive) or higher position. 29. Approval of 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: NTDS\$ Thousand

CPA Firm	Name of CPAs	Audit Period	Audit Fee	Non-Audit Fee (Note1)	Total	Note
Deloitte & Touche	Shao-Chun, Wu	Jan 01, 2025 ~ Dec 31, 2025	8,050	1,075	9,575	None
	Shu-Chin, Chiang					

Note: The fees were mainly related to transfer pricing report, tax consulting service, tax return.

**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 Information on Replacement of CPAs:

### 2.5.1. Information regarding the former CPAs

Date of replacement	2026.3.6		
Reason for replacement and explanation	Internal reassignment within the accounting firm		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Parties	CPAs	The Company
	Circumstances		
	Terminated the engagement	N/A	N/A
	No longer accepted (discontinued) the engagement	N/A	N/A
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	None		
Disagreement with the Company?	Yes	Accounting principles or practices	
		Disclosure of financial reports	
		Audit scope or steps	
		Other	
	No	✓	
	Specify details		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None		

### 2.5.2. Information Regarding the Successor CPAs

Name of accounting firm	Deloitte & Touche
Names of CPAs	Shao-Chun, Wu and Shu-Chin, Chiang
Date of engagement	2026.3.6
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None

Note: The Company's certifying CPAs were originally Shao-Chun, Wu and Hsiao-Fang, Yen of Deloitte & Touche. Due to internal work reassignment within the accounting firm, the CPAs were changed to Shao-Chun, Wu and Shu Chin, Chiang, effective March 6, 2026.

**2.5.3. The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: N/A.**

**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**

Please refer to the link of the Market Observation Post System (MOPS)- Transfer of Directors, Supervisors, and Major Shareholders:

<https://mops.twse.com.tw/mops/#/web/stapap1>

Unit: Share

Title	Name	2025		As of March, 31, 2026	
		Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged
Chairman	Ya-Wen, Cheng	200,000 (note1)	0	0	0
Director and General Manager	Hung-Yu, Tsao	0	0	0	0
Director and Executive Vice President	Yun-Chang, Liu	0	0	0	0
Director	Hsin-Wen, Tsao	0	0	0	0
Director	Hung-I, Dai	0	0	0	0
Director	Chun-Shu, Chang	0	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	0	0	0	0
Group Vice President	Wen-Hua, Tseng	0	0	0	0
Vice President	Chin-Hsiung, Lee	0	0	0	0
Vice President	Kuei-Ching, Chuang	0	0	0	0
Vice President	Ching-Chou, Lu	0	0	0	0
Vice President	Hung-Lung, Hsieh	0	0	0	0
Vice President	Chih-Hao, Ting	0	0	0	0
Vice President	Chia-Jui, Chang	0	0	0	0
Vice President	Wen-Fu, Lee	0	0	0	0
Senior Assistant Vice President	Ching-Chuan, Yen	0	0	0	0
Senior Assistant Vice President	Yu-Lung, Fang	0	0	0	0
Senior Assistant Vice President	Chien-Hsia, Tsao	0	0	0	0
Senior Assistant Vice President	Kun-Chang, Li	0	0	0	0
Senior Assistant Vice President	Hsuan Che, Huang	0	0	0	0
Senior Assistant Vice President	Chen Pin, Huang	0	0	0	0

Title	Name	2025		As of March, 31, 2026	
		Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged
Assistant Vice President	Min-Hsiung, Hung	0	0	0	0
Assistant Vice President	Yung-Fu, Tsai	0	0	0	0
Assistant Vice President	Li-Yuan, Liu	0	0	0	0
Assistant Vice President	Hsien-Wei, Pai	0	0	0	0
Assistant Vice President	Tsang-Pin, Lin (note 2)	(17,000)	0	(20,900)	0
Assistant Vice President	Wei-Hsiang, Lin	0	0	0	0
Assistant Vice President	Chun-Hao, Huang	0	0	0	0
Assistant Vice President	Tsui Ling, Hsu	0	0	0	0
Assistant Vice President	Kuan-Jen, Huang	0	0	0	0
Assistant Vice President	Ming-Hui, Chen	0	0	0	0
Assistant Vice President	Jui-Pin, Chen	0	0	0	0
Assistant Vice President	Chan-Wei, Tung	0	0	0	0
Assistant Vice President	Chuo-Pin, Li	0	0	0	0
Corporate Governance Officer	Yu-Li, Su	0	0	0	0
Assistant Vice President	Hsin-Chang, Wu	0	0	0	0
Assistant Vice President	Hsien-Wen, Chen	0	0	0	0
Assistant Vice President	Shih-Feng, Hsu (note 3)	0	0	0	0

Note 1: The increase was due to the termination of a trust with retained power of investment decision-making, resulting in the transfer of shares back to the individual.

Note 2: Tsang-Pin, Lin, Assistant Vice President, retired from the Company effective February 28, 2026.

Note 3: Shih-Feng, Hsu was promoted to Assistant Vice President on February 1, 2026.

**2.7.2 Transfers of Shareholding with Related Party: None.**

**2.7.3 Pledges of Shareholding with Related Party: None.**

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

March 31, 2026

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	
Fubon Life Insurance Co., Ltd.	14,759,000	4.99	0	0	0	0	None	None	-
Chunghwa Post Co., Ltd.	10,256,264	3.47	0	0	0	0	None	None	-
Yuanta Taiwan High Dividend Low Volatility ETF Fund Account	9,243,597	3.13	0	0	0	0	None	None	-
Taishin International Bank Co., Ltd.	7,444,000	2.52	0	0	0	0	None	None	-
Hung-Yu, Tsao	6,674,333	2.26	0	0	0	0	Hsieh-Chung, Tsao	Father and son	-
Hung-I, Dai	5,807,111 (note 1)	1.96	0	0	0	0	None	None	-
Labor Pension Fund (The New Fund)	5,039,478	1.70	0	0	0	0	None	None	-
Hsieh-Chung, Tsao	4,469,476	1.51	1,302,079 (note 2)	0.44	0	0	Hung-Yu, Tsao	Father and son	-
Hong-I investment Co., Ltd.,	4,234,737	1.43	0	0	0	0	None	None	-
ROBECO CAPITAL GROWTH FUNDS	4,223,695	1.43	0	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 Hsieh-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, 2025

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) Corporation	15,000,000	100%	—	—	15,000,000	100%
Hon Chuan Malaysia Sdn. Bhd.	81,259,900	100%	—	—	81,259,900	100%
Hon Jeng Mozambique “SU”, Limitada	—	100%	—	—	—	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	100%	3,138,790	100%
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.	—	—	117,500,000	100%	117,500,000	100%
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.	—	—	4,455,000	60%	4,455,000	60%
Uni Tun Co., Ltd.	—	—	6,000	60%	6,000	60%
Shimada International Limitada	—	—	(Note 2)	100%	(Note 2)	100%
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, 2026  
Unit: Share / NTDS

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 NTDS 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 dated as of 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 NTDS 169,690,000	None	Order No. Economic-Authorization-Business-10501031560 dated as of 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 NTDS 50,930,000	None	Order No. Economic-Authorization-Business-10901124840 dated as of July 7, 2020
Nov 2024	10	350,000,000	3,500,000,000	295,785,879	2,957,858,790	Capitalization by cash NTDS 80,000,000	None	Order No. Economic-Authorization-Business-11330197820 dated as of November 15, 2024
Mar 2025	10	350,000,000	3,500,000,000	295,786,475	2,957,864,750	NTDS\$5,960 of corporate bonds were converted into common shares.	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, 2026  
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, 2026, 596 of corporate bonds were converted into common shares.

### 3.1.1.3 Information for Shelf Registration : None.

## 3.1.2 List of Major Shareholders

March 31, 2026

Unit: Person

Name of major shareholders	Shares	Shareholding	Shareholding ratio (%)
Fubon Life Insurance Co., Ltd.		14,759,000	4.99%
Chunghwa Post Co., Ltd.		10,256,264	3.47%
Yuanta Taiwan High Dividend Low Volatility ETF Fund Account		9,243,597	3.13%
Taishin International Bank Co., Ltd.		7,444,000	2.52%
Hung-Yu, Tsao		6,674,333	2.26%
Hung-I, Dai		5,807,111 (note 1)	1.96%
Labor Pension Fund (The New Fund)		5,039,478	1.70%
Hsih-Chung, Tsao		4,469,476	1.51%
Hong-I investment Co., Ltd.,		4,234,737	1.43%
ROBECO CAPITAL GROWTH FUNDS		4,223,695	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 un-appropriated 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 6, 2026, and will be proposed to Shareholders' meeting which held on May 29, 2026 for ratification)

Items	Unit: NTDS	
	Subtotal	Total
<b>Unappropriated retained earnings of previous years</b>		5,068,599,678
2025 Net income	2,691,188,829	
Remeasurement of defined benefit obligation	8,708,462	
Remeasurement of defined benefit obligation - subsidiaries	(707,281)	
<b>Net income and other profit items adjusted to the current year's undistributed earnings</b>		2,699,190,010
Legal capital reserve		(269,919,001)
Special reserve		(254,674,975)
<b>Retained Earnings Available for Distribution</b>		7,243,195,712
Shareholders' Dividend - Cash (Note 1)		(1,833,876,145)
<b>Unappropriated Retained Earnings at the end of year</b>		5,409,319,567

Note 1: Shareholders' Dividend -- Cash : 295,786,475 shares \* NT\$ 6.2 = NT\$ 1,833,876,145. 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 allocate 1.5% to 15% of said profit for employee compensation and a maximum of 3% of said profit as remuneration to directors.

Employee compensation referred to in the preceding paragraph shall be allocated 20% or more for its non-executive employees.

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 following year.

### **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 6, 2026.

Employees' compensation: 1.89% as of NTD\$ 54,635,750 in Cash.

Directors' remuneration: 0.78% as of NTD\$ 22,728,655 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 2026 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 6, 2026 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	2024			
	Recorded amount	Actually paid	Difference (Note)	Remark
Employees' compensation	59,591,750	59,591,750	21,000	Recorded as other revenue
Directors' and supervisors' remuneration	23,830,457	23,830,457	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 share	NT\$ 100,000
Listing		N/A	N/A
Offering Price		Par value issuance	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: September 23, 2024 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, 2026, 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 2024 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: NTDS

Type of corporate bonds		The second domestic unsecured convertible corporate bonds	
Fiscal year		2025	As of March 31, 2026
Market price of convertible corporate bonds	Maximum	114.15	104
	Minimum	100	101.55
	Average	107.07	102.71
Conversion price		167.7(note)	161.2(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: The conversion price at the time of issuance in 2024 was NT\$168.4. Following a capital increase by cash, the price was adjusted to NT\$167.7, effective October 29, 2024. Subsequently, due to the distribution of cash dividends on common shares, the conversion price was further adjusted to NT\$161.2, effective July 8, 2025.

**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

3.8.1. For the period as of the quarter preceding the date of publication of the annual report, the Company doesn't have uncompleted public issues or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits.

3.8.2. 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: NTDS\$ Thousand

Main products	Year	2025		2024	
		Net Sales	Percentage	Net Sales	Percentage
PET Bottle		11,057,414	38.29%	10,680,714	35.60%
Beverage Filling OEM		8,279,704	28.67%	8,283,356	29.16%
Plastic Cap		6,590,639	22.82%	6,636,164	23.36%
Tobacco & Liquor Packaging		1,026,994	3.56%	806,839	2.84%
Label		647,540	2.24%	721,526	2.54%
Aluminum Cap		540,964	1.88%	564,460	1.99%
Metal Lug Cap		342,388	1.19%	341,887	1.20%
Films & Electronics Packaging		213,939	0.74%	196,401	0.69%
Others		177,284	0.61%	176,817	0.62%
<b>Total</b>		<b>28,876,866</b>	<b>100.00%</b>	<b>28,408,164</b>	<b>100%</b>

#### 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, 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, classic bottle cover, and multi-layer LDPE shrinkable film
PET Bottle		Heat-resistance crystallized PET bottle, 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, and preform
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, plain aluminum foil on roll, willow paper sticker, and high wet strength metallized paper
Other Product		LDPE shrinkable film for multipack
Sustainable packaging		rPET shrinkable colorful label, 50% rPET shrinkable colorful label, rPET bottle, and rLDPE shrinkable film for multipack

### 4.1.1.3 New Product Developments

Item	Estimated Amount
Ongoing development and promotion of rPET eco-friendly packaging	<b>NTD\$ 304,495 thousand</b>
Development of PET bottles for rice wine	
Lightweighting of 38mm short-neck finishes	
Optimization of carbonated soft drink (CSD) bottle bases	
Development of the new 2622 neck finish	
Development of yogurt cup PET packaging	
Design and development of customized bottle shapes for various Group subsidiaries	
3.15g 38mm Aseptic Tethered Caps (Thailand)	
2.10g 2622 CSD caps (Japan)	
Development of various flip-top caps and pull-ring caps	
2.20g 1881 Aseptic Caps (96-cavity injection molding)	
7.15g 38mm Filtered Flip-top Caps (Taiwan)	
1.70g 3025 water caps (Mozambique)	
1.85g 2622 CSD caps (Mozambique)	
37mm vacuum composite closures	
38mm vacuum composite closures	
Introduction of self-adhesive label production lines	
Implementation of high-lubricity, PFAS-free liners for metal lug caps	

### 4.1.2 Industry Status

#### 4.1.2.1 Current Industry Trends

According to the 2025 Food Industry Year Book, Taiwan's beverage sales reached NT\$67.76 billion in 2024, marking a ten-year high and a year-on-year growth of 3.7%. By product category, tea-based drinks accounted for the largest share, with sales of NT\$26.03 billion (38.4% share), followed by fruit and vegetable juices, carbonated drinks, coffee beverages, sports drinks, and bottled water. Among these, tea beverages recorded the highest growth rate at 7.7%. Except for coffee beverages, all other categories showed positive growth.

From a strategic perspective, beverage companies are increasingly focusing on sustainability and environmental responsibility to enhance corporate image and brand competitiveness. In terms of product development, manufacturers are leveraging co-branding with international brands and responding to niche consumer segments by launching differentiated products and tailored marketing strategies. These efforts are often

combined with innovations in physical retail channels to create new consumption scenarios and strengthen the connection between products and consumer lifestyles.

Continuous product diversification and experiential innovation are being used to capture evolving market demand and unlock new business opportunities. At the same time, some companies are expanding internationally into regions such as Mainland China, Southeast Asia, Northeast Asia, and Europe.

Looking ahead, key development trends in Taiwan's beverage industry include:

1. **Multi-Sensory Stimulation:** Delivering multi-sensory experiences to enhance consumer engagement.
2. **Functional Benefits:** Prioritizing innovation focused on functional attributes and scenario-driven segmentation.
3. **Precision Experiences:** Enhancing consumer touchpoints by optimizing consumer touchpoints.

Consumers place a high priority on food safety. The Company has strengthened upstream supplier management and implemented SAP systems to enable full traceability of each product's production history, ensuring strict quality control.

The Company will continue to collaborate with leading beverage brands to stay aligned with mainstream market trends and expand its market presence.

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

### **(1) Cap Category**

Closure products include plastic caps, aluminum caps, and crown caps. These products ensure airtight sealing and stable product quality, while also providing tamper-evident and safety functions. As such, they are widely used across bottled products in industries such as food and beverage, alcoholic beverages, chemicals, pharmaceuticals, and pickled foods. Closures are therefore a critical upstream component in bottle packaging systems.

With the rapid growth of the beverage industry, packaging requirements have become increasingly stringent. As a result, industry trends directly influence demand for closure products.

Overall demand for closures remains stable and continues to grow. However, shifts in packaging materials also drive changes in the types of closures used. In general, the proportion of plastic caps is increasing. Aluminum caps are mainly used in alcoholic beverages and functional drinks, with stable demand growth.

Crown caps are capable of withstanding sterilization at temperatures up to 121°C, making them suitable for high-acid and high-fat products. As domestic demand remains relatively stable, the Company is actively expanding into overseas markets. In collaboration with international glass bottle distributors, the Company has invested in a twist-off cap production line to enter the global market, with commercial production scheduled to commence in April 2026.

## **(2) Label Product**

Plastic labels include PET shrinkable colorful labels, OPP colorful labels, OPS shrinkable colorful labels, PP+PE co-extruded lamination printed shrink 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 customer 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 customer 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 provides beverage contract filling services tailored to product characteristics and equipment requirements, including bottled water filling, hot-fill beverage filling, and aseptic beverage filling.

Hot-fill beverage filling is suitable for products such as tea, juice, sports drinks, and lactic acid beverages. Aseptic beverage filling has broader applications and represents the most advanced technology. It is briefly described as follows:

Aseptic filling involves sterilizing raw materials instantaneously at ultra-high temperatures of approximately 130°C during the production process, followed by rapid cooling to low temperatures. The product is then directly transferred into a Class 100 cleanroom (NASA standard) for filling using PET bottling equipment.

The key advantage of this process is that it effectively preserves the aroma and flavor of the beverage while ensuring sterilization. It is particularly suitable for sensitive beverages prone to color and flavor changes, such as juices, dairy products, and tea.

Aseptic beverage plants utilize the latest aseptic filling systems, enabling the production of low-acid beverages (such as tea, coffee, and milk tea), carbonated beverages (such as soft drinks, sparkling juice beverages, and sparkling water), as well as products containing pulp or fiber.

Compared to hot-fill or conventional filling followed by post-sterilization, aseptically filled beverages offer a longer shelf life while maintaining original flavor and quality. With its

dual advantages of sterilization and product integrity, aseptic filling has broader applications and strong future growth potential.

Key features of aseptic PET bottling include:

- ① Material Efficiency: PET bottles used are approximately 60% the weight of those used in hot-fill lines, resulting in lower packaging costs.
- ② Versatility: Capable of filling not only high-acid products but also low-acid products.
- 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: Strict control is required across raw materials, packaging, and processing, providing greater assurance for consumers.
- ⑥ Broader Product Range: Enables a broader range of product offerings to be packaged.
- ⑦ Advanced Processing: Represents a higher standard of manufacturing technology and operational excellence.

#### **Key Features of HPP (High Pressure Processing) PET Bottling:**

Traditional fruit and vegetable juices are typically sterilized using heat treatment, which eliminates microorganisms but may also degrade certain nutrients.

HPP (High Pressure Processing) technology uses water as a transmission medium to apply ultra-high pressure ranging from 100 to 600 MPa (approximately 1,000 to 6,000 atmospheres) uniformly to sealed food products at ambient or low temperatures. This level of pressure is sufficient to inactivate microorganisms without the need for heat, thereby extending shelf life while preserving flavor and nutritional content.

HPP is a processing method approved by the U.S. FDA. It operates at temperatures below 50°C and reduces microbial counts through physical means, without the need for preservatives or thermal sterilization. This minimizes protein denaturation and nutrient loss caused by high temperatures, while preserving the natural color, vitamins, and flavor of fresh ingredients.

The Company has introduced advanced European equipment and plans to commence HPP PET bottling contract manufacturing services in 2026.

#### **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	Metal 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	Customers 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. Correspondingly, plastic closures—an integral part of the packaging—have seen a shift toward lightweighting as the primary industry trend, driven by increasing global environmental awareness.

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 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

THC is committed to fulfilling corporate social responsibility by promoting energy efficiency, product lightweighting, and reducing carbon emissions. In particular, significant effort has been devoted to minimizing the environmental impact of traditional printing processes. To address the volatile organic compound (VOC) emissions inherent to conventional gravure printing, all label gravure printing machines in Taiwan plants have been replaced with multiple flexographic printing systems. This initiative meets market demand for environmentally friendly production methods.

The flexographic system utilizes UV printing inks with low VOCs, significantly improving air quality. Since it eliminates the need for additional air pollution management, energy consumption and carbon emissions are effectively reduced. It also avoids the use of copper plates and solvent waste, advancing THC's commitment to the UN Sustainable Development Goals (SDGs) of waste reduction and climate resilience.

In response to global efforts to reduce plastic consumption, THC has officially launched high-percentage rPET shrink film production (available in 30%, 50%, and 100% specifications). The company has successfully implemented Eco-Label technology that enables water-washable de-inking for PET shrink labels, addressing historically low recycling rates for PET shrink labels. This breakthrough has significantly enhanced recycling efficiency and reinforces THC's commitment to circular economy principles.

In 2025, THC developed PP+PE co-extruded lamination printed shrink labels, leveraging density separation methods to further increase PET bottle recycling rates.

### 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.

The principle of HPP (High Pressure Processing) involves subjecting food products, once sealed in their final packaging, to extremely high-pressure using water as the medium. This process effectively inactivates microorganisms to achieve food safety objectives. Unlike thermal pasteurization, HPP does not rely on high temperatures; consequently, it ensures safety while preserving the food's original flavor, color, and texture.

**Three key reasons for the growing strategic importance of HPP include:**

1. **Enhanced Quality Stability:** It is particularly suited for chilled and ready-to-eat (RTE) products, significantly improving shelf-life consistency.
2. **Clean Label Alignment:** For certain products, HPP reduces the dependency on chemical additives, enabling simpler formulations that align with the global "Clean Label" and transparency trends.
3. **Diversified Processing Options:** It provides a critical alternative to heat treatment in the safety management of RTE and chilled food categories.

HPP is not intended to replace all existing processes; it has a specific scope of application—requiring chilled distribution and appropriate packaging—and should be viewed as a complementary and premium processing capability. Currently, hundreds of HPP equipments are in operation worldwide across various categories, including beverages, ready-to-eat meals, meats, and seafood. The continuous growth of the equipment market indicates that this technology is rapidly becoming a standard industry solution for specific food segments.

**(2) The Competition Situation of All Types of Products**

The Our company maintains a leading position in the domestic closure market, offering superior quality and a comprehensive range of specifications to meet diverse packaging needs. In addition to producing PET bottles suitable for hot-filling and high-temperature processing (such as carbonated soft drinks, tea, and fruit juices), we strategically focus

on the development of aseptic PET bottles and aseptic filling OEM services, which involve higher technical complexity and broader applications. By providing a complete suite of packaging materials—including PET bottles, closures, and labels—we offer our customers integrated beverage packaging and contract manufacturing (OEM) services. This "one-stop shopping" solution enhances customer satisfaction and significantly bolsters the competitive advantage of our products.

### 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: NTDS\$ Thousand

Year	R&D Fee	R&D Achievements
2025	375,020	<ul style="list-style-type: none"> <li>• Continuous collaboration with customers to implement the use of rPET packaging materials</li> <li>• 38 bottle neck 290ml, 400ml, 450ml, and 1000ml for Freezing PET Bottle</li> <li>• 38 bottle neck 320ml and 415ml for Cold Fill PET Bottle</li> <li>• 1881 bottle neck 340ml, 350ml, and 600ml for Aseptic PET Bottle</li> <li>• 1881 bottle neck 450ml, 500ml, 900ml, and 1500ml for Hot Fill PET Bottle</li> </ul>
As of March 31, 2026	80,895	<ul style="list-style-type: none"> <li>• 1810 bottle neck 500ml and 1500ml for Hot Fill PET Bottle</li> <li>• 3025 bottle neck 1450ml Bottled Water</li> <li>• 30% rHDPE plastic closure</li> <li>• 2.95g 1810 Hot Fill_YHP Plastic Closure</li> <li>• 2.23g AB1881HF4 Hot Fill Plastic Closure</li> <li>• 2.15g AB1881 CSD 44 cap</li> <li>• 2.20g 1881BAPHS Aseptic Plastic Closure</li> <li>• 1.83g 2622 CSD cap (injection)</li> <li>• 2.20g 1881BAPHS Aseptic plastic closure (64 mold)</li> <li>• Develop metal screw cap</li> <li>• 100% rPET shrinkable film</li> </ul>

## **4.1.4 Long-Term and Short-Term Business Development Plans**

### **4.1.4.1 Short-Term Business Development Plans**

- (1) Strengthening Operational Management and Talent Development
  - Optimize internal control systems and operational workflows.
  - Implement daily management and competency development programs to enhance overall organizational competitiveness.
- (2) Advancing Risk Control and Regulatory Compliance
  - Strengthen compliance mechanisms and corporate governance frameworks.
  - Establish real-time risk monitoring and emergency response systems to ensure steady operations.
- (3) Enhancing Capacity Utilization and Operational Efficiency
  - Accelerate the productivity of new production facilities to maximize capacity utilization rates.
  - Strengthen regional supply chains to proactively meet customer demands.
- (4) Deepening Customer Relations and Brand Commitment
  - Cultivate long-term customer relationships and gain precise insights into market demands.
  - Increase the provision of high-value-added products and premium services.
- (5) Promoting Digital Transformation and Smart Manufacturing
  - Implement automation and AI technologies to improve production efficiency and operational flexibility.
  - Optimize quality management and data-driven decision-making processes.

### **4.1.4.2 Long-Term Business Development Plans**

- (1) Deepening the Servitization of Manufacturing and One-Stop Integrated Services
  - Strengthen vertical integration and innovate business models to provide customized, one-stop solutions that fulfill all customer requirements.
  - Establish strategic long-term partnerships by providing integrated services encompassing beverage packaging and contract filling.
- (2) Advancing Global Expansion and Regional Localization
  - Expand presence in Asia, Africa, the Americas, and Oceania, while actively exploring markets with high growth potential.
  - Optimize the allocation of production sites to enhance supply chain resilience.

### (3) Developing Green Manufacturing and Circular Economy Models

- Integrate sustainable development into the core of business operations.
- Develop applications for sustainable materials (such as rPET/rHDPE) and low-carbon manufacturing processes to align with international ESG trends and regulatory requirements.

### (4) Constructing Smart Management Platforms and Digital Governance Centers

- Integrate operational data to build a cloud-based management platform.
- Strengthen decision support systems to enhance management efficiency and decision-making precision.

### (5) Reinforcing Corporate Governance and Talent Sustainability

- Align with international corporate governance standards to enhance information transparency and organizational resilience.
- Cultivate international talent to support the Group's long-term strategic needs.

## 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 2025 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, Guatemala, Panama, 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 2025, the revenue proportion of products were packaging material for 67.16%, beverage (filling OEM) for 28.67%, and others for 4.17%.

The Company has 52 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.

The Company 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.

In recent years, the Company has continuously expanded its beverage filling OEM/ODM production lines. Currently, the Group operates 32 beverage filling production lines worldwide, 14 of which are advanced aseptic filling lines. By further expanding its beverage manufacturing capacity, we continue to strengthen customer loyalty and deepen strategic partnerships.

#### **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 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.

In alignment with the 2622 cap-type conversion plan in Japan, the Company initiated R&D, design, and development in 2025 to meet specific market requirements. Following successful validation by Japanese customers in February 2026, the

Company will proceed with investments in high-speed production equipment and molds, with mass production scheduled to commence in 2027.

## **(2) Label Category**

In response to increasing consumer awareness of environmental sustainability, our Taiwan headquarters has completely phased out rotogravure label printing presses in favor of flexographic printing, utilizing low-VOC (Volatile Organic Compound) UV inks to minimize environmental impact. This technology not only provides customers with superior tactile feel, high-gloss cold-foiling, and anti-counterfeiting textures but also successfully differentiates our high-quality products in the market. Our commitment to environmental sustainability through the introduction of flexographic processes has been recognized by the government, earning the "Excellent Enterprise" award under the Taichung City Circular Economy, Pollution Reduction, and Coal Reduction Incentive Program. Looking ahead to future carbon tax implementation, these initiatives will bolster our market competitiveness, satisfy the rising trend of sustainable consumption, and facilitate constructive engagement with key stakeholders.

## **(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, customer-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, and strategic joint ventures— we provide our customers with diverse product options and premium-quality services.

## (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 customers and enhance their competitiveness,
- ② Hon Chuan enhances customer competitiveness and market share by enabling customers 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 customers 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:** Leveraging vertical integration and bundled sales to provide all-in-one solutions, the Company maintains stable, long-term partnerships that strengthen customer loyalty and create a high barrier to entry.
  - (5) **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.
  - (6) **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"> <li>1. Products feature eco-friendly attributes and are well-received by consumers, indicating promising future prospects.</li> <li>2. The Company actively explores international markets and expands its export business.</li> <li>3. The Company provides customers with convenient and comprehensive services by offering a wide range of integrated packaging products and solutions.</li> </ol>	Labor shortage is driving up wage costs.	<ol style="list-style-type: none"> <li>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.</li> <li>2. Introduce foreign labor to address workforce shortages and mitigate rising labor costs.</li> </ol>

Items	Favorable Factors	Unfavorable Factors	Countermeasures
2. Sales status of major products	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The Company leads in both technology and market share, with patents granted for various cap products.</li> </ol>	Although the packaging industry changes less rapidly than information technology or electronics sectors, shifts in consumer habits still drive frequent changes in packaging designs. Continuous product development is needed to meet customer demands.	<ol style="list-style-type: none"> <li>Expand R&amp;D department, actively recruit talent, and adopt advanced technologies to improve product knowledge and quality.</li> <li>Monitor market trends and participate in international trade shows to gather industry insights</li> </ol>
3. Industry position	<ol style="list-style-type: none"> <li>The Company is a dominant market leader in Taiwan, recognized by global beverage brands with an extensive sales network.</li> <li>The Company has strong R&amp;D manufacturing capabilities, positioning it as a market leader.</li> </ol>	Smaller manufacturers can lead to fierce price competition.	<ol style="list-style-type: none"> <li>Develop added value, high-quality products to maintain competitiveness.</li> <li>Proactively expand into international markets, actively launch new products, and aim to lead the packaging industry.</li> </ol>
4. Supply status of major raw materials	The Company sources its major raw materials from reputable domestic and international suppliers and maintains strong long-term partnerships.	Rising raw material prices increase production costs.	<ol style="list-style-type: none"> <li>Cultivate new supply sources while maintaining strong partnerships with existing suppliers to ensure stable procurement and competitive pricing</li> <li>Develop alternative materials and formulas to reduce costs.</li> </ol>
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 customers 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 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, 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 water, carbonated drinks, high-temperature sterilization, and hot-fill beverages. The product range covers 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:**

The Company provides comprehensive beverage contract manufacturing (OEM/ODM) services, including Water, Hot Filling, Aseptic Filling, and HPP (High Pressure Processing).

- Hot Filling: Ideally suited for teas, juices, sports drinks, and lactic acid beverages.
- Aseptic Filling: Capable of producing low-acid beverages (such as tea, coffee, and milk tea) as well as carbonated drinks (including sodas, sparkling fruit juices, and sparkling water). This technology delivers products with superior flavor and high safety standards. Since the process involves room-temperature filling, the

PET containers can be lightweighted, leading to significant cost reductions and a decrease in greenhouse gas emissions.

- HPP Filling: Specifically applied to fruit and vegetable juices, this non-thermal technology preserves the natural flavor, texture, and nutritional value of the ingredients.

## 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 → flexographic → 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

### (5) Beverage Filling

- a. Aseptic filling: Material casting → blending → sterilization → aseptic barrel → not aerating (aerating) → aseptic filling → capping → jet printing → labeling → finished product
- b. HPP filling: Material casting → blending → tea/pulp integration → filling → capping → coding/printing → metal detection → HPP treatment → 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

	
<p>Aluminum Cap and Metal Lug Cap</p>	<p>Plastic Cap</p>
	
<p>Label</p>	<p>PET Bottle</p>

## 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: NTDS\$ Thousand

Item	2025				2024			
	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	1,474,742	10%	None	Y	1,619,130	11%	None
2	Others	12,881,261	90%	None	Others	13,475,086	89%	None
	Net Purchases	14,356,003	100%		Net Purchases	15,094,216	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: NTDS\$ Thousand

Item	2025				2024			
	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	Z	4,767,731	17%	None	Z	4,128,915	15%	None
2	Others	24,109,135	83%	None	Others	24,279,249	85%	None
	Net Purchases	28,876,866	100%		Net Purchases	28,408,164	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, 2026

Year		2024		2025		As of March 31, 2026	
Number of Employees	Direct	2,812		2,987		2,964	
	Indirect	2,158		2,291		2,277	
	Total	4,970		5,278		5,241	
Average Age		35.87		35.58		35.84	
Average Years of Service		7.01		6.93		7.13	
Education	Ph.D.	0	0.00%	0	0.00%	0	0.00%
	Masters	115	2.31%	119	2.25%	119	2.27%
	Bachelor's Degree	2,174	43.74%	2,430	46.04%	2,392	45.64%
	High School	1,945	39.13%	1,899	35.98%	1,891	36.08%
	Below High School	736	14.81%	830	15.73%	839	16.01%

Note: Employee statistics for the most recent two years represent active headcount as of December 31st.

## 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).

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

### 4.4.1 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.

Area	Certification	Term
Taichung 1st and 2nd Plant	ISO 14001	2024/5/9-2027/5/9
Aseptic Filling Plant and Free Trade Plant	ISO 14001	2025/6/17-2028/6/11

2. As of the end of 2025, a total of 37 professionals within the Company have obtained certifications in key areas, including 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 engages external experts to conduct in-depth monthly environmental management diagnostics based on their extensive practical experience. This proactive approach enables the identification and rectification of operational deficiencies, thereby enhancing management efficiency. Furthermore, we provide comprehensive training programs and regulatory briefings across all production sites to ensure real-time mastery of legislative changes. These initiatives facilitate the rigorous implementation of procedures related to environmental regulations, occupational safety, and workplace hygiene.
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)

<b>Contents</b>	<ul style="list-style-type: none"> <li>• The maintenance cost for air and water pollution and waste installation.</li> <li>• Periodic and irregular inspection fee for environmental protection.</li> <li>• The Company outsources to proper disposal of the waste.</li> <li>• Related fees as air pollution, land pollution, and water pollution fees.</li> <li>• Related fees for park adoption, environmental education for employees, the review of the permit documents, environmental consultant, and implementation of the environmental management system.</li> <li>• Energy efficiency improvement expenses</li> </ul>		
<b>Year</b>	2025	2024	2023
<b>Cost</b>	135.44 million	161.03 million	62.68 million
<b>Total</b>	359.15 million		

6. To demonstrate our commitment to environmental protection and continuous improvement, the Company began acquiring low-pollution, eco-friendly UV printing presses in 2025 to replace solvent-based printers in our plastic closure plants. By proactively transitioning from solvent-based inks to UV ink printing, we aim to fundamentally eliminate air pollution emissions and contribute significantly to environmental sustainability.

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.

#### **4.4.2 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 2025, 213 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. Waste Reduction and Resource Recycling
  - (1) Promoting plastic waste recycling over incineration:

Reprocessing waste labels into Refuse-Derived Fuel (RDF) and recycled plastic pellets to enhance the overall plastic waste recovery rate across all production sites.
  - (2) Driving customer transition to rPET bottles:

Facilitating the adoption of rPET (recycled PET) among customers to achieve product-level carbon reduction goals.
  - (3) Upgrading sludge treatment facilities:

Replacing aeration discs with aeration balls in sludge treatment systems to optimize aeration uniformity and dissolved oxygen (DO) efficiency. This initiative is projected to reduce sludge production by approximately 1–3%, achieving waste reduction at the source.
  - (4) Phasing out rotogravure printing:

Eliminating the rotogravure process to reduce solvent consumption, resulting in a 33.43-metric-ton reduction in hazardous waste compared to 2024.

### 3. Water Resource and Wastewater Management

#### (1) Strengthening water recycling and digital monitoring:

Continuously enhancing the circulation of recycled water in cooling towers and pollution control equipment. We have also refined the maintenance of catch basin overflow early-warning systems and rainwater-sewage separation projects. By maximizing the long-term efficacy of existing facilities and integrating digital monitoring with zero-overflow risk management, the Company maintains steady growth in water conservation and pollution prevention performance.

#### (2) Enhancing spill prevention and emergency response:

Installing water-stop curbs for sludge storage tanks and spill containment pallets for outdoor temporary storage areas of solvents and waste inks to prevent direct soil, ground, or drainage contamination. Furthermore, the Company has established robust emergency response procedures and conducts regular wastewater leak drills to prevent pollution caused by abnormal discharge.

#### (3) Upgrading wastewater treatment infrastructure:

Replacing Dissolved Air Flotation (DAF) tanks in wastewater treatment facilities to improve system efficiency and mitigate environmental impact risks.

### 4. Waste Management

(1) Waste within the production sites consists primarily of General Industrial Waste. For our packaging business units, the main waste streams include plastic waste such as preforms, PET bottles, and closures from injection molding processes, as well as waste labels from printing operations. Beyond plastic waste, the Company is actively evaluating opportunities for the valorization of other waste materials, such as transitioning the disposal of empty waste ink containers to recycling and reuse processes.

(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

In March 2026, the Taichung's 1st and 2nd plants, Free Trade Plant, In-House plants, and Aseptic Filling 1st, 2nd, and 3rd plants completed the verification of their 2025 greenhouse gas (GHG) emissions. Notably, GHG emissions from Taichung 2nd plant reached the mandatory reporting threshold set by the Ministry of Environment. Consequently, the Company completed the official verification and registration of its GHG inventory for this facility in April 2026.

### 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	2026/4/14-2029/4/14
Aseptic Filling 1st, 2nd, and 3rd Plant and Free Trade Plant	ISO 45001:2018	2025/6/17-2028/5/31
Taichung 1st and 2nd Plant	CNS 45001:2018 and TOSHMS	2026/4/14-2029/4/13
Aseptic Filling 1st, 2nd, and 3rd Plant and Free Trade Plant	CNS 45001:2018 and TOSHMS	2025/6/17-2028/5/30

(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 customer 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 2025, the Company provided 13,673 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 830 employees in the production department obtained safety and health certifications, while 385 employees completed new or refresher training in 2024. The total external training expenditure was NTD 782,000.

(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, the Company conducts annual health examinations with diagnostic items that exceed regulatory requirements, consistently achieving a 100% completion rate. This initiative facilitates early detection of health issues and the prevention of occupational diseases. All health reports are sealed by the hospital and forwarded directly to employees to ensure privacy. Employees may seek medical treatment based on their results or schedule health consultations during on-site services provided by our contracted occupational medicine specialists.

For employees identified with major abnormalities or high risks of cardiovascular disease, our occupational health nurses arrange consultations with contracted specialists to discuss work accommodation recommendations, which include restricting night shifts and limiting monthly overtime hours.

Furthermore, special health examinations for the prevention of occupational diseases were conducted for a total of 648 person-times, including:

- **Noise exposure:** 539
- **n-Hexane:** 60
- **Ionizing radiation:** 19
- **Manganese and its compounds:** 8
- **Formaldehyde:** 22

These special examinations are managed according to the regulatory Health Grading System:

- **Level 1:** 449 person-times
- **Level 2:** 181 person-times
- **Level 3:** 2 person-times
- **Level 4:** 16 person-times

For employees classified as Level 4, the Company arranges immediate consultations with occupational medicine specialists to provide health guidance and finalize work accommodation and reassignment plans.

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 2025, the Company conducted a total of 41,685 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 year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:**

The Company has a long-standing commitment to providing employees with a favorable work environment and comprehensive benefits. Through open and effective communication channels, there have been no major labor disputes or incidents resulting in significant losses. We remain dedicated to upholding labor rights and maintaining harmonious labor relations. For the year 2025 and up to the publication date of the annual report, losses suffered by the Company due to labor disputes are as follows:

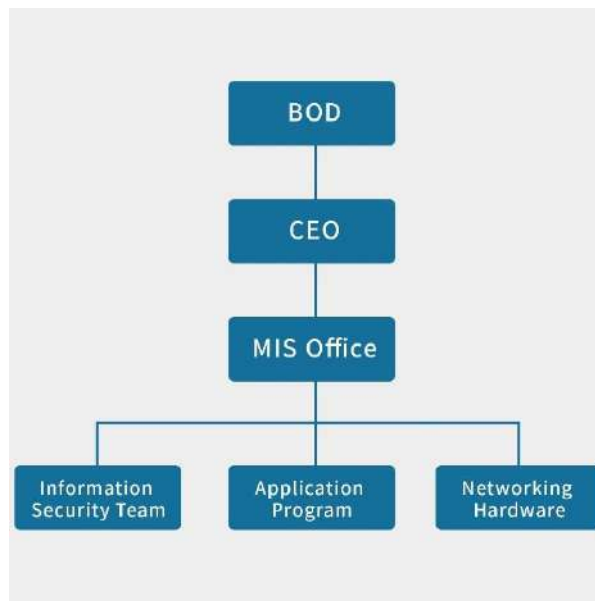
No.	Disposition dates	Disposition reference numbers	The articles of law violated	The substance of the legal violations	Fine (NT\$)
1	2025/09/15	Fu-Shou-Lao-Dong-Zi No. 1140278142	Article 32, Paragraph 2 of the Labor Standards Act	Extending overtime hours beyond the statutory limit.	50,000
2	2025/12/03	Jing-Yuan-Zhong-Huan-Zi No. 1140103257	Article 23, Paragraph 1 of the Labor Standards Act	Failure to provide an itemized statement of wage calculations as required.	20,000
3	2025/12/26	Fu-Shou-Lao-Dong-Zi No. 1140397459	Article 24, Paragraph 2 of the Labor Standards Act	Failure to pay statutory wages for work performed on rest days.	50,000

### **Corrective Measures and Improvement Plans:**

In response to the aforementioned violations, the Company has strengthened production manpower allocation and labor hour management to prevent recurrences of employee overtime. Furthermore, we have optimized internal IT systems and enhanced training for HR personnel to ensure full compliance with regulatory requirements.

## **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

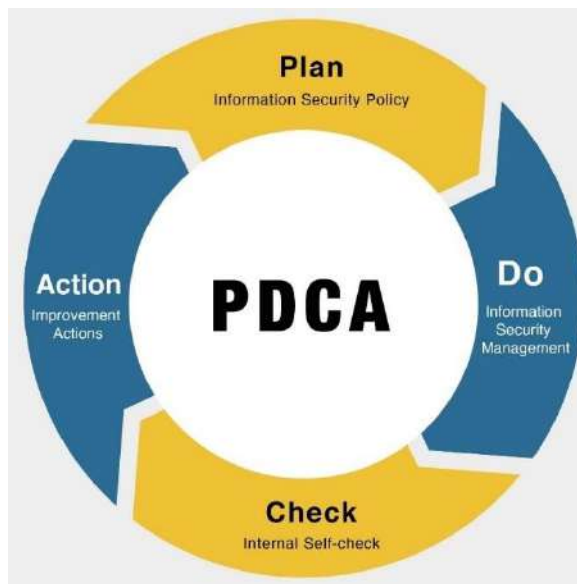
The Company aims to enhance information security management by establishing a dedicated supervisor and personnel for information security. Under the Information Department, there is a subordinate information security team responsible for coordinating the formulation, implementation, risk management, 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 2025, we conducted 2 times drills and 4 times promotion to cultivate employees' information security awareness.

<b>Program</b>	<b>Explanation</b>	<b>Result</b>
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 patch updates, and regular vulnerability scanning and remediation for publicly disclosed system vulnerabilities.	In 2025, we conducted 2 times vulnerability scans. We performed monthly 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 2025, we conducted 2 times disaster recovery exercises to confirm the effectiveness of backup data.

(4) Investments in cybersecurity management

In 2025, 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: 4 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 2025.

(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, 2026

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
Sales Agreement	Taiwan Tobacco & Liquor Corporation, Taichung Distillery	2025.06.18 ~2035.06.17	Plastic PET preform sets for bottled rice wine	None

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



## 5.1 Financial Status

### Financial Analysis

Unit: NTDS\$ Thousand

Item \ Year	2025	2024	Increase (Decrease) Amount	Change Ratio (%)	Change Analysis
Current Assets	15,366,269	15,606,180	(239,911)	(1.54)	-
Property, Plant and Equipment	23,096,125	20,049,765	3,046,360	15.19	-
Intangible Assets	375,902	392,648	(16,746)	(4.26)	-
Other Assets	7,958,688	7,032,039	926,649	13.18	-
Total Assets	46,796,984	43,080,632	3,716,352	8.63	-
Current Liabilities	13,850,791	11,969,399	1,881,392	15.72	-
Non-current Liabilities	12,376,978	10,830,530	1,546,448	14.28	-
Total Liabilities	26,227,769	22,799,929	3,427,840	15.03	-
Capital Stock	2,957,865	2,957,859	6	0.00	-
Additional Paid-in Capital	6,825,654	6,803,917	21,737	0.32	-
Retained Earning	12,280,035	11,414,717	865,318	7.58	-
Non-controlling Equity	501,999	845,873	(343,874)	(40.65)	1
Other Equity	(1,996,338)	(1,741,663)	(254,675)	14.62	-
Treasury Shares	0	0	0	0	-
Total Equity	20,569,215	20,280,703	288,512	1.42	-

Please explain the variation reason for which exceeding 20%:

1. Decrease in Non-controlling Equity: Due to the buyback of non-controlling interests in Hon Chuan China Holdings Co., Ltd. by Hon Chuan Holding Co., Ltd. in 2025.

## 5.2 Analysis of Financial Performance

### 5.2.1 Financial performance analysis

Unit: NTDS Thousand

Item \ Year	2025	2024	Increase (Decrease) Amount	Change Ratio (%)	Change Analysis
Net Sales	28,876,866	28,408,164	468,702	1.65	-
Cost of Goods Sold	22,451,306	22,142,337	308,969	1.40	-
Gross Profit	6,425,560	6,265,827	159,733	2.55	-
Operating Expense	2,668,739	2,720,768	(52,029)	(1.91)	-
Profit From Operation	3,756,821	3,545,059	211,762	5.97	-
Non-operating Income and Expense	(206,849)	105,832	(312,681)	(295.45)	1
Profit Before Income Tax	3,549,972	3,650,891	(100,919)	(2.76)	-
Income Tax	732,716	691,392	41,324	5.98	-
Net Income	2,817,256	2,959,499	(142,243)	(4.81)	-
Other Comprehensive Income	(259,687)	923,542	(1,183,229)	(128.12)	2
Total Comprehensive Income of This Year	2,557,569	3,883,041	(1,325,472)	(34.13)	-

Please explain the variation reason for which exceeding 20%:

1. Decrease in Non-operating Income and Expense: Due to exchange rate fluctuations, the Company recognized a foreign exchange gain in 2025, compared to a foreign exchange loss in 2024.
2. Decrease in Other Comprehensive Income: This was primarily attributable to the exchange differences on 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 customer 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 10 "2026 Projected sales volume and its reference."

## 5.3 Analysis of Cash Flow

### 5.3.1 Liquidity Analysis for the last 2 years

Item \ Year	2025	2024	Different (%)
Cash Flow Ratio (%)	40.19	33.97	18.31
Cash Flow Adequacy Ratio (%)	76.05	83.29	(8.69)
Cash Re-investment Ratio (%)	5.99	4.28	39.95

Increase in Cash Re-investment Ratio:

Increase in net cash flows from operating activities: Primarily due to a decrease in inventory levels which resulted in a higher net cash inflow.

### 5.3.2 Cash Liquidity Analysis for the coming year

Unit: NTDS\$ 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	
				Investment Plan	Financial Plan
3,922,004	5,832,788	4,716,683	5,038,109	-	-
<p>1. Cash liquidity analysis for next year:</p> <p>(1) Operating activities: Primarily represents the expected net cash inflows generated from operational profits in 2026.</p> <p>(2) Investing activities: Net cash outflows are expected from investing activities due to the continuous increase in projected capital expenditures.</p> <p>(3) Financing activities: Net cash outflows are expected from financing activities, primarily for the repayment of bank loans and the redemption of NT\$3 billion in senior unsecured corporate bonds.</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: NTDS\$ Thousand

Project	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Actual Capital Expenditure	
				2026	2025
Group plant	Equity fund & Bank loan	Complete before the 4th quarter of 2026	8,488,493	1,842,797	6,645,696

### 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: NTDS\$ 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\$ 2,295,085 thousand in 2025.	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, 2025.

## **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**

Starting in 2022, central banks in the United States, the United Kingdom, and Europe implemented aggressive monetary tightening policies to combat persistently high inflation. Taiwan's central bank followed suit, gradually raising interest rates. In 2024, the U.S. Federal Reserve (Fed) and other major central banks began adjusting their policy approach, initiating a cycle of rate cuts due to falling international commodity prices and easing inflation pressures. However, the outbreak of war in the Middle East and fluctuations in energy prices have led to renewed inflation expectations. Consequently, major central banks have adopted a more cautious stance regarding future rate policies, with markets widely anticipating a "high plateau and range-bound" interest rate trend. The pace of rate cuts may be delayed, and further tightening cannot be ruled out.

In Taiwan, the central bank considers domestic inflation to be moderate and economic growth steady. In 2024, the annual growth rates of the domestic Consumer Price Index (CPI) and core CPI were 1.66%. However, the recent Middle East conflict has driven up international crude oil and other energy prices, placing upward pressure on costs for businesses. The central bank has revised its forecasts for Taiwan's CPI and core CPI annual growth rates for 2025 to 1.80% and 1.75%, respectively. Since these rates remain below the warning thresholds, interest rate policy is expected to lean towards a cautious and observant approach, with a low likelihood of significant rate hikes or cuts in the short term.

Most of the Company's bank loans are denominated in NT dollars. In 2024, we successfully raised NT\$ 4,092,085 thousand 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 customers, 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:

Item / Year	Unit: NTD\$ Thousand	
	2025	2024
Net foreign exchange gain (loss)	(57,263)	116,855
Net Sales	28,876,866	28,408,164
Profit from Operations	3,756,821	3,545,059
Profit before Income Tax	3,549,972	3,650,891
Interest revenue	97,950	122,850
Interest expense	377,100	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

The Company adheres to the principle of prudent management and does not engage in high-risk or high-leverage investments. Furthermore, loans to others, endorsements and guarantees, and derivative transactions are conducted based on the Group’s overall operational planning and capital allocation requirements. These activities are rigorously evaluated and executed in accordance with the Company’s established “Procedures for Acquisition or

Disposal of Assets,” “Procedures for Lending Funds to Others,” “Procedures for Endorsements and Guarantees,” and “Procedures for Derivative Transactions.” The Company strictly enforces internal control and risk management mechanisms to ensure compliance.

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: NTDS Thousand

Item	2025	2024
Gain (or Loss) on valuation of financial asset	(24,323)	(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 FY2026, 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 96.

### 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 consistently monitor technological advancements and developments within their industries. To address the rapid evolution of artificial intelligence (AI) technologies, the Company supports employee learning of AI applications, forming

dedicated teams to drive digital transformation. AI is utilized to optimize production processes and increase efficiency through intelligent monitoring and data analysis, enhancing collaboration between humans and machines. Additionally, the Company continues to optimize and customize its ERP (Enterprise Resource Planning) systems, develop the BPM (Business Process Management) electronic signature system for fully digitized workflows, and build a Business Intelligence (BI) platform to consolidate Company-wide data, information, and knowledge for improved data integration and analysis.

To mitigate cybersecurity risks associated with new threats, the Company has joined Taiwan Computer Emergency Response Team (TWCERT) to access security intelligence, strengthened host vulnerability patches, introduced security protection tools and equipment, and raised user awareness of cybersecurity to reduce risk.

Moving forward, the Company and its subsidiaries will continue to monitor technological changes in the industry, strengthen their own R&D capabilities, actively explore new market applications, and assess their operational impacts to implement adaptive measures. As a result, technological advancements and industry changes have yet to significantly impact the business.

#### **5.6.6 Impact of Corporate Image Changes on Crisis Management and Countermeasures**

The majority of the Company's and its subsidiaries' clients are leading international firms. For years, the Company has upheld principles of integrity and professionalism, prioritizing corporate image, which has established a solid reputation among global enterprises. The Company strongly adheres to regulations from relevant authorities, promoting social and economic welfare, improving environmental sustainability, and safeguarding employee benefits. As of now, the Company's corporate image remains positive, with no significant changes leading to crisis management situations.

#### **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 Anticipated Benefits and Potential Risks of Plant Expansion and Countermeasures**

### 1. Anticipated Benefits:

Given the increasing consumer emphasis on packaging quality and environmental sustainability, the Company and its subsidiaries have actively developed aseptic filling technologies. By integrating beverage filling with packaging material production, a comprehensive manufacturing process is achieved—offering customers full-service solutions and greater cost competitiveness. This integration allows the delivery of finished beverage products directly in cartons, significantly reducing losses associated with transporting empty bottles and caps or the capital, time, and workforce required for customers to establish their own filling facilities.

In recent years, the Company has expanded its aseptic beverage filling operations from Taiwan to markets in China and Southeast Asia to strengthen international competitiveness. This strategy has significantly boosted revenue and profit margins and will continue to be implemented to deepen customer relationships and increase market share.

### 2. Possible Risks and Countermeasures:

- (1) **Construction Disruption:** During construction, personnel and vehicle movement may experience inconvenience, and delivery costs might increase due to restricted access. Countermeasures include employing 24-hour security personnel for vehicle monitoring, dedicated entry points for personnel and separating traffic flow between people and vehicles. Collaboration between the Company's Environmental, Health & Safety (EHS) agencies ensure oversight through regular inspections.
- (2) **Construction Delays:** To avoid delays in construction progress, contractual agreements with contractors specify milestones and penalties. Weekly review meetings are conducted, with documented minutes for follow-up. This process ensures projects are completed on schedule.

## **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 customers 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: For further details, please refer to Chapter 4.2 “Risk Management” in THC’s Sustainability Report.**

**5.7 Other Important Matters: None.**

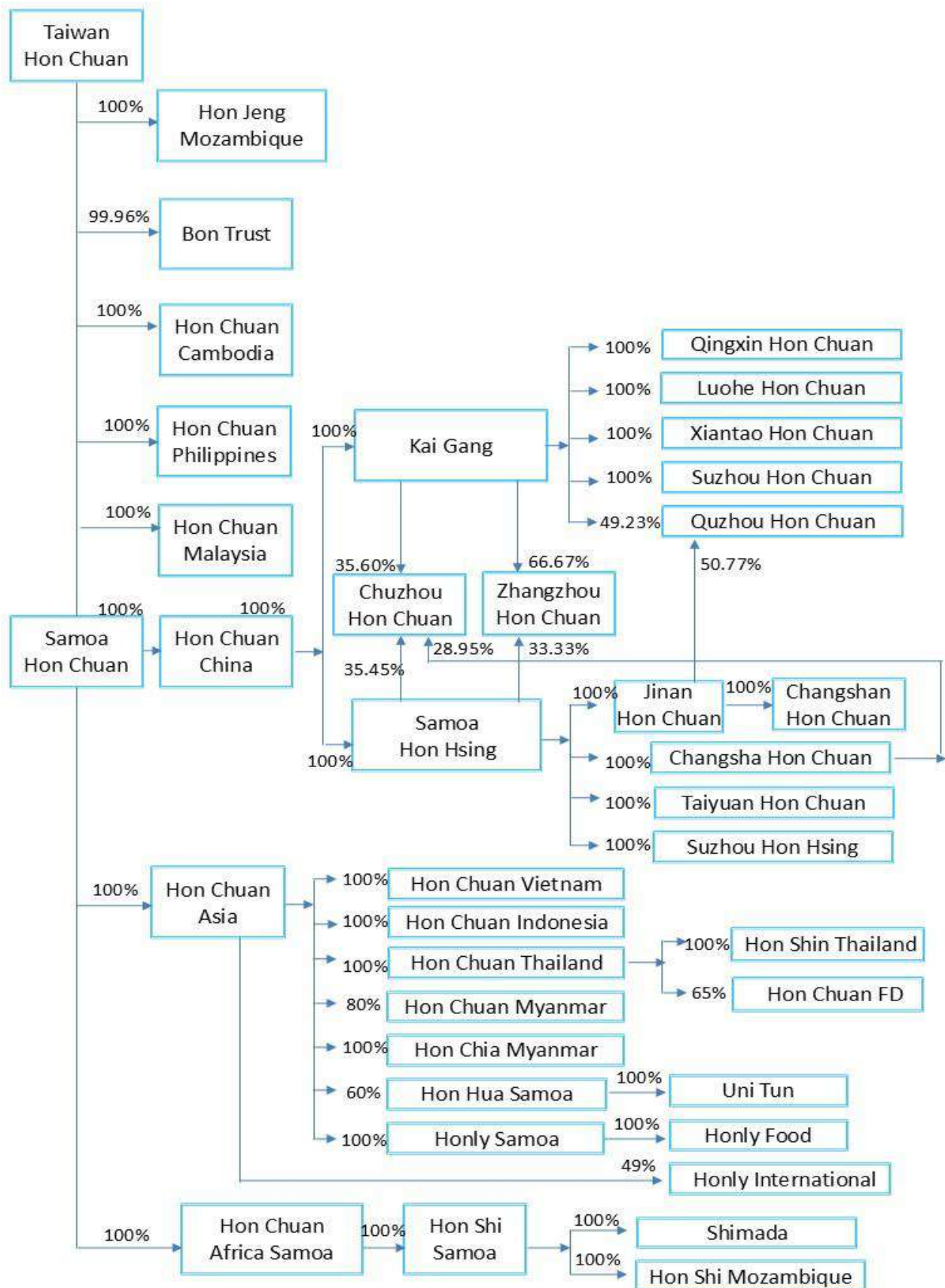
## 6. Special Disclosures



# 6.1 Information Related to The Company's Affiliates

## 6.1.1. Affiliated Companies Chart

As of December 31, 2025



## 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	Portcullis Chambers, P.O.Box 1225, Apia, Samoa	USD\$ 14,128,861	International Equity Investment
Kai Gang Industries Limited	January 29, 1991	Unit 806,8/F., Tower 2, South Seas Centre, 75 Mody 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\$ 3,138,790	International Equity Investment
Hon Chuan Enterprise (Suzhou) Company Limited	September 10, 1993	No.58 Yingbin 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, PRC	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 Town 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
Hon Chuan Food Packing (Jinan) Co., Ltd.	January 10, 2003	No. 6137 Jingshi East Road, Zhangqiu District, Jinan City, 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, Shanxi transformation and comprehensive reform demonstration zone, 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, Zhangzhou City, Fujian Province, PRC	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, PRC	USD\$ 33,849,000	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, 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 of Yingchang East Road, Industrial Agglomeration District, Linying, Luohe, Henan, 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 Donggang Sixth Road, 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	Building 8, NO.190-2 Xindu East Avenue, Jinchuan Subdistrict, Changshan County, Quzhou City, Zhejiang Province, China	RMB\$ 20,000,000	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 Moo. 20 Navanakorn Industrial Estate, T.Klongnueng, A Klongluang, Pathumthani Province, 12120, Thailand	THB\$ 1,370,000,000	Manufacture and sale of plastic caps, metal lug caps and PET bottles
Hon Chuan FD Packaging Co., Ltd.	January 17, 2005	695/5 Moo 1, Banbung-Bankai Road, Klong kaew, Banbung, Chonburi 20220, Thailand	THB\$ 194,865,000	Manufacture and sale of labels
Hon Shin (Thailand) Co., Ltd.	February 14, 2024	495/169 Moo. 4, Khanham Subdistrict, Uthai District, Phra Nakhon Si Ayutthaya Province 13210 Thailand.	THB\$ 1,175,000,000	Manufacture and sale of preforms, PET bottles and beverage filling OEM
PT Hon Chuan Indonesia	September 29, 2004	Kawasan Industri Delta Silicon V, Jalan Kenari Raya Blok G2 Nomor 1 dan 17, Desa/Kelurahan Cicau, Kec. Cikarang Pusat, Kab. Bekasi, Provinsi Jawa Barat, Kode Pos: 17530	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	29 Vsip II, Street No. 7, Viet Nam - Singapore Industrial Park II, Binh Duong Ward, Ho Chi Minh City, Viet Nam	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 TechPark@enstek, 71760 Bandar Enstek, Negeri Sembilan Darul Khusus, Malaysia	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\$ 7,425,000	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	House #44, Street National Road 4, Group5, Trapeang Kol Village, Kantouk Commune, Po Sen Chey District, Phnom Penh, Cambodia	USD\$ 3,681,000	International Equity Investment
Honly Food & Beverage Co., Ltd.	July 21, 2014	House #44, Street National Road 4, Group5, Trapeang Kol Village, Kantouk Commune, Po Sen Chey District, Phnom Penh, Cambodia	USD\$ 17,966,248	Beverage filling OEM
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) Corporation	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 Limitada	December 4, 2015	PARCELA NO.3379/R, EN4, CHUMENE, MOTOLA, MOZAMBIQUE	MZN\$ 161,584,000	Manufacture and sale of plastic caps
Hon Jeng Mozambique “SU”, Limitada	April 3, 2025	PARCELA N.3379/R, EN4, TCHUMENE, MOTOLA, MOZAMBIQUE	-	Manufacture and sale of plastic caps, PET bottles and preforms

### 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	15,758,478	27,406,392	123,758	27,282,634	58,553	407	2,295,085
Bon Trust International Trade Co., Ltd.	25,000	73,895	28,077	45,818	262,617	28,957	15,745
Hon Chuan (Cambodia) Co., Ltd.	78,575	87,642	6,846	80,796	66,525	2,711	1,311
Hon Chuan (Philippines) Corporation	80,025	89,151	15,115	74,036	0	(1,214)	654
Hon Jeng Mozambique “SU”, Limitada	0	25	779	(754)	0	(749)	(749)
Hon Chuan (China) Holding Co., Ltd.	444,070	13,594,666	3,837,709	9,756,957	(42,295)	(43,384)	799,050
Kai Gang Industries Limited	4,006,144	7,683,366	0	7,683,366	0	(179)	600,745
Hon Hsing (Samoa) Holding Limited	3,576,923	5,956,209	215,370	5,740,839	0	(13,987)	349,902
Hon Chuan (Africa) Holdings Co., Ltd.	409,977	460,313	275	460,038	0	(72)	31,804
Hon Shi (Samoa) Holding Limited	98,652	212,919	71,722	141,197	0	(79)	30,962
Hon Chuan Enterprise (Suzhou) Company Limited	836,981	1,113,534	92,097	1,021,437	482,148	13,227	17,211
Suzhou Hongxin Food Packing Co., Ltd.	1,445,780	496,659	14,794	481,865	412,855	(32,733)	(64,324)
Hon Chuan Enterprise (Changsha) Co., Ltd.	829,438	1,328,477	22,115	1,306,362	333,745	46,009	113,526
Hon Chuan Food Packing (Jinan) Co., Ltd.	1,131,480	1,841,191	47,907	1,793,284	670,190	103,200	153,936
Hon Chuan Food Packing (Taiyuan) Co., Ltd.	628,600	1,296,413	47,598	1,248,815	758,262	90,965	75,456
Hon Chuan Food Packing (Qingxin) Co., Ltd.	2,101,410	3,928,364	259,888	3,668,476	2,461,423	444,270	370,637

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 Food Packing (Zhangzhou) Co.,Ltd.	1,414,350	1,598,348	100,323	1,498,025	597,723	17,281	9,292
Hon Chuan Food Packing (Chuzhou) Co., Ltd.	1,063,874	2,311,812	550,830	1,760,982	2,460,953	246,625	248,972
Hon Chuan Food Packing (Xiantao) Co., Ltd.	471,450	549,392	21,547	527,845	239,853	70,911	56,280
Hon Chuan Food Packing (Luohe) Co., Ltd.	377,160	424,093	15,811	408,282	233,302	(11,673)	(7,109)
Hon Chuan Food Packing (Quzhou) Co., Ltd.	606,505	1,475,289	612,087	863,202	1,632,710	187,815	140,216
Hon Chuan Packaging Technology (Changshan) Co.,Ltd.	89,920	120,197	37,749	82,448	2,223	(8,384)	(6,296)
HC (Asia) Holdings Co.,Ltd.	7,404,703	12,550,348	0	12,550,348	0	(1,213)	1,343,764
Hon Chuan (Thailand) Co., Ltd.	1,372,595	3,871,109	678,521	3,192,588	2,306,198	434,170	360,347
Hon Chuan FD Packaging Co., Ltd.	195,234	265,383	34,373	231,010	288,170	30,841	22,377
Hon Shin (Thailand) Co., Ltd.	1,177,226	1,836,582	667,432	1,169,150	0	(10,157)	(5,383)
PT Hon Chuan Indonesia	3,306,248	7,707,921	1,649,969	6,057,952	3,003,743	718,044	475,183
Hon Chuan Vietnam Co., Ltd.	1,045,000	1,607,634	117,673	1,489,961	842,842	93,581	92,106
Hon Chuan Malaysia Sdn. Bhd.	607,865	985,209	82,161	903,048	663,518	113,118	87,692
Hon Chuan (Myanmar) Co., Ltd.	482,909	1,389,486	143,375	1,246,111	1,393,811	305,742	343,791
Hon Chia (Myanmar) Co., Ltd.	626,118	538,105	160,688	377,417	241,554	105,219	122,600
Hon Hua(Samoa) Holdings Limited	233,368	303,627	0	303,627	0	(46,366)	46,676
Uni Tun Co., Ltd.	2,797	106,840	55,711	51,129	190,051	94,499	40,066

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)
Honly Holding Co., Ltd.	219,554	51,080	0	51,080	0	(31)	(14,748)
Honly International Co., Ltd.	115,694	122,674	2,034	120,640	0	(208)	4,771
Honly Food & Beverage Co., Ltd.	564,679	54,252	3,256	50,996	0	(16,581)	(14,717)
Shimada International Limitada	177	250,509	99,145	151,364	139,653	32,101	26,659
Hon Shi Mozambique Co., Ltd.	79,465	100,207	38,652	61,555	63,169	15,478	4,365

(Note 1) Foreign exchange rates (to NTD) for balance sheet amounts are as follows: USD: 31.43, RMB: 4.495999, THB: 1.001894, RP: 0.001886, VND: 0.001163, MYR: 7.4805, MMK: 0.014961, MZN: 0.491785, PHP: 0.5335.

(Note 2) Foreign exchange rates (average in 2025, to NTD) for income statement amounts are as follows: USD: 31.18, RMB: 4.332991, THB: 0.952798, RP: 0.001902, VND: 0.001185, MYR: 7.0135, MMK: 0.014842, MZN: 0.487905, PHP: 0.5423.

#### **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	Mei-Ying, Wang	1,000	0.04%
	Supervisor	I-Fang, Hsieh	-	-
Hon Chuan Holding Limited	Director	Ya-Wen, Cheng, Hung-Yu, Tsao (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	501,383,319	100%
Hon Chuan (China) Holding Co., Ltd.	Director	Hung-Chuan, Dai, Hsieh-Chung, Tsao (Representative of Hon Chuan Holding Limited)	141,288,613	100%
Kai Gang Industries Limited	Director	Hung-Chuan, Dai, Hsieh-Chung, Tsao (Representative of Hon Chuan (China) Holdings Co., Ltd.)	997,475,329	100%
Hon Hsing (Samoa) Holding Limited	Director	Hung-Chuan, Dai, Hsieh-Chung, Tsao (Representative of Hon Chuan (China) Holdings Co., Ltd.)	113,806,000	100%
Hon Chuan Enterprise (Suzhou) Company Limited	Director	Hung-Yu, Tsao, Yun-Chang, Liu, Li-Yuan, Liu (Representative of Kai Gang Industries Limited)	-	100%
Hon Chuan Food Packing (Qingxin) Company Limited	Director	Yu-Lung, Fang, Yun-Chang, Liu, Chien-Hsia, Tsao (Representative of Kai Gang Industries Limited)	-	100%
Suzhou Hong Xin Food Packing Company Limited	Director	Hung-Yu, Tsao, Li-Yuan, Liu, Yun-Chang, Liu (Representative of Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Enterprise (Changsha) Co., Ltd.	Director	Chun-Shu, Chang, Hsin-Wen, Tsao, Yun-Chang, Liu, (Representative of Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Food Packing (Jinan) Company Limited	Director	Ching-Chuan, Yen, Yun-Chang, Liu, Chien-Hsia, Tsao, (Representative of Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Food Packing (Taiyuan) Company Limited	Director	Yun-Chang, Liu, Hsin-Wen, Tsao, Ching-Chuan, Yen (Representative of Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Food Packing (Zhangzhou) Company Limited	Director	Ching-Chuan, Yen, Yun-Chang, Liu, Chien-Hsia, Tsao (Representative of Kai Gang Industries Limited and Hon Hsing (Samoa) Holding Limited)	-	100%
Hon Chuan Food Packing (Chuzhou) Company Limited	Director	Chien-Hsia, Tsao, Yun-Chang, Liu, Yu-Lung, Fang, (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	Chien-Hsia, Tsao, Yun-Chang, Liu, Yu-Lung, Fang (Representative of Kai Gang Industries Limited)	-	100%
Hon Chuan Food Packing (Luohe) Company Limited	Director	Yun-Chang, Liu, Hung-Lung, Hsieh, Kuei-Ching, Chuang (Representative of Kai Gang Industries Limited)	-	100%

Company	Title	Name or Representative	Shareholding	
			Share (Note)	%
Hon Chuan Food Packing (Quzhou) Company Limited	Director	Chien-Hsia, Tsao, Hsin-Wen, Tsao, Yu-Lung, Fang (Representative of Kai Gang Industries Limited and Hon Chuan Food Packing (Jinan) Company Limited)	-	100%
Hon Chuan Packing Technology (Changshan) Co.,Ltd.	Executive Director	Yun-Chang, Liu (Representative of Hon Chuan Food Packing (Jinan) Company Limited)	-	100%
HC (Asia) Holdings Co., Ltd.	Director	Hung-Chuan, Dai, Dai, Hsih-Chung, Tsao (Representative of Hon Chuan Holding Limited)	235,593,480	100%
Hon Chuan (Thailand) Co., Ltd.	Director	Hung-Chuan, Dai, Hsih-Chung, Tsao, Wen-Pin, Pai, Chan-Wei, Tung, Ming-Cheng, Hsiao (Representative of HC (Asia) Holdings Co., Ltd.)	137,000,000	100%
Hon Chuan FD Packaging Co., Ltd.	Director	● Hung-Chuan, Dai, Hsih-Chung, Tsao, Wen-Pin, Pai, Chan-Wei, Tung (Representative of Hon Chuan (Thailand) Co., Ltd.)	12,666,225	65%
		● Chih-Yao, Chuang, Yen-Chih, Huang (Representative of F&D)	6,820,275	35%
Hon Shin (Thailand) Co., Ltd.	Director	Hung-Chuan, Dai, Hung-Yu, Tsao, Chih-Hao, Ting, Chan-Wei, Tung, Ming-Cheng, Hsiao (Hon Chuan (Thailand) Co., Ltd.)	117,500,000	100%
PT Hon Chuan Indonesia	Director	● Hung-Chuan, Dai, Hsih-Chung, Tsao, Wen-Pin, Pai, Chih-Hao, Ting, Cho-Pin, Li (Representative of HC (Asia) Holdings Co., Ltd.)	138,794,150	100%
	Supervisor	● Hung-Yu, Tsao		
Hon Chuan Vietnam Co., Ltd.	Director	Hung-Chuan, Dai, Hsih-Chung, Tsao, Wen-Pin, Pai, Chan-Wei, Tung, Chen-He, Yao (Representative of HC (Asia) Holdings Co., Ltd.)	-	100%
Hon Chuan Malaysia Sdn. Bhd.	Director	Hung-Chuan, Dai, Hsih-Chung, Tsao, Wen-Pin, Pai, Chih-Hao, Ting, Cheng-Yu, Li (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	81,259,900	100%
Hon Chuan (Myanmar) Co., Ltd.	Director	● Hung-Chuan, Dai, Hsih-Chung, Tsao, Chih-Hao, Ting (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	Hung-Chuan, Dai, Hsih-Chung, Tsao (Representative of HC (Asia) Holdings Co., Ltd.)	69,854,780	100%
Honly International Co., Ltd.	Director	● Hung-Chuan, Dai, Hsih-Chung, Tsao, Ya-Wen, Cheng, Hung-I, Dai, Hung-Yu, Tsao (Representative of HC (Asia) Holdings Co., Ltd.)	1,002	49%
		● Savy, Chuang	1,043	51%
Honly Food & Beverage Co., Ltd.	Director	Ching-Chuan, Yen (Representative of Honly Holding Co., Ltd.)	17,966,248	100%

Company	Title	Name or Representative	Shareholding	
			Share (Note)	%
Hon Chuan (Cambodia) Co., Ltd.	Director	Wen-Pin, Pai, Chan-We, Tung (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	1,000	100%
Hon Chuan (Philippines) Corporation	Director	Hung-Chuan, Dai, Hsih-Chung, Tsao (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	15,000,000	100%
Hon Chuan (Africa) Holdings Co., Ltd.	Director	Hung-Chuan, Dai, Hsih-Chung, Tsao (Representative of Hon Chuan Holding Limited)	13,044,118	100%
Hon Shi (Samoa) Holding Limited	Director	Hung-Chuan, Dai, Hsih-Chung, Tsao, Yu-Lung, Fang (Representative of Hon Chuan (Africa) Holdings Co., Ltd.)	3,138,790	100%
Shimada International Limitada	Director	Yu-Lung, Fang, Kuan-Jen, Huang, Hung-Yu, Tsao, Liang-Cheng, Wu, Wei-Te, Wu (Representative of Hon Shi (Samoa) Holdings Limited)	–	100%
Hon Shi Mozambique Co., Ltd.	Director	Yu-Lung, Fang, Kuan-Jen, Huang, Hung-Yu, Tsao, Liang-Cheng, Wu, Wei-Te, Wu (Representative of Hon Shi (Samoa) Holdings Limited)	–	100%
Hon Jeng Mozambique “SU”, Limitada	Director	Kuan-Jen, Huang, Hung-Yu, Tsao, Liang-Cheng, Wu (Representative of Taiwan Hon Chuan Enterprise Co., Ltd.)	–	100%
Hon Hua (Samoa) Holdings Limited	Director	● Hung-Chuan, Dai, Hsih-Chung, Tsao, Chih-Hao, Ting (Representative of HC (Asia) Holdings Co., Ltd.)	4,455,000	60%
		● Hsin-Hua, Chia, Cheng-Lin, Yang	2,970,000	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	● Hung-Chuan, Dai, Hung-Yu, Tsao, Chih-Hao, Ting (Representative of HC (Asia) Holdings Co., Ltd.)	19,929,000	100%

### 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

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

Cap | Preform | Bottle | Label | OEM | ODM All in One



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