

Yem Chio Distribution Co., Ltd.

(Original name: Xin Chio Global Co., Ltd.)

2025 Annual Report

Annual report inquiry website: <http://mops.twse.com.tw>
Company website: [http:// www.ycdist.com](http://www.ycdist.com)

Printing date: April 27, 2026

I. Spokesman and deputy spokesperson of the Company

Spokesman		Deputy spokesperson	
Name:	Chang, Yung-Chieh	Name:	Huang, Ting-Hsuan
Title:	Director of Finance Division	Title:	Accounting Manager
Phone No:	(02)8170-6199	Phone No:	(02)8170-6199
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II. Address and phone number of the company and factory

Unit	Address	Phone number
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III. Stock agency

Name: Stock Service Department of Capital Securities Corp.
Address: B2F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City
Website: <http://www.capital.com.tw>
Phone No: (02)2702-3999

IV. CPAs for the financial reports in the most recent year

Name of CPA firm: Ernst & Young Global Limited, Taiwan
Name of CPA: Liu, Rong-Jin and Hsieh, Sheng-An
Address: 9F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 11012, Taiwan
Website: <https://www.ey.com/>
Phone No: (02)2757-8888

V. Name(s) of the exchange(s) where our securities are traded offshore, and the method(s) with which the information of the offshore securities is/are accessed: None.

VI. Company website
<http://www.ycdist.com>

Yem Chio Distribution Co., Ltd.

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One. Letter to Shareholders

Dear shareholders,

Looking back on 2025, Yem Chio Distribution achieved significant operational growth through the concerted efforts of all employees. Full-year consolidated revenue reached NT\$1.911 billion, representing a 32% increase compared with 2024. Consolidated operating profit was NT\$175 million, up 44% year over year, and net profit after tax reached NT\$143 million, an increase of 28% compared with 2024. Earnings per share (EPS) for the full year reached NT\$4.30, demonstrating strong profitability momentum and operational efficiency.

In terms of strategic positioning, in 2025, Yem Chio Distribution actively promoted the integration of industry resources and, in the third quarter, completed the acquisition of a majority stake in two companies with professional application services and premium distribution channel resources, which were subsequently included in the consolidated financial statements. These two new subsidiaries primarily distribute high-tech electronic-grade and industrial-grade tapes and adhesives, which are highly complementary to the existing business of Yem Chio Distribution. Through the deep integration of product lines and technical application resources, Yem Chio Distribution has further strengthened its overall solution capabilities in adhesive materials and packaging applications, and continues to expand in key markets such as Taiwan, China, and Southeast Asia.

Looking ahead, Yem Chio Distribution will continue to deepen its cooperation with customers and is committed to evolving from a pure product supplier into a strategic partner for its customers. We will enhance our involvement and partnership stickiness within customers' supply chains through product integration, customized design, and professional technical support. At the same time, Yem Chio Distribution will further integrate internal and external resources and supply chain partners to develop a highly efficient and flexible full-package integration service to meet the diversified needs of the market.

In response to increasingly stringent environmental challenges, Yem Chio Distribution will continue to introduce new materials, ESG carbon reduction solutions, and innovative packaging designs to enhance market competitiveness and achieve sustainable corporate operations. Yem Chio Distribution will continue to adhere to the principle of prudent operations and create long-term and stable value for shareholders. Finally, we sincerely thank all shareholders for their long-standing support and trust.

Best regards

I sincerely hope all of you have a good year

Chairman Lee, Chi-Cheng

Business Report

I. 2025 operating status

(I) Implementation Results of the Business Plan

- (1) Sales: Net consolidated operating revenue in 2025 was NTD1,911,393 thousand, a 32% increase from 2024.
- (2) Production: The Company is not engaged in manufacturing and production.

(II) Summary of operating results

(Unit: NT\$ thousand)

Item	2025	2024	Growth rate
Operating revenue	1,911,393	1,443,322	32%
Net operating costs	1,406,051	1,038,703	35%
Operating profit	505,342	404,619	25%
Operating expenses	330,085	283,150	17%
Operating income	175,257	121,469	44%
Net non-operating income and expenditure	12,022	16,493	-27%
Profit before tax	187,279	137,962	36%

(III) Income, expenses, and profitability analysis

The following is a comparison and description of the Company's 2025 income and expenses.

Revenue:

(Unit: NT\$ thousand)

Item	2025	2024	Growth rate
Operating revenue	1,911,393	1,443,322	32%
Non-operating revenue	15,466	16,944	-9%
Total	1,926,859	1,460,266	32%

Expense:

(Unit: NT\$ thousand)

Item	2025	2024	Growth rate
Net operating costs	1,406,051	1,038,703	35%
Operating expenses	330,085	283,150	17%
Net non-operating expenses	3,444	451	664%
Total	1,739,580	1,322,304	32%

- #### (IV) Analysis of revenue structure: The Company's 2025 net revenue was NT\$1,911,393 thousand, all derived from sales of various products of packaging materials.

Person in charge: Lee, Chi-Cheng

Manager: Chiang, Wen-Jung

Accountant: Huang, Ting-Hsuan

II. Implementation status of budgets

According to the applicable laws, the Company did not disclose financial forecasting data in 2025. The overall actual operating status and performance were considerably the same as the internal operating budgets.

III. Overview of the 2026 business plan

(I) Business policies

The sales channels of the packaging materials are part of the YC Group's complete vertical integration of upstream and downstream resources and supply chain supports. We have leading production techniques and innovation capabilities in the industry and can provide attentive and improved services for customers. In addition to establishing the brand positioning as a professional packaging material chain distributor based on the core corporate culture of ethics, pragmatism, stability, speed, innovation, customer first, and sustainable operations, we are committed to the maintenance of our core value, creation of a learning organization, and observance of the morals at the workplace under a high ethical standard in order to develop more business territories and serve more customers. While providing packaging material applications and solutions of different kinds, we operate the business soundly and communicate in good faith to establish a sustainable relationship with our customers. The major product lines include the tap series, electronic packaging material series, cushioning material series, plastic bag series, packing machine series, paper packaging material series, other packaging material series and multiple customized services. In addition to the functional materials to meet the demands of the industries, we have launched a new retail business model for the sale channels to speed up the promotion of the products and reach domestic and overseas prospective customers. In terms of overseas market expansion, the Group actively establishes new footholds in Southeast Asia and leverages the comprehensive and diversified supply chain advantages in China. By strengthening its innovative R&D capabilities in customized materials and deepening its brand positioning in professional material distribution channels, the Group aims to create outstanding operational synergies for the enterprise. With the advantages of the Group in the vertical integration of the upstream (petrochemical raw material), midstream (film) and downstream (coating) resources, Master Package have entered the electronic components, information and communications technology, and major OEM customers to find out the opportunities for supply of packaging materials. We have expanded the domestic market share step by step to create the highest value of the operating benefits for the organization.

(II) Expected benefits

1. Provision of multiple services for customers to recreate value for existing customers and improve the efficiency in the development of new customers and the transactions with them on new markets. By doing so, we may ensure steady growth in business and profitability, improve the overall operating performance, create synergistic cross-selling effect, reduce operating costs, increase the operating scale, ensure competitive advantages, and create profit for the Company.
2. Development of niche markets, focus on service of targeted customers, control of the costs and expenses in a cautious manner, creation of differentiated service quality to ensure competitive advantages, and accomplishment of steady growth in operation revenue.
3. Focus on the demands of overseas customers for our products, prudential assessment of operating risks, ensure the maximization of the profit in international trades,

accomplishment of the breakthrough and growth in operating profit, and creation of material operating benefits.

(III) Important policies

1. Continue to deploy the new retail business model and accelerate the promotion of the products and introduction of new customers by combining the resources of the existing physical channels.
2. Launch an expansion plan and recruiting a large number of sales representatives for development of markets and operation in underdeveloped areas.
3. Continue to expand the market in China and further develops the Southeast Asia market, focusing on high-value customers to find more valuable business opportunities.
4. Promote sustainable development as well as energy-saving and carbon-reduction actions, and developing low-carbon packaging materials that meet the requirements of the circular economy.
5. Focusing on the needs of AI technology and the semiconductor industry chain, providing specialized electronic precision packaging materials, and establishing a high technical barrier supply advantage.

IV. Future development strategies of the Company

- (I) Develop and introduce trend-oriented, intelligent, and fully paper-based eco-friendly packaging materials, and strengthen procurement integration and supplier management to enhance sales competitiveness and profitability.
- (II) Enhance the development of e-commerce channels and accelerate the development of new customers by combining the offline sales networks; start the international trade business to reach the customers on the global market to reduce the operating risk due to concentration in a single market.
- (III) Sales of high-end and composite products will be the focus in China and large critical projects for development of customers and expansion of new sales channels will be implemented there.
- (IV) New business development/incubation: Actively recruit sales personnel for gift products and paper material applications, thereby expanding the breadth and depth of product offerings and marketing reach.
- (V) Multi-channel operations: Continue planning the development of new channels and expand sales channels.

V. Impacts of External Competition, Regulatory Environment and Overall Business Environment

- (I) The price fluctuation of the raw materials becomes fiercer and the overall market demands are affected as a result of the global political and economical conditions occurring in recent years.
- (II) More requirements for environmental protection result in the reduction of plastics and packaging materials both domestically and overseas and an increase in the demands for environment-friendly new packaging materials.

Two. Corporate Governance Report

I. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and department and branch managers

(I) Directors

1. Information on directors (1)

March 31, 2026; Unit: share

Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term	Date first elected	Shares held at the time of election		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in the Company or other companies	Other managers, directors or supervisors in a spousal relationship or within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	R.O.C.				3 years	5.27.2011	25,740,120	38.59	12,870,060	38.86	0	0	0	0	—	—	—	—	—	—
Representative of a juridical person to serve as a director	R.O.C.	Yem Chio Co., Ltd. Representative: Lee, Chi-Cheng	Male 41-50 years old	6.13.2023	3 years	None	0	0	73,500	0.22	0	0	0	0	MBA, College of Management, National Taiwan University, Master of Department of Mechanical Engineering, National Taiwan University, COO and Deputy CEO of ACHEM Technology Corporation in China	Director/ General Manager, Yem Chio Co., Ltd. CEO of YC Group Tape Business Division	None	None	None	—
Chairman	R.O.C.				3 years	5.27.2011	25,740,120	38.59	12,870,060	38.86	0	0	0	0	—	—	—	—	—	—
Representative of a juridical person to serve as a director	R.O.C.	Yem Chio Co., Ltd. Representative: Chiang, Wen-Jung	Male 51-60 years old	6.13.2023	3 years	None	0	0	111,082	0.34	0	0	0	0	MBA, College of Business, National Chengchi University Director of Yem Chio Co., Ltd.; President of Packaging Business Division Chairman/General Manager, Xin Chio Global Co., Ltd.	The CEO of the Company; director of Master Package (Shanghai) Material Technology Co., Ltd. , ACHEM Technology (Wuhan) Limited , Victory Uuion It Co., Ltd., Star Ray Co., Ltd., and King Material Co., Ltd.	None	None	None	—
Independent Director	R.O.C.	Chen, Shun-Fa	Male 61-70 years old	6.13.2023	3 years	6.16.2020	0	0	0	0	0	0	0	0	Department of Accounting, National Chung Hsing University CPA partner of Pricewaterhouse Coopers CPA	Responsible Person, Lu Cheng Management Consulting Co.Ltd.; Independent Director, SolidWizard Technology Co., Ltd.	None	None	None	—
Independent Director	R.O.C.	Yu, Jui-Te	Male 71-80 Years old	6.13.2023	3 years	6.16.2020	0	0	0	0	0	0	0	0	Master of College of Law, National Chengchi University; Director and Deputy Secretary General, Legal Service Division of the Straits Exchange Foundation; Director, Department of Commerce, Ministry of Economic Affairs; Director, Appeals and Review Committee; Member of the Regulations Committee; Deputy Director of the Intellectual Property Office, Ministry of Economics Affairs; Deputy Director, Mainland Affairs Council; Section Chief and special member, Appeals and Review Committee; Assistant Professor, Graduate Institute of Intellectual Property, National Taiwan University of Science and Technology and National Police	Independent Director, Tachan Securities Co., Ltd.	None	None	None	—

Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term	Date first elected	Shares held at the time of election		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in the Company or other companies	Other managers, directors or supervisors in a spousal relationship or within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
															University and Central Police University; Independent Director, United Biomedical Inc.; Director, Taiwan Design Center; Secretary General, Taiwan Venture Capital Association; Independent Director, CDIB Capital Group; Secretary General, Corporate Governance Association					
Independent Director	R.O.C.	Hung, Jui-Bin	Male 71-80 Years old	6.13.2023	3 years	6.16.2020	0	0	0	0	0	0	0	0	Master of Economics, Soochow University; Economy Master's degree, Director, Council for Economic Planning and Development; Director, Language Center, National Taiwan University; Director, Hondao Senior Citizen's Welfare Foundation; Director, Achem Technology Corporation; Director, Alumni Cultural and Educational Foundation of National Changhua Senior High School, Changhua; Chairman, Alumni Cultural and Educational Foundation of National Changhua Senior High School, Taipei	Consultant, Alumni Cultural and Educational Foundation of National Changhua Senior High School; Honorary Chairman, Alumni Cultural and Educational Foundation of National Changhua Senior High School, Taipei; Director, Hondao Senior Citizen's Welfare Foundation; Independent Director, Lai Yih Footwear Co., Ltd.	None	None	None	—

Note 1: If the Chairman and President, or any other equivalents (top managerial officer), are the same person, or a spouse or relative within first degree of kinship with each other, the information about the reason, reasonableness, necessity and corresponding measures (e.g. increasing the number of independent directors, and having a majority of directors that do not work as employees or managers of the Company, etc.) shall be provided: None.

Note 2: Shareholding ratio = Total shares held / common shares issued (including treasury shares).

2. Representative of corporate shareholders

Major shareholders of corporate shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding ratio %
Yem Chio Co., Ltd.	Asia Plastics Co., Ltd.	7.98%
	Ying Chung Co., Ltd.	7.80%
	NGS Chyung International Co., Ltd.	6.44%
	Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh	4.09%
	Zhou Ji International Co., Ltd.	3.11%
	Yong Chen International Co., Ltd.	3.08%
	Cheng, Yuan-Chun	2.69%
	Yem Chio Co., Ltd. Investment account held in custody by Mega International Commercial Bank	2.54%
	Cheng Damu Investment Co., Ltd.	0.90%
	Lee, Chih-Hsieh	0.75%

Major shareholders of dominant shareholders who are corporate shareholders

Name of corporate entity	Major shareholders of corporate entities	Shareholding ratio %
Ying Chung Co., Ltd.	Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh	43.38%
	Lee, Shu-Wei	16.22%
	Lee, Chi-Cheng	17.08%
	Trust property account in custody of Hua Nan Commercial Bank, Ltd. -Wang, Yu-Chuan	23.32%
NGS Chyung International Co., Ltd.	Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh	62.35%
	Lee, Shu-Wei	14.75%
	Lee, Chi-Cheng	13.80%
	Asia Plastics Co., Ltd.	4.75%
	Trust property account in custody of Hua Nan Commercial Bank, Ltd. -Wang, Yu-Chuan	4.35%
Asia Plastics Co., Ltd.	Trust property account in custody of Hua Nan Commercial Bank, Ltd. - Lee, Chih-Hsieh	66.70%
	NGS Chyung International Co., Ltd.	6.41%
	Ying Chung Co., Ltd.	6.41%
	Lee, Shu-Wei	10.24%
	Lee, Chi-Cheng	10.23%
Yong Chen International Co., Ltd.	Lee, Chi-Cheng	100%
Zhou Ji International Co., Ltd.	Lee, Shu-Wei	100%
Cheng Damu Investment Co., Ltd.	Cheng, Yuan-Chun	99.97%
	Cheng, Yi-Fang	0.03%

3. Information on the directors (2)

(1) Disclosure of information on the professional qualification of directors and the independence of independent directors

Criteria Name	Professional qualification and experience	Independence of independent director	Number of other public companies where the person concurrently acts as an independent director
Director Representative of Yem Chio Co., Ltd.: Chiang, Wen-Jung	Graduated as an MBA from the College of Business, National Chengchi University, the director currently serves as the CEO of the Company and a director of Master Package (Shanghai) Material Technology Co., Ltd. , Achem Technology (Wuhan) Limited. ; Victory Union It Co., Ltd. ; Star Ray Co., Ltd. and King Material Co., Ltd. He has worked as a director of Yem Chio Co., Ltd., the parent company, and the President of Packaging Business Division, and has more than 5 years of work experiences in business and other areas required for the operation of the Company. None of the circumstances under Article 30 of the Company Act applies to him.	N/A	None
Director Representative of Yem Chio Co., Ltd.: Lee, Chi-Cheng	Graduated as an MBA from the College of Management, National Taiwan University. Graduated with a Master's from the Department of Mechanical Engineering, National Taiwan University. He is currently the Chairman of the company ; Director/ General Manager of Yem Chio Co., Ltd. ; CEO of YC Group Tape Business Division. and has ever worked as COO and Deputy CEO of ACHEM Technology Corporation in China. and the special assistant to the president of YC Group. He has more than 5 years of work experience in business and other areas required for the operation of the Company. None of the circumstances under Article 30 of the Company Act applies to him.		None
Independent Director Chen, Shun-Fa	Graduated as a bachelor from the Department of Accounting, National Chung Hsing University, the director is a qualified CPA and is currently the convener of the Company's Audit and Risk Committee and a member of the Remuneration Committee. He is the responsible persons of Lu Cheng Management Consulting Co.Ltd.; and an independent director of SolidWizard Technology Co., Ltd. He has been and CPA partner of PricewaterhouseCoopers, Taiwan. The director has more than 5 years of work experiences in business, finance, accounting and other areas required for the operation of the Company.	The director meets the following conditions at any time during active duty and two years prior to the date of appointment. (1) Not an employee of the Company or any affiliate of the Company. (2) Not a director or supervisor of the Company or any affiliate of the Company. (The same does not apply. However, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country.)	1
Independent Director Hung, Jui-Bin	Graduated as a Master of Economics from Soochow University, the independent director is a member of the Company's Audit and Risk Committee and	(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse,	1

	Remuneration Committee and currently serves as the director of the Hondao Senior Citizen's Welfare Foundation, the consultant of the Alumni Cultural and Educational Foundation of National Changhua Senior High School, and the honorary chairman of the Alumni Cultural and Educational Foundation of National Changhua Senior High School, Taipei. ,and an Independent Director of the Lai Yih Footwear Co., Ltd He has served as the director of the Council for Economic Planning and Development, the director of the Language Center, National Taiwan University, and a director of the Achem Technology Corporation.. He has more than 5 years of work experiences in business and other areas required for the operation of the Company.	minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of the top ten shareholders. (4) Not a manager of (1), or a spouse or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer in (1) or any person in (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or ranks as one of its top five shareholders, or designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country.)	
Independent Director Yu, Jui-Te	Graduated as a Master of College of Law, National Chengchi University, the independent director is the convener of our Remuneration Committee and a member of the Audit and Risk Committee. He currently serves as an independent director of the Tachan Securities Co., Ltd. He has served as the director and deputy secretary general of the Legal Service Division of the Straits Exchange Foundation, the director of the Department of Commerce, Ministry of Economic Affairs, the director of the Appeals and Review Committee, a member of the Regulations Committee, the deputy director of the Intellectual Property Office, Ministry of Economics Affairs, the deputy director of the Mainland Affairs Council, a section chief and special member of the Appeals and Review Committee, an assistant professor of the Graduate Institute of Intellectual Property, National Taiwan University of Science and Technology and the National Police University and Central Police University, and independent director of the United Biomedical Inc., a director of Taiwan Design Center, the secretary general of Taiwan Venture Capital Association, and an independent director of the CDIB Capital Group. and the secretary general of the Corporate Governance Association He has more than 5 years of work experiences in business, legal affairs and other areas required for the operation of the Company.	(6) In case a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person, not a director, supervisor, or employee of that other company. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country.) (7) Not a director, supervisor or employee as the same person as or the spouse of the Company's Chairman, President or person with equivalent position. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country.) (8) Not a director, supervisor, or managerial officer, or a shareholder directly holding 5% or more of the shares, of any specific company or institution that has a business or financial relationship with the Company. (The same does not apply, however, in cases where the	1

		specific company or institution holds 20% or more and not more than 50% of the total number of the Company's issued shares and is an independent director of the Company, its parent company, subsidiary or any subsidiary of the same parent company, as appointed and concurrently serving as such in accordance with the Act or the regulations of the local country.) (9) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the most recent 2 years with an accumulated service compensation of NT\$500,000 of less, or a spouse thereof; provided that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not a spouse nor a relative within the second degree of kinship of another director. (11) None of the circumstances under Article 30 of the Company Act being applicable. (12) Not a government agency, juristic person or their respective representatives being elected according to Article 27 of the Company Act.	
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(2) Diversity and independence of the Board of Directors:

Diversity of the Board of Directors:

We have 5 directors and all of them are male and the citizens of the Republic of China. The age of the directors is between 40 to 70. They have extensive professional knowledge of industries and experiences in business operations. This background of the directors can substantially enhance the independence and diversity of the Board of Directors and enable the directors to fully play their strategic and guiding roles. The Board of Directors holds at least one meeting every season. Four meetings were held in 2025 with an attendance rate of 90%. Chairman Lee, Chi-Cheng is responsible for the establishment of the Company's operating strategies with his professional capabilities to improve

the operating performance. He takes the chair of the Board meeting to ensure the normal operations of the Board of Directors.

Although the number of the Company's current directors of either gender is not always at least one-third of the total number of its current directors, all of the current directors possess the professional competence needed for the Company's operations. In the re-election of the Board of Directors in the future, the Company will find suitable candidates to gradually achieve the said target.

We follow the internal regulations and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". Directors are elected and appointed in consideration of the overall configuration of the Board of Directors. The overall considerations for the formation of the Board of Directors include operational judgment and management ability, accounting and financial analysis ability, crisis management ability, knowledge of industry, understanding of international markets, leadership, and decision-making ability. In addition, the Board of Directors arranges director to take part in external training appropriately in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", such as the courses in the practices of board of directors and supervisors and sound corporate governance, to strengthen the governance capability of the Company.

The specific management goals and achievements of the diversity policy on the formation of the Board of Directors are described below:

Management goal	Achievement
The number of the independent directors exceed one-third of the total number of directors	3 independent directors
None of the independent directors is in office for more than 3 terms	No more than 3 terms
The number of the directors who concurrently serve as the managerial officers of the Company shall not exceed one-third of the total number of directors	1 directors who also serve as managers
At least one director qualified as a CPA	1 director qualified as a CPA
Directors in either gender are no less than one-third of all directors	0 female director
Half of all directors have practical experience in operating a company	Four directors have practical experience in operating a company
Half of all directors have practical experience in distribution channels	100%
At least one director has legal expertise	100%

The implementation status of the diversity policy on the formation of the Board of Directors are described below:

Core of diversity Name		Basic formation								Professional background					Professional knowledge and skills					
		Nationality	Gender	Serving as employee	Age				Seniority of independent director (less than 6 years)	Accounting	Industry	Finance	Law	Economy	Operational judgment ability	Operational management ability	Leadership	Crisis management ability	Knowledge of industry	Understanding of international markets
					41-50	51-60	61-70	71-80												
Director	Chiang, Wen-Jung	R.O.C.	Male	v		v				v	v	v		v	v	v	v	v	v	v
	Lee, Chi-Cheng		Male		v						v			v	v	v	v	v	v	v
Independent Director	Chen, Shun-Fa		Male				v		v	v	v	v		v	v	v	v	v	v	v
	Yu, Jui-Te		Male					v	v		v		v	v	v	v	v	v	v	v
	Hung, Jui-Bin		Male					v	v		v			v	v	v	v	v	v	v

Independence of the Board of Directors:

The Board of Directors is comprised of five directors and three of them are independent directors, occupying 60% of the total number of directors. One of the two ordinary directors is a General Manager and CEO of Tape Business of the parent company of the Group and the other one serves concurrently as the CEO of the Company. Only one of the five directors serve as a managerial officer and there is no relationship of spouse or relative within the second degree of kinship among the directors.

(II) Information on President, Vice Presidents, Assistant Vice Presidents, and department and branch managers:

March 31, 2026, Unit: share

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent duties in other companies	Managerial officers in a spousal relationship or within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	R.O.C.	Chiang, Wen-Jung	Male	05.27.2011	111,082	0.34	-	-	-	-	MBA, College of Business, National Chengchi University Director of Yem Chio Co., Ltd.; President of Packaging Business Division	Director of Master Package (Shanghai) Material Technology Co., Ltd. ; ACHEM Technology (Wuhan) Limited ;Victory Union It Co., Ltd. ; Star Ray Co., Ltd. and King Material Co., Ltd.	-	-	-	
Financial manager	R.O.C.	Chang, Yung-Chieh	Male	04.01.2020	25,000	0.08	-	-	-	-	Bachelor, Accounting, Tamkang University Audit Assistance Manager, KPMG Taiwan Finance Department Manager, China Automobile Business Division, Ford Lio Ho Motor	Director, Foshan Inder Adhesive Product Co., Ltd., Yem Chio Construction, Co., Ltd., Achem Opto-Electronic Corporation, Valueline Investment Corporation, and Financial Manager, Yem Chio Co., Ltd. Supervisor, Master Package (Shanghai) Material Technology Co., Ltd., ACHEM Technology (Wuhan) Limited, Achem Technology (Chengdu) Limited, Wanchio Adhesive Product (Jiangsu) Co., Ltd., Achem Technology (Shanghai) Limited, Achem Technology Corporation, Ningbo Yem Chio Co., Ltd., Victory Union It Co., Ltd. ; Star Ray Co., Ltd., King Material Co., Ltd., Pantech Tape Co., Ltd. and King Sun New Tech Co., Ltd.	-	-	-	
Accounting manager	R.O.C.	Huang, Ting-Hsuan	Female	03.23.2022	0	0	-	-	-	-	Bachelor, Accounting, Tamkang University Audit Team Leader, Deloitte Taiwan	None	-	-	-	
Chief Corporate Governance Officer	R.O.C.	Zheng, Yan-Zhong	Female	05.07.2021	10,000	0.03	-	-	-	-	Fu Jen Catholic University, Department of Accounting; EMBA, Graduate School of Management, National Taiwan University of Science and Technology; Audit Team Leader, Audit Department of PricewaterhouseCoopers, Taiwan	Supervisor, ACHEM Technology (Vietnam) Ltd. and Yem Chio Construction, Co., Ltd.. Director, Valueline Investment Corporation Chief Corporate Governance Officer, Yem Chio Co., Ltd.	-	-	-	

Note: If the Chairman and President, or any other equivalents (top managerial officer), are the same person, or a spouse or relative within first degree of kinship with each other, the information about the reason, reasonableness, necessity and corresponding measures (e.g. increasing the number of independent directors, and having a majority of directors that do not work as employees or managers of the Company, etc.) shall be provided: None.

(III) Remuneration paid to directors (including independent directors), President, and Vice Presidents in the most recent year:

1. Remuneration to ordinary and independent directors

December 31, 2025; NT\$ thousand

Title	Name	Remuneration to directors								Sum of A, B, C and D, and the proportion to net income		Remuneration to directors serving holding concurrent positions of employees								Sum of A, B, C, D, E, F and G, and the proportion to net income		Remuneration from investees other than subsidiaries or from the parent company
		Compensation (A)		Pension (B)		Director remuneration (C)		Income from professional practice (D)				Salary, bonus and special allowance (E)		Pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial reports	The Company	All companies included in the financial reports	The Company	All companies included in the financial reports	The Company	All companies included in the financial reports	The Company	All companies included in the financial reports	The Company	All companies included in the financial reports	The Company	All companies included in the financial reports	The Company		All companies included in the financial reports		The Company	All companies included in the financial reports	
		Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	
Ordinary directors	Representative of Yem Chio Co., Ltd.: Chiang, Wen-Jung	60	60	0	0	0	0	0	0	60	60	8,650	8,720	95	95	0	0	0	0	8,805	8,875	None
	Representative of Yem Chio Co., Ltd.: Lee, Chi-Cheng	60	60	0	0	0	0	0	0	60	60	0	0	0	0	0	0	0	0	60	60	None
Independent director	Chen, Shun-Fa	95	95	0	0	0	0	30	30	125	125	0	0	0	0	0	0	0	0	125	125	18
	Hung, Jui-Bin	95	95	0	0	0	0	24	24	119	119	0	0	0	0	0	0	0	0	119	119	None
	Yu, Jui-Te	95	95	0	0	0	0	18	18	113	113	0	0	0	0	0	0	0	0	113	113	None
1. Please describe the payment policy, system, standard and structure of the remuneration to independent directors, and the association of their responsibility, risk, and time devoted with the amount of the remuneration paid: The remuneration to independent directors is determined in accordance with the “Director Remuneration Management Regulations” and approved in consideration of the duties, time devoted, and other factors. 2. Further to the aforementioned disclosure, the remunerations received by the directors of the Company for rendering service to all companies included in the financial reports (e.g. serving as a consultant, who is not regarded as an employee, of the parent company/ any of the companies included in the financial reports/any investee) in the most recent year: NT\$90 thousand.																						

2. Remuneration to President and Vice Presidents:

December 31, 2025; Unit: NT\$ thousand

Title	Name	Salary (A)		Pension (B)		Bonus and special expenses (C)		Employee remuneration (D)				Sum of A, B, C and D, and the proportion to net income (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies included in the financial reports	The Company	All companies included in the financial reports	The Company	All companies included in the financial reports	The Company		All companies included in the financial reports		The Company	All companies included in the financial reports	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Chiang, Wen-Jung	1,334	1,334	95	95	7,316	7,386	0	0	0	0	8,745 6.13%	8,815 6.18%	None

* Regardless of the title, any person in a position equivalent to President or Vice Presidents (i.e. general manager, CEO, director, etc.) shall also be disclosed.

Breakdown of remuneration

Breakdown of remuneration to the Company's President and Vice Presidents	Names of president and vice president	
	The Company (Note 6)	Parent company and all investees (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Chiang, Wen-Jung	Chiang, Wen-Jung
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)		
Over NT\$100,000,000		
Total	1	1

3. Names of the managerial officer entitled to employee remuneration and amount distributed

Unit: NT\$ thousand

	Title	Name	Amount paid in shares	Amount paid in cash	Total	Total amount as a percentage of net income (%)
Managers	President	Chiang, Wen-Jung	0	0	0	0
	Financial manager Newly appointed on 04.01.2020	Chang, Yung-Chieh				
	Accounting manager Newly appointed on 03.23.2022	Huang, Ting-Hsuan				
	Chief Corporate Governance Officer Newly appointed on 05.07.2021	Zheng, Yan-Zhong				

- (IV) Comparison and description of the total remuneration paid by the Company and all the companies included in the consolidated financial reports to the Company's directors, President and Vice Presidents in the most recent two years as a percentage of net income after tax, and description of the policies, standards, and portfolios for paying the remuneration, the procedure for determining the remuneration, and their correlation with the operating performance and future risk:

Title	2024	2025
	Total remuneration paid by the Company and all the companies included in the consolidated financial reports to the Company's directors, supervisors, President and Vice Presidents as a percentage of the net income after tax	Total remuneration paid by the Company and all the companies included in the consolidated financial reports to the Company's directors, supervisors, President and Vice Presidents as a percentage of the net income after tax
Director	7.87%	6.52%
President and vice president		

The Company's directors, General Manager and Deputy General Managers are responsible for managing and operating the Company. Their salaries consist of base pay, allowances, and additional payment, and are paid based on their contributions, seniority and operating performance and with reference to the salaries of peers.

Remuneration to the Chairman and directors is determined at board meetings as authorized based on their participation in the Company's operations and the value of their contributions in accordance with the Directors' Remuneration Management System. In addition, remuneration to the General Manager consists of a salary, performance bonus and employee pay without bonus shares, where the performance bonus is based on both the Company's operations and personal performance.

Remuneration to directors and the General Manager is structured in a manner that is subject to adjustment based on future risk factors.

(V) Performance evaluation of managerial officers:

The performance of managers is evaluated mainly based on the cultivation of talents, innovative thinking, Leadership and management, operating performance and attainment of targets.

(VI) Performance evaluation results of directors and managerial officers, the correlation of the content and amount of the remuneration with the performance evaluation, and the reasonableness thereof:

The Company's revenue grew compared to that in 2024, Therefore, the performance and remuneration (bonus) of managers also increased year on year.

II. Information on corporate governance

(I) Operation of the Board of Directors:

The Board of Directors hold 4 meetings (A) in 2025. The presence and attendance of the directors are described below:

Title	Name	Actual number of presence (attendance) (B)	Number of presence by proxy	Actual presence (attendance) rate (%) 【B/A】 (Note 2)	Remarks
Chairman	Yem Chio Co., Ltd. Representative: Lee, Chi-Cheng	4	0	100%	Re-elected on 06.13.2023 as previous term expired
Director	Yem Chio Co., Ltd. Representative: Chiang, Wen-Jung	4	0	100%	Re-elected on 06.13.2023 as previous term expired
Independent Director	Chen, Shun-Fa	4	0	100%	Re-elected on 06.13.2023 as previous term expired
Independent Director	Hung, Jui-Bin	3	1	75%	Re-elected on 06.13.2023 as previous term expired
Independent Director	Yu, Jui-Te	3	1	75%	Re-elected on 06.13.2023 as previous term expired

Other matters to be stated:

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

Date of meeting (Term)	Subject Matter	Opinions of all the independent directors and actions taken by the Company on such opinions
03.13.2025 (The 8th meeting of the 13th term)	1. Proposal for the appointment of CPAs for 2025 and the assessment of their independence and competency. 2. Proposal for amending the name of the “SOP for managing sustainability information” and changing it to the “Sustainability Information Management System”. 3. Proposal for amending the internal control system – sales and collection cycle and sub-rules. 4. Proposal for change of the company’s chief auditor.	The proposals were approved by all the independent directors.
05.12.2025 (The 9th meeting of the 13th term)	The Company intends to acquire equity interests in Victory Union IT Co., Ltd. (hereinafter referred to as Victory Union) and Star Ray Co., Ltd. (hereinafter referred to as Star Ray).	
08.11.2025 (The 10th meeting of the 13th term)	Proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities.	
11.10.2025 (The 11th meeting of the 13th term)	1. Proposal for the loaning of funds to affiliates 2. Revision of the payroll and human resources cycle payroll and incentive compensation disbursement procedures	

(II) Any resolution of the Board of Directors for which dissent or reservation is expressed by any independent director, and recorded in the minutes or a written statement: None.

II. Regarding the situation of a director’s recusal of conflict of interest, the name of the director, proposal, reasons for the recusal, and participation in the voting shall be described:

- (I) 2025.03.13 As for the proposal to the Board of Directors as referred to in 12. regular assessment of the remuneration to the managerial officers, Director Chiang, Wen-Jung left the meeting and did not participate in the discussion and voting for recusal as he has conflict of interest in the proposal.
- (II) 2025.05.12 As for the proposal to the Board of Directors as referred to in 4. regular assessment of the remuneration to the managerial officers(Executive Performance Bonus for 2024), Director Chiang, Wen-Jung left the meeting and did not participate in the discussion and voting for recusal as he has conflict of interest in the proposal.
- (III) At the Board of Directors’ meeting on November 10, 2025, Subject 3 concerned the discussion of loans of funds to affiliates. The resolution was voted on separately for each borrower. When voting on the loan to Yem Chio, Chairman Lee, Chi-Cheng and Director Chiang, Wen-Jung, as representatives of juristic persons appointed as directors of that company, had a personal interest in the matter; therefore, they recused themselves from the discussion and voting on this agenda item due to conflict of interest. When voting on the loan to Victory Union, Director Chiang, Wen-Jung, as a representative of a juristic person appointed as a director of that company by the Company, had a personal interest in the matter; therefore, he recused himself from the discussion and voting on this agenda item due to a conflict of interest.

III. Evaluation of the Board of Directors:

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once a year	1/1/2025-12/31/2025	The performance evaluation of the Board of Directors, individual directors and functional committees	Internal self-evaluation of the Board of Directors, self-evaluation of directors, and self-evaluation of functional committees	The measurements in the performance evaluation of the Board of Directors included (1) involvement in the operations of the Company; (2) improvement of the decision-making quality of the Board of Directors; (3) Composition and structure of the Board of Directors; (4) election and continuing education of directors; and (5) internal control. The measurements of the performance evaluation of individual directors included (1) understanding of the goals and missions of the Company; (2) awareness of director's duties; (3) involvement in the operations of the Company; (4) internal relationship management and communication; (5) professionalism and continuing education of directors; and (6) internal control. The measurements of the self-evaluation of performance of the functional committees included (1) participation in the operations of the Company; (2) awareness of the duties of functional committees; (3) improvement in the quality of decision-making by the functional committees; (4) composition and appointment of the committee members; and (5) internal control.

The Company has carried out the 2025 self-evaluation of the Board of Directors. The result will be reported to the Board meeting in Q1 2026 and used as a reference for the remuneration to the directors and their nomination for re-election. The result of the self-evaluation of the Board of Directors showed 4.85 points on average (perfect score = 5 points). The self-evaluation of individual directors showed 4.91 points on average (perfect score = 5 points). The self-evaluation of the Remuneration Committee showed 4.91 points on average (perfect score = 5 points), and the self-evaluation of the Audit Committee showed 4.89 points on average (perfect score = 5 points). Overall, the Board of Directors and functional committees operate soundly. The Company's senior management demonstrates strong capabilities, maintains prudent operations, and ensures smooth business execution. The remuneration regulations, adjustments, and determinations for senior executives are all fully discussed and finalized by the Remuneration Committee. Adequate materials are prepared and provided to the members of the Audit and Risk Committee for review prior to the meeting and for discussion during the meeting.

IV. Evaluation of the goals (e.g. establishment of the Audit Committee, improvement of information strength, etc.) and implementation with respect to enhancement of the function of the Board of Directors in the current and most recent year:

After the re-election of all the directors and supervisors at the annual general meeting of

shareholders on June 16, 2020, the Company set up the Audit Committee in lieu of the supervisors to enhance the function of the Board of Directors. In order to promote the stable operation and sustainable development of the Company, establish a sound risk management mechanism, provide a basis for risk management, manage risk properly, and thus ensure achievement of the operational goals, the Audit Committee was renamed to Audit and Risk Committee in November 09, 2023 under the approval of the Board of Directors. The Board of Directors operates in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” and important resolutions are announced on the MOPS in time after the Board meeting to ensure full disclosure of the information and protect the rights and interests of the shareholders.

Note: The actual presence (attendance) rate (%) shall be calculated based on the number of the Board meetings and the actual number of the presence (attendance) during the period on board.

(II) Operation of the Audit and Risk Committee: (The company changed the name of the Audit Committee to the Audit and Risk Committee on 2023/11/9)

1. The Audit and Risk Committee of the Company is formed by all the independent directors. It operates mainly for the purpose of overseeing the following matters:
 - (1) Fair presentation of the Company’s financial reports.
 - (2) Selection (release) of CPAs and their independence and performance.
 - (3) Effective implementation of internal control.
 - (4) Compliance with relevant laws and regulations.
 - (5) Management and control of the company’s existence or potential risks; by integrating risk management into operational activities and daily management processes, the following goals are achieved:
 - (a) Achieve corporate goals.
 - (b) Improve management efficiency.
 - (c) Provide reliable information.
 - (d) Allocate resources efficiently.
2. Major annual reviews of the Audit and Risk Committee
 - (1) Annual financial reports.
 - (2) Adoption or amendment of the internal control system.
 - (3) Effectiveness evaluation of the internal control system.
 - (4) Adoption or amendment of the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others pursuant.
 - (5) Matters bearing on the personal interest of a director.
 - (6) Material assets or derivatives trading, material loaning of funds, endorsements, or provision of guarantees.
 - (7) The offering, issuance, or private placement of equity-type securities.
 - (8) The hiring or dismissal of CPAs or their compensation.
 - (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
 - (10) Examine risk management policies, procedures, and structures, and regularly review their applicability and implementation effectiveness.
 - (11) Examine risk tolerance and guide resource allocation.
 - (12) Examine that risk management mechanisms can fully deal with risks faced by the Company and integrate them into daily operational processes.
 - (13) Examine the priority and risk level of risk control.

(14) Examine the implementation of risk management, put forth necessary suggestions for improvement, and regularly report to the Board of Directors (at least once a year).

(15) Implement the risk management decisions of the Board of Directors.

3. Information on Audit and Risk Committee members:

December 31, 2025

Name	Member Type	Criteria	Professional qualification and experience	Independence	Number of other public companies where the person also serves in an Audit Committee
Independent Director Convener	Chen, Shun-Fa	Refer to the information on directors (2) on page 12~14	Refer to the information on directors (2) on page 12~14	Refer to the information on directors (2) on page 12~14	1
Independent Director	Hung, Jui-Bin				1
Independent Director	Yu, Jui-Te				1

4. The Audit and Risk Committee held 4 meetings (A) in 2025. The presence (attendance) of the independent directors is as follows:

Title	Name	Actual number of presence (B)	Number of presence by proxy	Actual presence rate (%) (B/A) (Note)	Remarks
Independent Director	Chen, Shun-Fa	4	0	100%	Establishment of the 1st Audit Committee on 6/16/2020
Independent Director	Hung, Jui-Bin	3	1	75%	
Independent Director	Yu, Jui-Te	3	1	75%	

Other matters to be stated:

I. Where any of the following circumstances occurs to the operation of the Audit and Risk Committee, the date, term and proposal of the Audit and Risk Committee meeting as well as the dissent, reservation or major suggestion of any independent director, the Audit and Risk Committee resolution, and actions taken by the Company on the Audit and Risk Committee's opinions shall be specified.

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act

Date of meeting (Term)	Subject Matter	The dissent, reservation or major suggestion of any independent director, the Audit and Risk Committee resolution, and how the Company manage the Committee's opinions
03.13.2025 (The 7th meeting of the 2nd term)	1. the Company's 2024 business report, financial reports and consolidated financial reports	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.
	2. Proposal for 2024 earnings distribution	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.
	3. Proposal for the 2024 "effectiveness evaluation of the internal control system" and the "Statement on Internal Control System"	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.

	4. Proposal for the appointment of CPAs for 2025 and the assessment of their independence and competency 5. Proposal for amending the name of the “SOP for managing sustainability information” and changing it to the “Sustainability Information Management System”. 6. Proposal for amending the internal control system – sales and collection cycle and sub-rules. 7. Proposal for change of the company’s chief auditor.	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously. The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously. The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously. The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.
05.12.2025 (The 8th meeting of the 2nd term)	1. The Company’s 2025 Q1 consolidated financial reports 2. The Company intends to acquire equity interests in Victory Union IT Co., Ltd. (hereinafter referred to as Victory Union) and Star Ray Co., Ltd. (hereinafter referred to as Star Ray).	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously. The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.
08.11.2025 (The 9th meeting of the 2nd term)	1. The Company’s 2025 Q2 consolidated financial reports 2. Proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities.	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously. The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.
11.10.2025 (The 10th meeting of the 2nd term)	1. The Company’s 2025 Q3 consolidated financial reports 2. Proposal for the loaning of funds to affiliates 3. Revision of the payroll and human resources cycle payroll and incentive compensation disbursement procedures	The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously. The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously. The proposal was approved by all the present members unanimously. The proposal was approved by all the present directors unanimously.
(II) In addition to the matters mentioned above, any resolution unapproved by the Audit and Risk Committee but passed by more than two-thirds of the directors: None. II. Regarding the situation of an independent director’s recusal of conflict of interest, the name of the independent director, proposal, reasons for the recusal, and participation in the voting shall be described: None.		

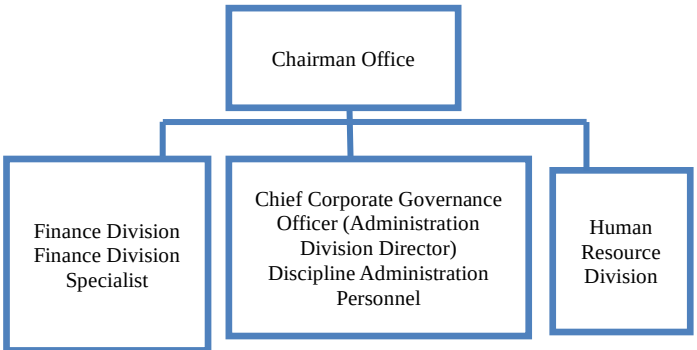
- III. Communication between independent directors and the internal chief auditor/CPAs (major matters, methods and results of communication on the Company's financial and business conditions, etc. shall be included):
- (I) The independent directors usually communicate with the internal chief auditor by email, phone or meeting whenever necessary. A special meeting, if needed, may be held for any material abnormalities. They have smooth and multiple communication channels. The internal chief auditor delivers the audit or follow-up report of the previous month to each independent director for review on a monthly basis. Independent directors may give their response or feedback if needed.
 - (II) In addition to reporting the audit or review of the financial reports to the independent directors, the CPAs of the Company shall hold at least one dissemination of laws and regulations every year, update the knowledge of financial regulations, and take corresponding measures for related impacts. The independent directors usually communicate with the CPAs by email, phone or meeting whenever necessary. They have smooth communication with each other.

Note: The actual presence rate (%) shall be calculated based on the number of the Audit Committee meetings and the actual number of the presence during the period on board.

(III) Status of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations

Assessment item	Operation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	Summary	
I. Has the Company established and disclosed the corporate governance best practice principles based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company has established the corporate governance best practice principles and disclosed them on our website.	None
II. Shareholding structure and shareholder's equity				
(I) Does the Company have an internal procedure and handle shareholders' suggestions, doubts, disputes, and litigations accordingly?	V		(I) The Company has established the procedure. It is under implementation. The Company has set up a stakeholder section on the website to handle shareholders' suggestions, doubts, disputes and litigation, and the questions and suggestions with respect to the products and services.	None
(II) Does the Company have the name list of the major shareholders who actually control the Company and the persons who have the ultimate control of the major shareholders?	V		(II) The Company works with the stock service agent to ensure the availability of the name list of major shareholders and their controlling persons.	None
(III) Has the Company established and implemented risk control and firewall mechanisms between the Company and the affiliates?	V		(III) The assets, finance and accounting of the affiliates are operated independently. The related department of the Company audits the affiliates which the Company has the right to control on a regular or irregular basis to prevent malpractices, if any, of the affiliates from bringing risks to the Company.	None
(IV) Has the Company established internal regulations to prohibit insiders from using the information not available to the market to trade securities?	V		(IV) The Company has established the "Insider Trading Prevention Regulations" and disclosed it on our website.	None
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors established and implemented diversity policies and specific management objectives?	V		(I) The Company has established the procedure. It is under implementation.	None
(II) Apart from the Remuneration Committee and Audit Committee, has the Company set up other functional committees at its own discretion?		V	(II) The Company established the Remuneration Committee in November 2011 and the Audit Committee in June 2020. In November 2023, the Audit Committee was renamed the Audit and Risk Committee. In order to promote the company's stable operation and sustainable development, it established and improved a risk management mechanism so that risk management operations can be followed and risks can be	None

Assessment item	Operation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	Summary	
(III) Does the Company have the regulations governing the performance evaluation of the Board of Directors and conduct regular performance evaluation every year? Does the Company submit the results of the performance evaluation to the Board of Directors? Are the results used as a basis for the remuneration to and nomination for re-election of individual directors? (IV) Does the Company review the independence of the CPAs on a regular basis?	V		properly managed to ensure that the company's operational goals are achieved. The original audit committee organizational rules have been simultaneously revised to add provisions related to risk management policies and procedures. Apart from this, no other functional committees have been set up. (III) The Company established the “Regulations Governing the Performance Evaluation of the Board of Directors” in November 2020 and conduct the evaluation every year. The results of the 2025 performance evaluation of the Board of Directors was submitted to the Board of Directors in March 2026. They will be used as a basis for the remuneration to and nomination for re-election of individual directors. (IV) The Audit and Risk Committee performs regular assessments of the CPAs’ independence and competency. In addition to requesting CPAs to provide the “Statement of Independence” and the “Audit Quality Indicators, AQIs”, the Audit Committee performs the assessment based on the five scopes (profession, independence, quality control, monitoring and creativity) and 13 indicators of the AQIs. As confirmed, except for the fees with respect to the certification, finance and taxation cases, the CPAs do not have any financial interest or business relationships with the Company. The family members of the CPAs have also not acted in violation of the independence requirements. The CPA firm will continue to introduce digital auditing tools to improve audit quality. The assessment result in the most recent year was discussed and adopted by the Audit and Risk Committee on March 12, 2026 and a report was submitted to the Board of Directors on March 12, 2026. The Board of Directors made a resolution to adopt the assessment of the CPAs’ independence and competency.	None None
IV. Does the TWSE/TPEX Listed company have an adequate number of corporate governance personnel with appropriate qualifications to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with board meetings and shareholders meetings according to the laws, processing corporate registration and amendment	V		The Administrative Division is the dedicated (concurrent) corporate governance unit and responsible for all the related matters. A chief corporate governance officer was designated on May 7, 2021. The appointment has been approved by the Board of Directors and reported to the competent authority. The number of annual training hours for corporate governance managers has been reported to the competent authority 2025, 21 hours	None

Assessment item	Operation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	Summary	
registration, and preparing minutes of board meetings and shareholders' meetings?			2024, 25 hours 2023, 21 hours 2022, 16 hours 2021, 22 hours (first term) 1. Composition and function:  <pre> graph TD CO[Chairman Office] --> FDS[Finance Division Finance Division Specialist] CO --> CCGO[Chief Corporate Governance Officer (Administration Division Director) Discipline Administration Personnel] CO --> HRD[Human Resource Division] </pre> Chief Corporate Governance Officer: (Administration Division Director) Take the responsibility for the overall planning of the corporate governance affairs and report to the Board of Directors on a regular basis. Discipline Administration Personnel: Implement corporate governance related matters and establish internal corporate governance regulations and systems. Finance Division Specialist: Prepare the minutes of the Board and shareholders' meeting minutes and other written records. Human Resources Department staff: Provide records of employee welfare results, education and training, etc. 2. Responsibility: (1) Provide directors with the information required for them to do their jobs. (2) Assist the directors in the compliance with laws and regulations and deal with the matters in relation to Board and shareholders' meetings pursuant to laws. (3) Implement the matters of the current year. 3. Work plan: Implement the corporate governance matters specified by the Company.	

Assessment item	Operation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	Summary	
			4. Implementation frequency: Attend the Board of Directors meeting at least once a year to report corporate governance related matters.	
V. Has the Company established a communication channel for the stakeholders (including but not limited to shareholders, employees, customers and suppliers), set a stakeholder section on the Company's website, and responded to the concerns of the stakeholders on the material issues related to corporate social responsibilities?	V		1. The Company has established a stakeholder section on the website. There is dedicated personnel to respond to the issues that stakeholders are concerned about. The type of the channels and designated personnel: (1) Customer and supplier channel: President Office Chen, Hsiu-Ping (2) Shareholder comments channel: Finance Division Chang, Yung-Chieh (3) Employee comments: Human Resource Department Chang, Yung-Hui 2. The Company provides adequate information for correspondent financial institutions and creditors, arranges smooth communication channels for the employees, and discloses the information on acquisition and disposal of assets, endorsements, guaranteed, etc. on the website of the stock exchange, helping stakeholders inquire adequate information to make judgment and protect their rights.	None
VI. Does the Company commission a professional stock service agent to deal with the matters of shareholders meetings?	V		The Company commissions the Register Agency Department of Capital Securities Corporation to deal with the matters of shareholders meetings.	None
VII. Disclosure of information				
(I) Has the Company established a website for disclosure of finance, business, and corporate governance information?	V		(I) The Company has designated responsible personnel for the collection and disclosure of the Company's information. They disclose the information on the finance, business and corporate governance of the Company on the MOPS and our website.	None
(II) Has the Company adopted other means to disclose information (e.g., English website, designation of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, disclosure of investor conferences on the Company's website)?	V		(II) The Company has set up the shareholder contact and spokesman sections on the website to disclose the information that may affect the shareholders and stakeholders and give replies thereabout.	None
(III) Has the Company announced and reported annual financial reports within two months after the end of a fiscal year, and announced and reported Q1, Q2, Q3 financial reports and the operating status of each month in advance of the prescribed deadline?		V	(III) The Company has not announced and reported annual financial statements within two months after the end of a fiscal year, or announced and reported Q1, Q2, Q3 financial statements and the operating status of each month in advance of the prescribed deadline.	None
VIII. Does the Company have other information that enables a	V		1. The Company always treats employees in good faith and protect	None

Assessment item	Operation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for such deviations
	Yes	No	Summary	
better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors/supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and insuring against liabilities of Company's directors and supervisors)?			their legal rights according to laws and regulations. The Company has established a complete employee welfare system and a good education and training mechanism. By doing so, we have established a good relationship with the employees. 2. The Company established the human rights policy in March 2019 to protect the rights of the employees. 3. The company sends emails from time to time or in meetings with the board of directors provides directors with relevant regulations revised by the securities regulatory authorities for reference, so that directors can understand the latest laws and regulations in real time. 4. The continuing education of directors is reported to the MOPS pursuant to laws and regulations. 5. Company renewed the liability insurance for the directors.	
IX. Please describe the improvements made based on the latest corporate governance evaluation result announced by the Corporate Governance Center of TWSE in the most recent year, and the prioritized improvements and measures for the areas to be improved. (There is no needed to be described for the companies that are not included in the evaluation) (I) The result of the 11th corporate governance evaluation in 2024 and the ranking range: 36%~50%. (II) Explanation of improvement status: - Company website/ investor section/corporate governance/implementation status of insider trading prevention: Communication with stakeholders during the education and training course over the issues that they are concerned about. - According to the "Roadmap for the Sustainable Development of Listed Companies" announced by the Financial Supervisory Commission on March 2022, we are a company having a paid-in capital of less than NT\$ 5 billion and shall be subject to the greenhouse gas inventory at the third phase (i.e. completion of the GHG inventory in 2027 and the GHG verification in 2029). The subsidiaries shall carry out the procedure in line with the parent company (i.e. completion of the GHG inventory in 2025 and the GHG verification in 2027). The reference guides and relevant regulations promulgated by the competent authority shall be observed and a report of the implementation status shall be continuously submitted to the Board of Directors on a quarterly basis. - In 2025, the status of GHG inventory implementation was reported to the Board of Directors on a quarterly basis (Board meeting dates: March 13, May 12, August 11, and November 10) - Completed the 2024 GHG inventory and verification in 2025. - Since 2023, the Audit and Risk Committee supervised risk management, formulated risk management policies and procedures approved by the board of directors, disclosed the risk management organizational structure, risk management procedures and operations, and reported to the Board of Directors at least once a year. - Established the risk management policy and procedures approved by the Board of Directors in August 2023. - Reported the implementation status of risk management to the Board of Directors in November 2024. - Reported the implementation status of risk management to the Board of Directors in November 2025. - Completed the preparation of the 2024 Sustainability Report in 2025				

(IV) Composition, responsibilities and operation of the Remuneration Committee:

The Board of Directors has approved the setup of the Remuneration Committee, the members of which shall be subject to the resolution of the Board of Directors. It is mainly responsible for the establishment and regular review of the policies, systems, standards and structures of the performance evaluation and remuneration of directors and managerial officers, and submission of its suggestions to the Board of Directors for discussion.

1. Profiles of the Remuneration Committee members:

December 31, 2025

Criteria		Professional qualification and experience	Independence	Number of other public companies where the member also serves in a remuneration committee
Member Type				
Name				
Independent Director Convener	Yu, Jui-Te	Refer to the information on directors (2) on page 12~14	Refer to the information on directors (2) on page 12~14	1
Independent Director	Hung, Jui-Bin			1
Independent Director	Chen, Shun-Fa			1

2. Operation of the Remuneration Committee

- (1) The Remuneration Committee of the Company was founded on December 23, 2011. It is comprised of 3 members.
- (2) Duration of service: From June 13, 2023 to June 15, 2026. The Remuneration Committee held 3 meetings (A) in the most recent year. The qualifications and attendance of the Committee members are described below:

Title	Member Type	Name	Actual number of presence (B)	Number of presence by proxy	Actual presence rate (%) (B/A)	Remarks
Convener	Independent Director	Yu, Jui-Te	2	1	67%	06.13.2023 Re-elected
Member	Independent Director	Hung, Jui-Bin	2	1	67%	06.13.2023 Re-elected
Member	Independent Director	Chen, Shun-Fa	3	0	100%	06.13.2023 Re-elected

Other matters to be stated:

- I. If the Board of Directors does not adopt or revise the suggestions of the Remuneration Committee, the date, term and proposal of the Board of Directors meeting, the Board of Directors resolution and actions taken by the Company on the Remuneration Committee's opinions shall be specified (if the amount of remuneration adopted by the Board of Directors is higher than that suggested by the Remuneration Committee, the differences and reasons must be indicated): None.
- II. For any resolution of the Remuneration Committee for which dissent or reservation is expressed by any of the members and recorded in the minutes or a written statement, the date, term and proposal of the Remuneration Committee meeting, opinions of all members and actions taken on such opinions shall be specified: None.
- III. Operation
 1. The first annual meeting was held on March 13, 2025.
 Proposal 1: Regular assessment of the remuneration to the managerial officers of the Company.
 All the present members approved the proposal by clapping when the chairperson asked for their

opinions.

2. The second annual meeting was held on May 12, 2025.

Proposal 1: Regular assessment of the remuneration to the managerial officers of the Company.

Proposal 2: Proposal to amend the Organizational Charter of the Company's Remuneration Committee.

All the present members approved the proposal by clapping when the chairperson asked for their opinions.

3. The third annual meeting was held on November 10, 2025.

Proposal 1: Definition of the scope of entry-level employees of the Company.

All the present members approved the proposal by clapping when the chairperson asked for their opinions.

Note: The actual presence rate (%) shall be calculated based on the number of the Remuneration Committee meetings and the actual number of the presence during the period on board.

(V) Implementation status of sustainable development, deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations

Implementation Item	Implementation status			Deviations the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons								
	Yes	No	Summary									
I. Does the Company have a governance structure that promotes sustainable development and have a dedicated (concurrent) unit for the task of sustainable development promotion? Does the Board of Directors of the Company authorize the top management to handle relevant matters? How does the Board of Directors conduct supervision?	V		1. The highest parent company, Yem Chio Co., Ltd., established the Group Energy-Saving and Carbon-Reduction Team under ESG in June 2021. The Chairman acts as the convener of the team and Yem Chio Distuibution is one of the team members. 2. Implementation status in 2025: <table><tr><th>Work item</th><th>Time to report to the Board of Directors</th></tr><tr><td>I. Report the planning schedule 1. Report the planning schedule of the parent company 2. Report the planning schedule of the Group (including subsidiaries)</td><td>May 3, 2022 March 13, 2023</td></tr><tr><td>II. Establish the number of the dedicated (concurrent) unit and personnel to be set up, and the scope of their duties</td><td>August 9, 2022</td></tr><tr><td>III. Establish detailed implementation schedule for each item, including introduction of a counseling unit, definition of the inventory boundary, identification of the emission sources, and determination of the disclosure category. 1. ESG information disclosure and reporting 2025 (self-inventoried) a. Scope of Inventory: Category 1, Category 2 and Category3-6 b. GHG emissions (tCO2e/year): 34.7531 (note) c. Having passed external verification or not: Not Note 1: The organizational boundary is defined as the headquarters (Taishan) and Master Package Shanghai. Note 2: The scope for 2025 includes the headquarters and Master Package Shanghai (electricity emission factor: 0.424 kg CO2e/kWh). 2024 (inventory and verification) a. Scope of Inventory: Category 1, Category 2 and Category3-6</td><td>November 8, 2022 May 8, 2023 August 10, 2023 November 9, 2023 March 5,2024 May 10, 2024 August 6, 2024 November 11, 2024 March 13,2025 May 12, 2025 August 11, 2025 November 10, 2025</td></tr></table>	Work item	Time to report to the Board of Directors	I. Report the planning schedule 1. Report the planning schedule of the parent company 2. Report the planning schedule of the Group (including subsidiaries)	May 3, 2022 March 13, 2023	II. Establish the number of the dedicated (concurrent) unit and personnel to be set up, and the scope of their duties	August 9, 2022	III. Establish detailed implementation schedule for each item, including introduction of a counseling unit, definition of the inventory boundary, identification of the emission sources, and determination of the disclosure category. 1. ESG information disclosure and reporting 2025 (self-inventoried) a. Scope of Inventory: Category 1, Category 2 and Category3-6 b. GHG emissions (tCO2e/year): 34.7531 (note) c. Having passed external verification or not: Not Note 1: The organizational boundary is defined as the headquarters (Taishan) and Master Package Shanghai. Note 2: The scope for 2025 includes the headquarters and Master Package Shanghai (electricity emission factor: 0.424 kg CO2e/kWh). 2024 (inventory and verification) a. Scope of Inventory: Category 1, Category 2 and Category3-6	November 8, 2022 May 8, 2023 August 10, 2023 November 9, 2023 March 5,2024 May 10, 2024 August 6, 2024 November 11, 2024 March 13,2025 May 12, 2025 August 11, 2025 November 10, 2025	None
Work item	Time to report to the Board of Directors											
I. Report the planning schedule 1. Report the planning schedule of the parent company 2. Report the planning schedule of the Group (including subsidiaries)	May 3, 2022 March 13, 2023											
II. Establish the number of the dedicated (concurrent) unit and personnel to be set up, and the scope of their duties	August 9, 2022											
III. Establish detailed implementation schedule for each item, including introduction of a counseling unit, definition of the inventory boundary, identification of the emission sources, and determination of the disclosure category. 1. ESG information disclosure and reporting 2025 (self-inventoried) a. Scope of Inventory: Category 1, Category 2 and Category3-6 b. GHG emissions (tCO2e/year): 34.7531 (note) c. Having passed external verification or not: Not Note 1: The organizational boundary is defined as the headquarters (Taishan) and Master Package Shanghai. Note 2: The scope for 2025 includes the headquarters and Master Package Shanghai (electricity emission factor: 0.424 kg CO2e/kWh). 2024 (inventory and verification) a. Scope of Inventory: Category 1, Category 2 and Category3-6	November 8, 2022 May 8, 2023 August 10, 2023 November 9, 2023 March 5,2024 May 10, 2024 August 6, 2024 November 11, 2024 March 13,2025 May 12, 2025 August 11, 2025 November 10, 2025											

			b. GHG emissions (tCO2e/year): 37.5558 (note) c. Having passed external verification or not: Yes Note: The organizational boundary is defined as the headquarters and Master Package Shanghai. 2. In alignment with the progress of the parent company of the Group. (1) Planning, selection, guidance, and external verification of the certification body were initiated in mid-2024. (2) The selection process was completed in December 2024, and the consulting and verification firms were confirmed. (3) The first training session was completed in January 2025 (4) Emission source identification was completed in February 2025. (5) The inventory list was completed in April 2025. (6) Activity data collection was completed in June 2025. (7) Internal audit was conducted in July 2025. (8) External ISO 14064-1 verification was conducted by an external consulting firm in October 2025. (9) External ISO 14064-1 verification was completed by an external verification body in November 2025.		
			IV. Establish talent training, strategic goals, control mechanisms, internal verification and external validation, GHG inventory, and report planning. 1. In alignment with the progress of the parent company of the Group: (1) The ISO 14064-1 GHG inventory was initiated in January 2025. (2) External ISO 14064-1 verification was conducted by an external consulting firm in October 2025. (3) External ISO 14064-1 verification was completed by an external verification body in November 2025.	November 9, 2023 March 5, 2024 May 10, 2024 August 6, 2024 November 11, 2024 March 13, 2025 May 12, 2025 August 11, 2025 November 10, 2025	

V. Completed the inventory and verification (including issuance of the GHG inventory report) Completed the 2024 GHG inventory and verification (including issuance of the GHG inventory report) in accordance with ISO 14064-1 requirements. <table><tr><td></td><td></td><td> GHG inventory (ISO14064-1) </td></tr><tr><td>Company</td><td>Category</td><td>2024</td></tr><tr><td rowspan="4">Yem Chio Distribution ~ 6</td><td>Category 1</td><td>1.0291</td></tr><tr><td>Category 2</td><td>22.9556</td></tr><tr><td>Category 3</td><td>13.5711</td></tr><tr><td>Total</td><td>37.5558</td></tr></table> Note: The scope for 2024 includes the headquarters and Master Package Shanghai (electricity emission factor: 0.474 kg CO2e/kWh).			GHG inventory (ISO14064-1)	Company	Category	2024	Yem Chio Distribution ~ 6	Category 1	1.0291	Category 2	22.9556	Category 3	13.5711	Total	37.5558	May 12, 2025 August 11, 2025 November 10, 2025
		GHG inventory (ISO14064-1)														
Company	Category	2024														
Yem Chio Distribution ~ 6	Category 1	1.0291														
	Category 2	22.9556														
	Category 3	13.5711														
	Total	37.5558														
VI. Carry out the internal and external verification. Completed in November 2025	May 12, 2025 August 11, 2025 November 10, 2025															

1. Yem Chio Distribution (Taishan)'s electricity consumption of 112,134 kWh of 2025; a decrease of 5,758 kWh (4.88%) compared with the 2024 (117,892 kWh).

2. Implementation status in 2025: (Continued from the implementation status in 2021)

(1) The Group Energy-Saving and Carbon-Reduction Team is the highest decision-making unit for promotion of the sustainable development. It was established in June 2021.

(2) Specific goal: A reduction of the energy consumption by 30% within 5 years from May 2021.

Increase (decrease) in actual energy conservation rate in each year compared with the previous year

2022 -2.24%

2023 -37.2%

2024 -8.9%

2025 +4.9%

(3) The duties of the energy managers of the plants:

a. Form a cross-department energy-saving team among the

			plants. b. Plan, summarize and raise energy-saving plans (including energy information and assessment of energy-saving benefits). c. Implement the energy-saving plans of each department. d. Follow up the energy-saving plans. e. Participating in energy-saving meetings. f. Operation: Submit an energy-saving report every month and review energy-saving effectiveness.	
II. Does the Company conduct risk assessment for environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company established an energy-saving team related to the environment in 2021 to ensure implementing the energy-saving policies of the Company to reduce carbon emissions. Goal: A reduction of the energy consumption by 30% within 5 years from May 2021. Ongoing implementation of energy conservation measures.: Replacement with LED lamps, attachment of timers to water dispensers, and automatic sensing devices installed in parking areas.	None
III. Environmental issues				
(I) Does the Company have an appropriate environmental management system established in accordance with its industrial characteristics?	V		(I) The Company is not a manufacturing business. Rather, the Company is only engaged in the purchase and sale of packaging materials, and is dedicated to the application and observance of the assessment items related to the environmental issues, in addition to the implementation of the ESG systems and policies of the Group.	None
(II) Is the Company dedicated to enhancing energy efficiency and using recycled materials with low impact on the environment?	V		(II) The Company uses low-carbon green products and transport approaches, and delivers low-carbon products and services to the customers.	None
(III) Does the Company assess the current and future risks and opportunities which climate change potentially brings to the Company and adopt corresponding measures?	V		(III) The extent of the effect or impact that greenhouse gas emissions bring about to the Company: 1. The risk of the Company in the laws and regulations related to the climate change Laws and regulations on greenhouse gas emissions have been established domestically and internationally in the circumstances of climate change and global warming. Though the Company does not belong to the “First Batch of Greenhouse Gases Emission Sources” announced by the Environmental Protection Administration, Executive Yuan, we continue to be dedicated actively to the R&D with respect to the sustainable development issues in the economic, environmental and social respects. We place	None

			importance on the protection of the environment on this planet, energy management, and human health and safety. For these, we enhance the environmental protection of the packaging material channels using green designs to mitigate the impact on the environment and protect the Earth. 2. The substantial risk of the Company in the climate change The climate change brought about by the greenhouse gases has direct or indirect effect on the rising operating expenses of a company. For example, power failure or flood may affect the normal operation of the business bases, or natural disasters may cause traffic interruption and products cannot be delivered to the customers in time as a result, or even the upstream suppliers cannot produce normally and the shipment may be delayed. 3. The opportunity that the climate change brings to the Company The total greenhouse gas emissions can be identified by conducting greenhouse gas inventories. This is helpful for the identification of the hot spots of the energy consumption in a company in order to develop corresponding carbon-reduction strategies.																
(IV) Does the Company make statistics of the greenhouse gas emissions, water consumption and total waste weight in the past two years? Does the Company have policies for the reduction of greenhouse gas emissions and water consumption or other waste management policies?	V	(IV) Greenhouse gas emissions (direct and indirect)	(1) GHG emissions in the past two years <table><tr><th></th><th>2025(Internal GHG inventory)</th><th>2024(Upon verification)</th></tr><tr><td>Category 1</td><td>4.0398</td><td>1.0291</td></tr><tr><td>Category 2</td><td>21.9548</td><td>22.9551</td></tr><tr><td>Category 3-6</td><td>8.7585</td><td>13.5716</td></tr><tr><td>Total</td><td>34.7531</td><td>37.5558</td></tr></table> The organizational boundary is defined as the headquarters and Master Package Shanghai. 2025 Inventory scope: Category 1 and Category 2 GHG emissions (tCO₂e/year): <u>34.7531</u> Intensity: 0.0182 (tCO₂e/NT\$ million) 2024(Upon verification) Inventory scope: Category 1 and Category 2 GHG emissions (tCO₂e/year): <u>37.558</u> Intensity: 0.026 (metric tons CO₂e/NT\$ million)		2025(Internal GHG inventory)	2024(Upon verification)	Category 1	4.0398	1.0291	Category 2	21.9548	22.9551	Category 3-6	8.7585	13.5716	Total	34.7531	37.5558	None
	2025(Internal GHG inventory)	2024(Upon verification)																	
Category 1	4.0398	1.0291																	
Category 2	21.9548	22.9551																	
Category 3-6	8.7585	13.5716																	
Total	34.7531	37.5558																	

(2) Water consumption and total weight of waste: The Company is not a manufacturer, and only engages in the trading and distribution of packaging materials. Therefore, the information on water consumption or total weight of waste is not material to the Company in terms of environmental protection.

Water consumption:

Year	2025	2024
Water consumption (ton/year)	936	502
Percentage of water consumption (%)	100%	100%

1. The strategies, methods and goals of the Company for management of greenhouse gases
 - 1.1 As for the strategies in response to the climate change or greenhouse gas management, the Company will continue to implement energy-saving and carbon-reduction, input more resources in the green design and R&D, reduce greenhouse gas emissions, and enhance the environmental and green management of the suppliers.
 - 1.2 The goals of the Company in the reduction of the greenhouse gas emissions
The Company established an energy-saving and carbon-reduction team on May 19, 2021 and set the goal to reduce energy consumption by 30% within 5 years from 2021. Every single contribution and action of the employees will have an effect in the improvement of the environment.
 - 1.3 The budget and plan of the Company for the reduction of the greenhouse gas emissions
 1. Form an energy-saving and carbon-reduction team to implement these aspects systematically.
 2. Invite instructors specialized in the field of energy-saving to give lectures for the Company.
 3. Employ energy-saving advisers to hold energy-saving and carbon-reduction meetings on a regular basis, or conduct on-site investigation of the systems at the plant for improvement of the current situation or provision of suggestions for the improvement.
 4. Post posters and conduct regular dissemination of energy-saving and carbon-reduction to reduce greenhouse gas emissions indirectly.
 5. Request the managers to conduct dissemination and

			enhance energy-saving and carbon-reduction management measures actively within the scope of their responsibilities. 6. Ensure the carbon-reduction effect that the products or services of the Company bring to the customers. The Company actively participates in the activities related to the green environmental protection business, and introduces the awareness in the products, services, and concepts.	
IV. Social issues				
(I) Does the Company have management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		(I) In addition to having established the code of services and ethics for the employees, the Company established the human rights policy in March 2019 to protect the rights of the employees. The Company also observe international human rights conventions for this purpose.	None
(II) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits)? Is the operating performance or results properly reflected in the remuneration for employees?	V		(II) The Company has established the performance bonus distribution regulations for sales personnel, and properly reflected the operating performance or results in the remuneration for the employees. Reasonable employee welfare measures are available (e.g. employee travel subsidies, bonuses for three traditional festivals, and birthday bonuses). 2025 (1) Childcare allowance was extended for another year. (2) Monthly meetings were expanded throughout Taiwan to hold education and training. (3) Employee travel subsidies, bonuses for three traditional festivals, birthday bonuses	None
(III) Does the Company provide employees with a safe and healthy work environment, and regularly provide them with safety and health education?	V		(III) The Company has provided employees with a safe and healthy work environment, and regularly provide them with safety and health education. 1. Disinfection for environmental vector (e.g. flea, mosquito and fly, cockroach etc.) control at the workplace is conducted in the summer every year. 2. Health checkup is provided for the employees twice a year. Follow-up management and promotion of the health are conducted based on the result of the health checkup. Date of the last health checkup: October 9, 2025. 3. A “proposal for improvement” system is implemented to enhance the improvement of the work environment and the safety of the employees. 4. There was no fire in 2025, and the number of incidents was	None

(IV) Does the Company have effective programs for development and training regarding employees' career skills?	V	0, so there were no casualties or ratio of casualties to the total number of employees. (IV) Yes. Corresponding courses are arranged for new employees, regular employees, middle and top management to develop their career skills. Education and training implementation status in 2025 1. Conducted on February 7, 2025. "AI-Enabled Automated Office Workflows," through which employees become familiar with AI and ChatGPT and are able to practically integrate them into their work. The course totaled 6 hours, with 42 participants, and total training hours reached 252 hours. 2. Conducted on March 19, 2025. "Essential Work Guidance for Managers and Employee Individual Development Plans" training course, totaling 4 hours, with 55 participants, and total training hours reaching 220 hours. 3. Conducted on March 21, 2025. "Key Concepts for Fraud Prevention Awareness," featuring a lecture delivered by the Chief of the Tanmei Precinct of the Taipei City Police Department and his team to help employees understand current fraud methods and case studies, strengthen fraud awareness, and enhance vigilance. The session lasted 1.5 hours, with 20 participants, and total training hours reached 30 hours. 4. Conducted on April 11, 2025. "AI-Integrated Excel Data Organization Techniques," enabling employees to understand how to leverage AI with Excel to improve office efficiency. The course totaled 6 hours, with 76 participants, and total training hours reached 456 hours. 5. Conducted on April 25, 2025, in both online and offline formats. "AI Workplace Productivity Tools Practical Training" course, through which employees gained an understanding of how AI tools can support office workflows. The course totaled 6 hours, with 66 participants, and total training hours reached 396 hours. 6. Conducted on May 15, 2025. "Mid-Level Core Team Consensus Workshop," enabling management personnel to enhance management practices, learn how to interact with the new generation of subordinates, and build trust to lead them. The session totaled 3 hours, with 22 participants, and total training hours reached 66 hours. 7. Conducted on June 18-19, 2025. "RPA Made Easy: Building Automated Office Workflows with Power Automate," totaling 12 hours, with 46 participants, and total training hours reached	None
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(V) Does the Company conduct an employee satisfaction survey on a regular basis and disclose how they are conducted or if there is any improvement plan?	V	552 hours. 8. Conducted on June 13 & 25, 2025. "Workplace Unlawful Infringement Awareness Seminar," enabling employees to clearly understand the definition of unlawful infringement and how to respond if such situations occur. The session totaled 3 hours, with 51 participants, and total training hours reached 153 hours. 9. Conducted on July 24, 2025. "Analysis of Global Economic and Financial Developments," enabling managerial staff to understand global economic trends for the year and stay informed on financial developments. The session totaled 3 hours, with 70 participants, and total training hours reached 210 hours. 10. Conducted on July 25, 2025. "Mid- to Senior-Level Management Cultural Consensus Camp," enabling managerial staff to gain new experiences and perspectives on corporate culture and shared values, and to broaden their thinking across different dimensions. The session totaled 8 hours, with 70 participants, and total training hours reached 560 hours. 11. Conducted on August 12, 2025. "Preparing for the Unexpected: Business Continuity Management," enabling mid- to senior-level management and directors and supervisors to gain a deeper understanding of how enterprises can achieve stable and sustainable operations. It took 3 hours and attracted 23 participants, totaling 69 training hours. 12. On August 29, 2025, a "New Employee Seminar including President Q&A and Team Communication for Mutual Success" was held. A total of 45 new employees of the Group in the first half of the year gathered to learn about the Group's development history, corporate culture, and vision and objectives. Team collaboration and communication courses were also arranged to help new employees adapt to the culture as early as possible. It took 7 hours and attracted 45 participants, totaling 315 training hours. (V) Yes, the Company values the voice of employees and continues to move toward a people-oriented, happy enterprise. Each year, anonymous questionnaires are used to conduct multi-dimensional satisfaction surveys to enhance the authenticity of feedback and the response rate. The following is a summary of the 2025 survey, covering the management questionnaire, education and training, and corporate events, to evaluate the satisfaction of employees with the management system, career development, and corporate culture.	None
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			[Satisfaction Survey] 67 questionnaires were recovered during this survey to reach a 42% recovery rate. The results showed that employees had recommendations on how the Company's managers lead and manage, and provided feedback on their leadership style, decision-making, communication efficiency and care for employees. All feedback was provided to the managers involved for examination and discussion. The Company made improvements accordingly, including strengthening training for managers' leadership, improving decision-making execution, and optimizing the internal communication mechanism to promote understanding and trust between managers and employees. [Education and training] A total of 14 courses were organized during the year, with a total of 70 attendees. 55 training satisfaction questionnaires were recovered with a recovery rate of 78%. In response to the AI era, the Company, in addition to continuously strengthening leadership, management, and communication training, has placed greater emphasis on AI-related courses to better align with employees' business needs and enhance workplace competitiveness. The survey results show that employees are generally satisfied with the training planning and arrangements for the year. [Corporate Events] One large-scale corporate family day was held throughout Taiwan during the year. A total of 156 employees and their dependents attended the event. A total of 98 questionnaires were collected with a 62% response rate. Upholding a people-oriented philosophy, the Company has, based on employee feedback, transitioned from hosting events separately in different locations to organizing integrated events across Taiwan, while incorporating a Group-wide family-oriented concept and atmosphere, allowing employees to share time with their families and enhancing cohesion. The survey on satisfaction showed that employees were satisfied with the arrangements for activities, and they appreciated the Company's emphasis on employee benefits and communication opportunities. In the future, the Company will continue to organize diverse activities, deepen corporate culture, and continuously create a sense of well-being for employees. The Company recognizes that employees' physical and mental well-being, as well as their learning and development, contribute to team atmosphere and work efficiency. Continuous employee care can drive organizational development. Going forward, the Company will continue to listen to employees' voices, incorporate feedback into management	
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(VI) With respect to the issues related to products and services, such as customer health and safety, customer privacy, marketing and labeling, does the Company conform to the relevant regulations and international standards and establish the relevant rights protection policies and complaint procedures for the consumers or customers? (VII) Does the Company have a supplier management policy that requires suppliers to comply with the regulations concerning environmental protection, occupational safety and health or labor rights? What's the status of its implementation?	V V		decisions and employee care initiatives, and continuously optimize the work environment and corporate culture. (VI) Yes. The complaint procedure for consumers has been disclosed on the website. (VII) We request major suppliers to sign the “Commitment to Corporate Social Responsibility”. Whenever any illegal hazardous substances are identified in the raw material of the manufacturer, the procurement department is requested to send a letter to the supplier and ask it to make improvement immediately. If the supplier fails to make the improvement accordingly, the agreement may be terminated immediately or non-hazardous substances will be used as a substitute.	None None
V. Does the Company use internationally accepted standards or guidelines as a reference for preparation of the Corporate Sustainability Report and other reports disclosing non-financial information of the Company? Are assurance or guarantee opinions from any third-party verifying agent acquired for the aforementioned reports?		V	Starting from 2025, all TWSE/TPEX listed companies shall prepare and submit a sustainability report for the previous year by August 31 of each year. The Company has complied with the regulations. The Chinese and English sustainability reports prepared for 2024 have been published on the Company's website. https://www.ycdist.com/InvestorListReport.php#ethicaldiv8 The aforementioned report has not obtained assurance or verification opinions from a third-party assurance provider	None
VI. In the event that the Company has established sustainable development best practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the differences between the implementation and the established principles: There is no difference.				
VII. Other information that enables a better understanding of the Company's promotion of sustainable development: 1. The Company always treats employees in good faith and protect their legal rights according to laws and regulations. The Company has established a complete employee welfare system and a good education and training mechanism. By doing so, we have established a good relationship with the employees. 2. The human rights policy was established in March 2019 to protect employee rights, and was revised in 2025 and simultaneously published on the Company's website. https://www.ycdist.com/AboutCompany.php 3. The Company provides the regulations amended by the competent securities authority to the directors for reference in a timely manner to help them understand the latest regulations as soon as possible. 4. Since June 2019, directors' liability insurance has been purchased annually and renewed each year, with the renewal for the next policy year completed in June 2025.				

VIII. Climate related information of TWSE/TPEX listed companies

1. Implementation status of climate-related information

Item	Implementation status
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	YEM CHIO GROUP, to which the company belongs, formally established the “CSR Corporate Social Responsibility Committee” in the fourth quarter of 2017 (renamed ESG Committee in 2021). The chairman of the board serves as the top person in charge and instructs the heads of each company in the group to lead the relevant departments under their jurisdiction to plan and implement various corporate sustainable development strategies and projects. The board of directors is held regularly every year, and the performance, impact assessment, and progress of achieving sustainability goals on ESG and climate change-related issues are reported at the meeting. • Establish a cross-departmental climate change risk working group, responsible for identifying climate risks and assessing and responding to climate impacts within each area of responsibility. • The highest person in charge of climate issues at the management level is the chairman of the board, who leads first-level managers to implement climate change-related management work and reports to the board of directors. • The top executive of the business group serves as the convener, promoting green operations to improve environmental management performance and environmental risk control, identifying major risks and discussing relevant countermeasures with each business unit of the company.
2. Describe how the identified climate risks and opportunities will affect the Company's business, strategy, and finances (in the short, medium, and long term).	The impact of climate risks and opportunities on the company’s business and strategies: • Declining demand for plastic packaging materials The heightened environmental awareness of climate change has increased consumer demand for green recyclable products, and it is expected that the market for traditional plastic packaging materials may decrease year by year. • Cost increases Physical risks caused by climate change, such as extreme weather, rising sea levels, and changes in ecosystems, will lead to production interruptions, increased logistics costs, and rising operating costs. These increased costs will have a direct impact on the profitability of enterprises. • Production transformation risks Transformation risks arise from changes in market demand, technological innovation and rising social expectations. This part may cause enterprises to face severe challenges such as operational restrictions, fines and penalties, loss of market share, and damage to brand image. Preventive solutions: • Optimize logistics management: 1. Optimize transportation routes and logistics management to reduce transportation mileage and carbon footprint: Through precise optimization of transportation routes and logistics processes, transportation miles and carbon footprints are reduced, thereby improving transportation efficiency. 2. Adopt combined transportation and shared logistics strategies: Use combined transportation and shared logistics strategies to reduce transportation costs and effectively reduce energy consumption to achieve the goal of sustainable development of green

	logistics. 3. Adopt intelligent route planning and real-time monitoring: Introduce intelligent route planning and real-time monitoring systems to improve transportation efficiency, achieve real-time monitoring and adjustment, and reduce energy waste. • Promote green packaging materials 1. Packaging material recycling and reuse: Actively support packaging material recycling programs and participate in recycling activities with customers and supply chain partners. At the same time, it promotes packaging reuse solutions, including recycling and reprocessing packaging materials for reuse. 2. Promote packaging material recycling program: Cooperate with local governments or recycling organizations to jointly establish packaging material recycling programs to increase the reuse rate of packaging materials and promote the development of a circular economy. • Promote new product projects for plastic reduction packaging materials: 1. Design plastic-reduced packaging based on product characteristics: Based on product characteristics, formulate a plastic-reducing packaging plan to reduce the amount of material used while meeting the needs of product protection. 2. Design lightweight materials: Use lightweight material design to reduce energy consumption during transportation and reduce environmental impact. • Business cooperation: 1. Cooperate with supply chain partners: Work closely with supply chain partners to jointly promote green packaging materials and logistics and establish a green supply chain. 2. Cooperate with other businesses, NGOs and governments: Cooperate with other companies, NGOs, and governments to participate in sustainable development projects and share best practices and experiences to promote the improvement of green packaging materials and logistics standards throughout the industry. • Establish an environmentally friendly brand image: Participate in corresponding green certification programs to demonstrate the company's commitment to environmental protection, strengthen the company's environmental image, and increase brand awareness. • Execute education and awareness activities: 1. Promote the advantages of green packaging materials to employees and customers: Through publicity activities, we introduce the advantages of green packaging materials to employees and customers, increase environmental awareness, and promote the use of green products. 2. Provide employees with business sales training on environmentally friendly packaging materials: Employees are provided with business sales training on environmentally friendly packaging materials so that they can effectively respond to the needs of brands and end customers. • Introduction of green energy:
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	1. Use renewable energy: Use renewable energy sources, such as solar energy, to reduce reliance on traditional energy sources. 2. Implement energy conservation measures: Reduce energy waste and improve energy utilization efficiency. Impact of climate risks and opportunities on the Company's financials: The Company has formulated relevant response plans for the identified risks and opportunities. Taking carbon fees as an example, it is expected that operating costs will gradually increase due to price increases, resulting in a decline in profits. Therefore, the company has set a net-zero emission target and actively promotes greenhouse gas reduction plans to reduce potential financial impacts.
3. Describe the financial impact of extreme climate events and transformational actions.	• Due to extreme weather such as typhoons, heavy rains, and floods, business locations are faced with power outages, traffic interruptions, equipment damage, etc., resulting in chain interruptions, affecting the company's operations and customer rights and interests, and their potential financial impact. Assuming that operations are interrupted for one day due to the occurrence of extreme weather, and taking into account future revenue growth, the potential financial impact that a one-day operation interruption would account for approximately 0.41% of annual revenue. • In addition, the cost of transitioning to a low-carbon economy is assessed based on major projects. The company's replacement of its logistics fleet and the promotion of the development of electric vehicles to replace coal-fired vehicles will lead to an increase in operating costs. Calculated based on a one-time replacement of electric trucks, the potential financial impact accounts for approximately 0.92% of annual revenue. • The major climate risks faced by the company mainly come from the requirements of important stakeholders, such as clients and investors, for corporate greenhouse gas reduction and compliance with product energy efficiency standards. While the opportunities brought by climate change mainly appear in the product and service oriented, the company's diversified products that resonate with sustainable trends are expected to receive supportive policy incentives, and it can respond to market demand and develop new markets with energy-saving and carbon-reducing products and services. • Main transformation risks: In order to cope with the risks of changes in relevant legal compliance and green standards, the Company actively responds to relevant international norms and reduces renewable energy cost risks. We actively conduct research and development on green design and help customers reduce costs and improve efficiency with high energy conversion rates and low-carbon product portfolios. • Main physical risks: In order to reduce the impact of natural disasters, relevant units have successively invested in energy-saving and water-saving facilities, strengthened the recycling of energy resources, and extended insurance to relevant coverage. At the same time, they have formulated emergency response plans to reduce the risk of disasters causing operating losses. • Main climate opportunities: The company's long-term focus on sustainability has laid a solid foundation, and it has maintained close, trusting relationships with customers for many years. It actively uses core technologies in light and electricity and invests in development based on market demand. Therefore, when the sustainability wave rises, there will be opportunities to gain priority from customers among a wide range of green products and solutions and increase revenue.

4. Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system.	• The company's management team collects the future climate development trends of external markets, regulations, technologies and entities, lists the climate risks and opportunities that the company may face, and identifies major climate risks and opportunities after considering the degree of impact and likelihood of occurrence. Then we convert relevant climate risks into financial numbers, treat projects that may cause financial impact as influential risks and opportunities, prioritize them according to their risk likelihood and severity, and formulate corresponding countermeasures. For risks with higher assessment results, additional climate scenario analysis will be conducted to consider the current operational deployment and calculate its potential financial impact. • After identifying the main risks, we discuss relevant countermeasures with the heads of the company's business departments and report relevant risk assessments to the Risk and Audit Committee for supervision. The convener of the risk and audit committee regularly reports to the board of directors based on the risk management and assessment results. • Incorporate the impact of climate change into major issues and key risk projects for corporate sustainable development, implement risk management plans, and plan various response measures in operations, products, and supply chain management.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained.	The Company has not used scenario analysis to assess resilience to climate change risks.
6. If there is a transition plan to address climate-related risks, describe the content of the plan and the indicators and objectives used to identify and manage physical and transition risks.	The Company has not yet established a transformation plan for climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting prices should be stated.	The Company has not yet used carbon pricing as a planning tool.
8. If there are climate-related targets, they should state the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of achieving each year. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant target, the source and amount of carbon reduction credits or the number of RECs should be stated.	The company is committed to improving the energy resource efficiency of itself and its customers, and has set a short-term goal to reduce energy consumption by 30% within five years starting from May 2021. Energy saving and carbon reduction management goals Taking 2020 as the base year, aiming to reduce the unit energy consumption by 30% in 2025
9. Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).	Please specify: 1-1 Company greenhouse gas inventory and assurance in the last two years 1-2 Greenhouse gas reduction goals, strategies and specific action plans

1-1 Company greenhouse gas inventory and assurance in the last two years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million) and data coverage of greenhouse gases in the past two years.

2025
Greenhouse gas emissions (metric tons CO₂e): 34.7531
Intensity: 0.0182 (metric tons CO₂e/NT\$ million)
Data coverage: Category 1, Category 2, and Category 3-6

2024(Upon verification)
Greenhouse gas emissions (metric tons CO₂e): 37.5558
Intensity: 0.026 (metric tons CO₂e/NT\$ million)
Data coverage: Category 1, Category 2, and Category 3-6

- Note 1: Direct emissions (Scope 1, that is, directly from emission sources owned or controlled by the company), indirect energy emissions (Scope 2, that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and other indirect emissions (Scope 3, i.e., emissions generated by company activities, are not indirect emissions from energy, but come from emission sources owned or controlled by other companies).
- Note 2: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the timetable specified in the order specified in Paragraph 2 of Article 10 of these Guidelines. Other indirect emissions information may be disclosed voluntarily.
- Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).
- Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NT\$ million) should be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status in the last two years as of the publication date of the annual report, including scope of assurance, assurance provider, assurance standards and assurance opinion.

- The 2024 verification has been completed by a third-party verification body (Afnor Asia Ltd.).
- According to the “Roadmap for the Sustainable Development of Listed Companies” announced by the Financial Supervisory Commission on March 2022, the Company shall be subject to the greenhouse gas inventory at the third phase (i.e. completion of the GHG inventory in 2027 and the GHG verification in 2029). In addition, subsidiaries should cooperate with the parent company's schedule (that is, complete the inventory in 2025 and complete the verification in 2027), so the company will cooperate with the parent company's schedule to handle the inventory and verification work.

- Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of these guidelines. If the company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, it should indicate that “complete assurance information will be disclosed in the Sustainability Report”. If the company does not prepare a sustainability report, it should indicate that “complete assurance information will be disclosed on the Market Observation Post System” and disclose complete assurance information in the next annual report.
- Note 2: Assurance providers should comply with the relevant requirements for assurance providers with respect to sustainability reports stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

The company is committed to improving the energy resource efficiency of itself and its customers, and has formulated a short-term goal to reduce energy consumption by 30% within five years(2025) starting from 2021.

Energy saving and carbon reduction management goals

- With 2020 as the base year, the target is to reduce the volume by 30% in five years
- Intensity in 2025 (0.0182 (metric tons CO₂e/NT\$ million)), compared with the base year intensity (0.548 (metric tons CO₂e/NT\$ million)) decreased by 96.68%
- Intensity in 2024 (0.026 (metric tons CO₂e/NT\$ million)), compared with the base year intensity (0.548 (metric tons CO₂e/NT\$ million)) decreased by 95.25%

Note 1: It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of these Guidelines.

Note 2: The base year should be the year in which the review is completed based on the boundaries of the consolidated financial report. For example, in accordance with the provisions of Article 10, Paragraph 2 of these guidelines, companies with a capital of more than NT\$ 10 billion should complete the 2024 consolidated financial statements in 2025. Therefore, for the inventory, the base year is 2024. If the company has completed the inventory of the consolidated financial statements in advance, the earlier year can be used as the base year. In addition, the data for the base year can be calculated as the average of a single year or several years.

(VI) Implementation status of corporate ethical management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:

Assessment item	Operation status			Deviations from the Ethical Corporate Management Best - Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary	
I. Development of ethical management policies and programs				
(I) Has the Company established ethical management policies that have been approved by the Board of Directors and indicated them in the regulations and outward documents? Have the Board of Directors and the top management realized their commitments to these policies?	V		(I) The Group to which the Company belongs has established the “Ethical Corporate Management Best Practice Principles”. The Board of Directors and management observe the Principles strictly.	None
(II) Has the Company established an assessment mechanism for the risk of unethical conduct? Does the Company regularly analyze and assess business activities with a higher risk of unethical conduct in the business scope, and formulate a plan to prevent such conduct, which at least covers the acts specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	V		(II) The Group to which the Company belongs has established the “Employee Code of Conduct” and “Anti-Corruption Mechanism Implementation Guidelines” as operation procedures and conduct guides for the employee. Preventive measures covering the following acts: 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	None
(III) Does the Company establish procedures, conduct guides, disciplinary actions and complaint systems in the plans against unethical conduct? Are the plans implemented thoroughly and reviewed and modified regularly?	V		(III) The Group to which the Company belongs has established the “Anti-Corruption Mechanism Implementation Guidelines” to prevent offering and acceptance of bribes, provision of illegal political donations and other improper acts. The Guidelines are implemented thoroughly and reviewed and modified regularly.	None
II. Implementation of ethical management				
(I) Does the Company assess the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements that the Company enters into with them?	V		(I) The Company performs credit checking on counterparties and controls the credit limits to them. Observance of ethical principles is indicated in the agreement.	None

Assessment item	Operation status			Deviations from the Ethical Corporate Management Best - Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary	
(II) Has the Company set up a dedicated unit directly subordinate to the Board of Directors for implementation of the corporate ethical management? Does the unit report to the Board of Directors about the supervision and implementation of the ethical management policies and the unethical conduct prevention plans on a regular basis (at least once a year)?	V		(II) The Administration Division is the unit responsible for the implementation of the ethical management, and reports the implementation status to the Board of Directors on a regular basis (at least once a year). Reported the implementation status of promoting ethical corporate management to the Board of Directors in November 2025.	None
(III) Has the Company established policies to prevent conflict of interest, provided adequate communication channels, and implement the policies?	V		(III) When conflict of interest occurs, the headquarters of the Group may accept the statements and intervene for coordination.	None
(IV) Has the Company established effective accounting and internal control systems for the implementation of the ethical management? Has the internal audit unit prepared audit plans according to the risk assessment result of unethical conduct and audited the compliance with the unethical conduct prevention plans, or hired external auditors to audit such compliance?	V		(IV) The Company has established effective accounting and internal control systems and internal audit personnel have performed audit in the form of a project on an irregular basis.	None
(V) Does the Company organize internal or external education and training on a regular basis to maintain ethical management?	V		(V) The Human Resource Division and Administration Division (including the Legal Affairs Department) of the Company organize education and training on ethical management for directors, managers and employees on a regular basis every year. 8/12/2025 13:30 ~ 16:30 1. Number of participants: 24, including directors and senior executives. 2. Topic: Discussion on business continuity management. It is understood that a company's sustainable operation relies not only on strategy and efficiency, but is also fundamentally grounded in a culture of integrity. Integrity is the foundation of corporate reputation and the most reliable safeguard in times of crisis. 01/03/2025 (Fri.) 09:00 ~ 16:30 1. Number of participants: A total of 49 directors and managers at the higher lever in charge of packaging materials in Taiwan. 2. Topic:	None

Assessment item	Operation status			Deviations from the Ethical Corporate Management Best - Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary	
			(1) Description of adjustments to the profit center policy (2) Human resources operations briefing (3) Introduction to the implementation of packaging materials products (4) Workshop discussion and explanation of the operating plan (5) Sharing of outstanding employees' experiences 07/04/2025 (Fri.) 09:00 ~ 16:30 1. Number of participants: A total of 49 directors and managers at the higher lever in charge of packaging materials in Taiwan. 2. Topic: (1) Victory Union - Product Presentation (Special Tapes) (2) HR Unit - Announcements (3) Legal Affairs Unit - Announcements (4) Strategic meeting discussion topics	
III. Operation status of the whistleblowing system (I) Has the Company set up specific whistleblowing and rewarding systems and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters? (II) Has the Company developed any standard operating procedures for investigation of reported misconduct, defined follow-up actions to be taken following the completion of the investigation, or had a non-disclosure system in place? (III) Has the Company adopted any measures to protect whistleblowers from being improperly treated due to whistleblowing?	V		(I) The Group to which the Company belongs has established the "Anti-Corruption Mechanism Implementation Guidelines" and disclosed it on the Company's website, with a unified complaint and whistleblowing channel as follows, and all cases are handled confidentially: Complaint and whistleblowing email: chairmanoffice@ycgroup.tw. The Group may, as needed, integrate, adjust, or add channels, and will notify relevant parties through announcements or internal communications.	None
	V		(II) The standard operating procedures for handling investigations of whistleblowing cases and related confidentiality mechanisms were originally set out in the "Anti-Corruption Mechanism Implementation Guidelines." In November 2025, these were revised and consolidated into the YC Group Complaint, Whistleblowing, and Handling Procedures.	None
	V		(III) The responsibility for protection of the whistleblower is explicitly specified in the original "Anti-Corruption Mechanism Implementation Guidelines" and "Misconduct Investigation Regulations." Revised and consolidated in November 2025 into the YC Group Complaint, Whistleblowing, and Handling Procedures.	None
IV. Enhancement of information disclosure				

Assessment item	Operation status			Deviations from the Ethical Corporate Management Best - Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations
	Yes	No	Summary	
(I) Has the Company disclosed the “Ethical Corporate Management Best Practice Principles” on the website and MOPS?	V		1. The “Ethical Corporate Management Best Practice Principles” of the Company has been disclosed on the website. 2. The Human Resources Department conducts briefings during new employee training sessions, requires new employees to review the relevant materials, and periodically reviews the compliance of the content. New employee training sessions and corporate culture consensus workshops are held periodically. The outline is as follows: (1) New Voice Forum The Group President participated in the forum, sharing the Group’s development, management philosophy (integrity, prudence, innovation, and sustainable operations), and corporate culture. Questions from employees are collected in advance via electronic forms to facilitate full communication and responses. (2) Corporate Culture Consensus Camp: Centered on the Group’s One-Page Management Philosophy (integrity, prudence, innovation, and sustainable operations), consensus is built across these dimensions, key scenarios and interpretations of positive behaviors are defined, and the cultural management philosophy is translated into concrete implementation. (3) Approval authority and employee code of conduct briefing Approval authority and employee code of conduct briefing, whistleblower provisions, and employee mailbox, to establish employees’ fundamental understanding. (4) Employee career navigation The organizational structure is used to explain the contact points of each business unit and business group, and systematic guidance is provided for individual development.	None
V. If the Company has established ethical corporate management best practice principles based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any difference between the current practices and the established principles: The Company has established the “Ethical Corporate Management Best Practice Principles” and disclosed them on the website. There is no material difference between the current practices and the established Principles.				
VI. Other important information that is helpful to understand the implementation of the ethical corporate management: (e.g. reviews and amendments of the Ethical Corporate Management Best Practice Principles established by the Company) The Company has established the “Anti-Corruption Mechanism Implementation Guidelines”, “Employee Code of Conduct” and “Misconduct Investigation Regulations” to demonstrate our determination in the implementation of the ethical management.				

(VII) Other important information that is helpful to understand the implementation of the corporate governance: None.

(VIII) The following matters related to the implementation of the internal control system shall be disclosed:

1. Statement on Internal Control System: Please go to the Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement Search.
([https:// mops.twse.com.tw/mops/#/web/t06sg20](https://mops.twse.com.tw/mops/#/web/t06sg20))
2. If review of the internal control system has been conducted by CPAs, the CPAs' review report must be disclosed: N/A.

(IX) Major resolutions of shareholders' meetings and Board meetings in the most recent year up to the publication date of this annual report:

1. Major resolutions of the shareholders' meetings

Date of meeting	Summary of important proposal	Implementation status
06.17.2025	1. Proposal for 2024 business report and financial reports 2. Proposal for ratification of 2024 earnings distribution 3. Approved amendment of the Company's Articles of Incorporation.	Approved. The cash dividends have been paid on August 1,2025 Handle company-related affairs in accordance with the amended Articles of Incorporation

2. Major resolutions of the Board meetings

Date of meeting	Major resolution
03.13.2025	1. Approval of the Company's 2024 business report, financial reports and consolidated financial reports. 2. Approval of the proposal for the Company's 2024 earnings distribution. 3. Approval of the proposal for the appointment of CPAs for 2025 and the assessment of their independence and competency. 4. Approval of the proposal for the application to financial institutions for loan facilities. 5. Approval of the proposal for the 2024 "effectiveness evaluation of the internal control system" and the "Statement on Internal Control System". 6. Approval of the proposal for 2024 remuneration to employees. 7. Approved the proposal for amending the name of the "SOP for managing sustainability information" and changing it to the "Sustainability Information Management System". 8. Approved the proposal for amending the Articles of Incorporation by adding the remuneration to entry-level employees. 9. Approved the proposal for amending the "Audit and Risk Committee Charter". 10. Approved the proposal for amending the internal control system – sales and collection cycle and sub-rules. 11. Approval of the proposal for the convention of the 2025 annual general meeting of shareholders. 12. Approval of the proposal for the remuneration to managerial officers. 13. Approval of the proposal for the remuneration to managerial officers. Approval of the proposal for change of the company's chief auditor.
05.12.2025	1. Approval of the Company's 2025 Q1 consolidated financial reports. 2. Approved the acquisition of equity interests in Victory Union IT Co., Ltd. (hereinafter referred to as Victory Union) and Star Ray Co., Ltd. (hereinafter referred to as Star Ray). 3. Approved the Company's self-prepared 2024 Sustainability Report. 4. Approval of the proposal for the remuneration to managerial officers.

	5. Approved the amendment to the Organizational Charter of the Company's Remuneration Committee.
08.11.2025	1. Approval of the Company's 2025 Q2 consolidated financial reports. 2. Approval of the proposal for the application to financial institutions for loan facilities. 3. Approval of the proposal for provision of endorsement and guarantee for subsidiaries to apply to financial institutions for loan facilities. 4. Approved the proposal for setting the base date for the Company's 9th and 10th repurchase of its shares (treasury shares).
11.10.2025	1. Approval of the Company's 2025 Q3 consolidated financial reports. 2. Approval of the proposal for the application to financial institutions for loan facilities. 3. Approval of the proposal for of loaning funds to affiliates. 4. Approved the 2025 audit plan. 5. Approved the authorization of the Chairman to oversee attendance management and performance evaluation of the head of internal audit. 6. Approved the waiver of the non-compete restriction for Ms. Cheng, Yen-Chung, the Company's Corporate Governance Officer, allowing her to concurrently serve as the Corporate Governance Officer of the parent company (Yem Chio). 7. Approved the amendment to certain provisions of the Risk Management Policy and Procedures. 8. Approved the definition of the scope of entry-level employees of the Company.
03.12.2026	1. Approval of the Company's 2025 business report, financial reports and consolidated financial reports. 2. Approval of the proposal for the Company's 2025 earnings distribution. 3. Approval of the proposal for the appointment of CPAs for 2026 and the assessment of their independence and competency. 4. Approved the establishment of the Company's policy on pre-approval of non-audit services provided by the signing CPA, their audit firm, and affiliated entities of the firm to the Company and its subsidiaries. 5. Approval of the proposal for the application to financial institutions for loan facilities. 6. Approved the endorsement and guarantee by the Company for subsidiaries application to financial institutions for the establishment (or cancellation) of loan facilities. 7. Approved the 11th repurchase of the Company's ordinary shares (treasury shares). 8. Approval of the proposal for the 2025 "effectiveness evaluation of the internal control system" and the "Statement on Internal Control System". 9. Approved the amendment to certain provisions of the "Procedures for Election of Directors." 10. Approval of the proposal for the remuneration to managerial officers. 11. Approval of the proposal for 2025 remuneration to employees. 12. Approved the review of the Company's definition of "entry-level employees" and the allocation ratio of employee remuneration distributed to entry-level employees for 2025. 13. Approved the amendment to the payroll and human resources cycle payroll and incentive remuneration disbursement procedures. 14. Approval of the proposal for the elected seats of directors (including independent directors) at the 2026 annual general meeting of shareholders. 15. Approval of the proposal for the list of director (including independent director) candidates. 16. Approval of the proposal for lifting the restriction of competitive behavior of new directors. 17. Approval of the proposal for the convention of the 2026 annual general meeting of shareholders.

- (X) Records or written statements made by any director who expressed dissent to important resolutions adopted by the Board of Directors in the most recent year up to the publication date of this annual report: None.

III. Information on CPA's professional fees

1. Disclosure of the amount of the audit and non-audit fees paid to CPAs, their firm and any of its affiliates, and the details of the non-audit services:

Unit: NT\$ thousand

Name of CPA firm	Name of CPA	CPA's audit period	Audit fee	Non-audit fee	Total	Remarks
Ernst&Young Global Limited, Taiwan	Liu, Rong-Jin	01/01/2025 ~ 12/31/2025	1,360	370	1,730	
	Hsieh, Sheng-An					

Note: Non-audit fees are fees paid for services including tax certification, translating financial statements, and reviewing the non-management remuneration inspection form.

2. If the CPA firm is replaced and the audit fees paid in the year of replacement are less than those paid in the year prior to the replacement, the amounts of audit fees before and after the replacement and the reasons thereof shall be disclosed: None.
3. If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion, and reasons for the reduction in the audit fees shall be disclosed: None.

IV. Information on replacement of CPAs:

1. About former CPAs

Date of replacement	March 12, 2026		
Reasons and description of change	Business operation, development and internal management requirements		
Whether the appointment is terminated or not accepted by the client or CPA	Party		CPA
	Status		Client
	Voluntary termination of appointment		
	Declination of appointment (renewal)		V
Opinions and reasons for issuance of audit reports in the most recent two years, excluding unqualified opinions	None		
Any differences in opinions between CPA and issuer	Yes		Accounting principle or practice
			Disclosure of financial statements
			Audit scope or step
			Others
	None	V	
	Description		
Other disclosures (To be disclosed in accordance with Article 10(6)(1)(d) to (1)(g) of these Guidelines)	None		

2. About succeeding CPAs

Name of CPA firm	PricewaterhouseCoopers, Taiwan
Name of CPA	Lin Yi-Fan and Chen Ching-Chang
Date of appointment	The appointment was reported to the Board of Directors for discussion and approval on March 12, 2026. The newly commissioned CPA firm started performing the certification in 2026 Q1.
Matters and results of the consultation on accounting treatment methods or accounting principles for specific transactions and possible issuance of financial statements prior to the appointment	None
Written opinions of the succeeding CPA on the matters regarding which the former CPA has expressed dissent	None

3. The former CPAs' written response to the matters in Article 10(6)(1) and (2)(c) of these Guidelines: There is no dissent in the former CPAs' written response.

V. The company's chairman, president, or any managerial officer in charge of finance or accounting matters has held a position at the accounting firm of the CPAs or at any of its affiliates in the most recent year: None.

VI. Transfer of equity and changes in pledge of equity conducted by directors, supervisors, managerial officers, and shareholders holding more than 10% of the shares in the most recent year up to the publication date of this annual report

(I) Details of equities changed by directors, managerial officers, and major shareholders: Please refer to the Market Observation Post System for more details.

A.Shareholding Transfer: Market Observation Post System > Single Company > Shareholding Changes / Securities Issuance > Share Transfer Information Search > Post-reporting Statement of Insider Shareholding Changes
(https://mops.twse.com.tw/mops/#/web/query6_1)

B.Pledged Shareholding Changes: Market Observation Post System > Single Company > Shareholding Changes / Securities Issuance > Insider Pledge / Release of Pledge > Insider Pledge / Release of Pledge Announcements.

(https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

(II) Information on equity transfer and pledge: Not applicable

VII. The information of the Top 10 shareholders having a mutual relationship as a related party, spouse or a relative within the second degree of kinship

April 18, 2026

Name (Note 1)	Shares held by the person		Shares held by spouse or minor children		Shares held in the names of others		The title or name and relationship of the Top 10 shareholders having a mutual relationship as a related party, spouse or a relative within the second degree of kinship (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Yem Chio Co., Ltd.	12,870,060	38.86%	0	0	0	0	ACHEM Technology Corporation	Parent-subsidiary	
Representative: Lee, Shu-Wei	0	0.00%	0	0	0	0	Asia Plastics Co., Ltd. Ying Chung Co., Ltd.	Asia Plastics is an corporate director of Yem Chio The director of Ying Chung Company serves as the Chairperson of Yem Chio.	
ACHEM Technology Corporation	7,465,000	22.54%	0	0	0	0	Yem Chio	Parent-subsidiary	
Representative: Lee, Chi-Cheng	73,500	0.22%	0	0	0	0	Asia Plastics Co., Ltd. Ying Chung Co., Ltd.	The director of Asia Plastics Company serves as the Chairperson of AICHEM The Supervisor of Ying Chung Company serves as the Chairperson of AICHEM	
Lin, Wei-Ling	1,360,834	4.11%	0	0	0	0	None	None	
Asia Plastics Co., Ltd.	720,594	2.18%	0	0	0	0	Yem Chio	Asia Plastics is an corporate director of Yem Chio	
Representative: Wang, Yu-Chuan	20,500	0.06%	0	0	0	0	ACHEM Technology Corporation Ying Chung Co., Ltd.	The director of Asia Plastics Company serves as the Chairperson of AICHEM The Chairperson is the same individual	
Lee, Kuo-Ju	261,000	0.79%	0	0	0	0	None	None	
Ying Chung Co., Ltd.	217,500	0.66%	0	0	0	0	Yem Chio	The director of Ying Chung Company serves as the Chairperson of Yem Chio.	
Representative: Wang, Yu-Chuan	20,500	0.06%	0	0	0	0	ACHEM Technology Corporation Asia Plastics Co., Ltd.	The Supervisor of Ying Chung Company serves as the Chairperson of AICHEM The Chairperson is the same individual	
Cheng Yu Investment Co., Ltd.	207,000	0.63%	0	0	0	0	None	None	
Representative: Zhong, Yi -Zhen	0	0%	111,082	0.34%	0	0			
Huang, Kai-Hsin	190,000	0.57%	0	0	0	0	None	None	
Liao, You-Kai	160,000	0.48%	0	0	0	0	None	None	
Lin, Min-Tsung	156,000	0.47%	0	0	0	0	None	None	
Total	23,722,488	71.63%	111,082	0.34%	0	0			

Note 1: The Top 10 major shareholders shall all be specified. For corporate shareholders, their names and the names of their representatives shall be listed

separately.

Note 2: The shareholding ratio is calculated based on the shares held by the person and his/her spouse or minor children, or held by the person under others' names.

Note 3: The relationships between the aforementioned shareholders, including juridical and natural persons, shall be disclosed as per the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: Shareholding ratio = Total shares held / common shares issued (including treasury shares).

VIII. The total number of shares and total equity stake held in the same invested business by the Company and the directors and managerial officers thereof, and any companies controlled either directly or indirectly by the Company:

Total equity stake

Unit: share; %

Invested business (Note)	Investment of the Company		Holdings of the directors, managers, and the Company for the reinvestment businesses that it directly or indirectly controls		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Master Package (Shanghai) Material Technology Co., Ltd.	-	100%	-	-	-	100%
Achem Technology (Wuhan) Limited	-	100%	-	-	-	100%
Victory Union It Co., Ltd.	-	55.08%	-	-	-	55.08%
Star Ray Co., Ltd.	-	55.06%	-	-	-	55.06%
King Material Co., Ltd.	-	55.02%	-	-	-	55.02%

Note: The Company's investment under the equity method.

Three. Fund Raising

I. Capital and shares

(I) Source of capital

March 31, 2026

Date	Issue price (Face value per share)	Authorized capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Source of capital (NT\$ thousand)	Investment by property other than cash	Others
12.1990	10	500	5,000	500	5,000	Initial capital NT\$5,000 thousand	None	-
12.1994	10	1,000	10,000	1,000	10,000	Follow-on offering valued at NT\$5,000 thousand	None	-
10.1998	10	1,600	16,000	1,600	16,000	Capitalization of earnings valued at NT\$6,000 thousand	None	-
05.1999	10	3,200	32,000	3,200	32,000	Capitalization of earnings valued at NT\$16,000 thousand	None	-
04.2000	10	12,000	120,000	12,000	120,000	Capitalization of earnings valued at NT\$23,000 thousand Follow-on offering valued at NT\$65,000 thousand	None	-
07.2000	10	18,000	180,000	18,000	180,000	Follow-on offering valued at NT\$60,000 thousand	None	-
05.2001	10	28,000	280,000	20,636	206,360	Capitalization of earnings valued at NT\$26,360 thousand	None	-
04.2002	10	28,000	280,000	26,069	260,690	Capitalization of earnings valued at NT\$54,330 thousand	None	-
04.2002	10	28,000	280,000	27,069	270,690	Follow-on offering valued at NT\$10,000 thousand	None	-
07.2003	10	34,000	340,000	29,140	291,408	Capitalization of earnings valued at NT\$20,718 thousand	None	-
06.2004	10	38,000	380,000	33,220	332,201	Capitalization of earnings valued at NT\$40,793 thousand	None	-
04.2005	10	38,000	380,000	33,548	335,481	Conversion of stock option certificates to issue new stocks NT\$3,280 thousand	None	-
09.2005	10	60,000	600,000	35,496	354,965	Capitalization of earnings valued at NT\$19,484 thousand	None	-
10.2005	10	60,000	600,000	35,638	356,385	Conversion of stock option certificates to issue new stocks 1,420 thousand	None	-
03.2006	10	60,000	600,000	36,014	360,145	Conversion of stock option certificates to issue new stocks 3,760 thousand	None	-
10.2007	10	60,000	600,000	37,926	379,265	Capitalization of earnings and employee bonuses valued at a total of NT\$19,120 thousand	None	-
10.2008	10	60,000	600,000	35,826	358,265	Retirement of treasury shares valued at NT\$21,000 thousand	None	-
01.2009	10	60,000	600,000	32,326	323,265	Retirement of treasury shares valued at NT\$35,000 thousand	None	-
05.2011	10	60,000	600,000	52,326	523,265	Capitalization through private placement by issuing 200,000 thousand shares	None	-

Date	Issue price (Face value per share)	Authorized capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Source of capital (NT\$ thousand)	Investment by property other than cash	Others
07.2012	10	60,000	600,000	49,204	492,035	Retirement of treasury shares valued at NT\$31,230 thousand	None	-
12.2014	10	60,000	600,000	59,204	592,035	Follow-on offering valued at NT\$100,000 thousand	None	-
07.2019	10	90,000	900,000	59,204	592,035	Authorized capital increased by NT\$300,000 thousand	None	-
11.2020	10	90,000	900,000	66,704	667,035	Follow-on offering valued at NT\$75,000 thousand	None	-
12.2023	10	90,000	900,000	71,302	713,023	The second conversion of domestic convertible corporate bonds into ordinary shares amounted to NT\$45,988 thousand	None	-
08.2024	10	90,000	900,000	35,651	356,511	NT\$356,512 thousand capital reduced in cash	None	-
11.2024	10	90,000	900,000	35,373	353,726	NT\$2,785 thousand treasury stock written off	None	-
09.2025	10	90,000	900,000	33,118	331,182	NT\$22,545 thousand treasury stock written off	None	-

March 31, 2026; Unit: share

Types of shares	Authorized capital					Remarks
	Outstanding shares (Note)			Unissued shares	Total	
	OTC listed	Non-OTC listed	Total			
Common stock	23,118,158	10,000,000	33,118,158	56,881,842	90,000,000	-

Note: This includes 1,507,000 treasury shares

(II) Name list of major shareholders

April 18, 2026

Name of major shareholder	Share	Number of shares held	Shareholding ratio
Yem Chio Co., Ltd.		12,870,060	38.86%
ACHEM Technology Corporation		7,465,000	22.54%
Lin, Wei-Ling		1,360,834	4.11%
Asia Plastics Co., Ltd.		720,594	2.18%
Lee, Kuo-Ju		261,000	0.79%
Ying Chung Co., Ltd.		217,500	0.66%
Cheng Yu Investment Co., Ltd.		207,000	0.63%
Huang, Kai-Hsin		190,000	0.57%
Liao, You-Kai		160,000	0.48%
Lin, Min-Tsung		156,000	0.47%

Note: Shareholding ratio = Total shares held / common shares issued (including treasury shares).

(III) The dividend policy of the Company and its implementation

1. Dividend policy stipulated in the Articles of Incorporation

If the Company makes a profit in a year, no less than 0.5% of the profit shall be set aside as remuneration to employees. In the above-mentioned employee remuneration, no less than 50% shall be set aside as remuneration to entry-level employees.

However, if there are accumulated losses, the Company shall reserve the amount to make up for the losses and set aside employee remuneration in accordance with the percentage in the previous paragraph.

The motion for the employee remuneration shall be approved by a majority of directors present at the meeting attended by at least two-thirds of the directors, followed by a report to the shareholders' meeting.

If there are profits for the year, the Company shall first pay taxes and make up for previous losses, followed by setting aside 10% of the profits as legal reserves. If necessary, a special reserve may be set aside before distributing dividends and bonuses. After the purpose or reason for the special reserve has disappeared, the special reserve is reversed to retained earnings and is included under the distribution item. The distribution of earnings shall be appropriated in accordance with the manner provided in this Article. A motion for the distribution of dividends and bonuses shall be drafted by the Board of Directors. Earnings distributed in the form of issuing new shares are subject to the approval of the shareholders' meeting. Earnings distributed in the form of cash are handled in accordance with Article 18-2 of the Articles of Incorporation.

The Company's procedures for distributing earnings or capital reserve as dividends or bonus in the form of cash are authorized to the Board of Directors subject to a special resolution and reported to the shareholders' meeting.

The Company's dividend policy is based on a prudent and balanced principle, while taking into consideration the factors including the Company's profitability, financial structure and future development. At least 10% of the allocated dividends for the year is set aside to be distributed in cash.

2. Dividend distribution proposed at current shareholders' meeting

As for the proposal for the distribution of earnings in 2025, the earnings, according to Article 18-2, the distribution of earnings or capital reserve as dividends or bonus in the form of cash are authorized to the Board of Directors subject to a special resolution and reported to the 2026 shareholders' meeting. The Board of Directors approved the payment of NT\$139,758,627 as cash dividends to shareholders with a dividend per share of NT\$4.22. The distributable earnings for the fiscal year 2025 amounted to NT\$99,618,530, which will be fully distributed as cash dividends, representing a payout ratio of 100%.

(IV) The effect of the allocation of bonus shares proposed at the current shareholders' meeting on the Company's business performance and earnings per share: The Company did not prepare related financial forecasting data to be disclosed publicly and there was no distribution of bonus shares. So, this is not applicable.

(V) Remuneration to employees and directors

1. As for the percentage or scope of the remuneration to employees and directors according to the Articles of Incorporation, or the dividend policy specified in Article 18 of the Articles of Incorporation, please refer to the dividend policy (III)1.
2. The basis for the estimation of the remuneration to employee and directors, the basis for the estimation of the number of shares for the share-based remuneration to employees, and the accounting treatment of any discrepancies between the actually distributed and estimated amounts in the current period.

The estimated amount for the remuneration to employees in 2025 was determined at 0.5% depending on the profitability of the year. No estimates are available because the Article of Incorporation of the Company does not specify the percentage or scope of the remuneration to the directors. The basis for the calculation of the number of shares as dividends to be distributed is the closing price on the day immediately prior to the date of resolution at the Board meeting. If the Board or Directors afterwards makes a resolution resulting in discrepancy between the actually distributed and estimated numbers, it shall be recognized in profit or loss in 2026.

3. The distribution of remuneration approved by the Board of Directors:
 - ① The amount of the remuneration to employees and directors in the form of cash or share: Distribution of NT\$883,373 as remuneration to the employees in cash; no distribution of remuneration to the directors.
 - ② The amount of the remuneration to the employees in the form of stocks, and the share of that amount as a percentage of the sum of the net income after tax stated in the separate or individual financial reports for the current period, and total employee remuneration: None.
 - ③ If there is any discrepancy between the amount of the remuneration to the employees and directors approved by the Board of Directors and the estimated amount of the expenses recognized in the year, the discrepancy, the reason for the discrepancy, and the status of the treatment shall be disclosed: None.
4. The information on the actual distribution of the earnings in 2024 as remuneration to the employees and directors is described below:
 - ① Distribution
Employees' cash dividends of NT\$ 693,180 have been distributed.
Remuneration to directors: NT\$0
 - ② If there is any discrepancy from the recognized amount of the remuneration to the employees and directors, the discrepancy, the reason for the discrepancy, and the status of the treatment shall be disclosed: None

(VI) Buyback of shares:

(1) The Buyback of shares by the Company

April 27, 2026

Times of buyback	9th (period)	10th (period)
Purpose of buyback	Shares transferred to employees	Shares transferred to employees
Period of Buyback	2020/3/31-2020/5/6	2020/6/2-2020/7/24
Buyback interval price	NT\$9-NT\$18	NT\$17-NT\$29.5
Type and number of shares bought back	Common stock 1,509,000 shares	Common stock 3,000,000 shares
Amount of shares bought back	NT\$26,438,566	NT\$72,772,101
Actual and expected buyback quantity ratio (%)	50.3%	100%
Number of shares canceled and transferred	754,500 shares (Note)	1,500,000 shares (Note)
Accumulated number of the Company's shares held	0 shares	0 shares
Ratio of the cumulative number of the Company's shares held to the total number of shares issued (%)	0%	0%

Note: The Company arranged a capital decrease in cash and return of shares in 2024, with a capital decrease ratio of 50%, i.e. a decrease of 500 shares per thousand shares. The repurchased treasury shares that have not been canceled should also be reduced by 754,500 shares and 1,500,000 shares in proportion according to the regulations. After the deduction, the repurchased shares of the Company to be canceled were 754,500 shares and 1,500,000 shares. As the transfer period has expired for five years, the change registration for cancellation was approved and completed on September 2, 2025.

(2) The Buyback of shares by the Company (in progress):

April 27, 2026

Times of buyback	11th (period)
Purpose of buyback	Shares transferred to employees
Type of shares to be repurchased	Common stock
Ceiling on total monetary amount of share repurchase	NT\$252,864,373
Scheduled period for the repurchase	2026/3/13-2026/5/12
No. of shares to be repurchased	3,000,000 shares
Buyback interval price	NT\$40-NT\$75
Type and number of shares bought back	Common stock 2,758,000 shares
Amount of shares bought back	NT\$178,447,081
Actual and expected buyback quantity ratio (%)	91.93%

- II. Issuance of corporate bonds: None.
- III. Issuance of preferred shares: None.
- IV. Issuance of overseas depositary receipts: None.
- V. Issuance of employee stock option certificates and new restricted employee shares: None.
- VI. Issuance of new shares in connection with mergers or acquisitions of, or succession to shares of other companies: None.
- VII. Implementation of fund utilization plan: None.

Four. Overview of the Business Operation

I. Business activities

(I) Business scope

1. Main business items of the Company

01. F401010 International Trade
02. F118010 Wholesale of Computer Software
03. F119010 Wholesale of Electronic Materials
04. F218010 Retail Sale of Computer Software
05. F219010 Retail Sale of Electronic Materials
06. F107190 Wholesale of Plastic Films and Bags
07. F207190 Retail Sale of Plastic Films and Bags
08. F106020 Wholesale of Daily Commodities
09. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
10. F213080 Retail Sale of Other Machinery and Equipment
11. F301010 Department Stores
12. F399990 Retail sale of Other Integrated
13. H701010 Housing and Building Development and Rental
14. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Major products of the Company as a percentage in the 2025 operating revenue

(Unit: %)

Product	2025
Packaging material	100

3. Major product and service

- (1) Adhesive tape: Packaging tape, stationery tape, protective tape, double-sided tape, foam tape, and other tapes.
- (2) Cushioning material: Bubble sheet, bubble bag, foam, EPS foam, other cushioning materials.
- (3) Plastic bag: PE/PP/OPP plastic bag, printed bag, zipper bag, food bag, hand bag, garbage bag, vacuum bag.
- (4) Electronic packaging material: Aluminum bag, shielding bag, conductive bag, anti-static bag, electronic bag.
- (5) Packing machine: Manual banding machine, auto banding machine, shrink film machine, sealing machine, wrapping machine, vacuum machine.
- (6) Paper packaging material: Carton, paper pallet, paper bag, corrugated paper, packing paper, thermal facsimile paper, copy paper, paper angle bead, color box
- (7) Packing belt, protective film, shrinkable film, food film, industry film, other packaging materials.
- (8) Protective film: PU film, PET film, silicone film, PE film, release film.

4. Products and services to be developed:
 - (1) Deploy the new retail business model and accelerate the promotion of the products and introduction of new customers
 - (2) Continue investing in the development of circular economy-compliant packaging, including biodegradable, recyclable, and fully paper-based plastic-reducing packaging materials.
 - (3) Perform digital transformation and form a project team for this purpose to meet customers requirements more attentively and respond to the changes of the market.
 - (4) Focus on AI technology and the semiconductor industry chain to develop and supply specialized electronic precision packaging materials.

(II) Overview of the industry

1. Status quo and development of the industry

There are many kinds of packaging materials. In their broad sense, packaging materials include adhesive tapes, cushioning materials, packaging devices, protective films, processed plastic films, and other professional techniques and products. “Packaging” plays an important role in the circulation and consumption processes of the products. It not only improves the value of the merchandises and in the applications, but also provides a linkage between the production and consumption of the products. As for the sales channels, with the development of the consumer goods and the industries, packaging materials are sold by retail on the shelves in both traditional stores and hypermarkets on a Business to Customer (B2C) basis. From the consumer packaged goods such as plastic bags to the tapes and protective films for commercial businesses and related products and applications for the industries, the affordable prices and multiple products attract customers to buy packaging materials and, in addition, many consumers have the needs for physical channels that can provide professional consultations, good quality and customized services. There is no physical chain stores of packaging materials on the market yet. However, the Company considers this an opportunity for the development of the channels. Unlike the retail services that traditional packaging material channels provides, chain stores can provide a complete and optimal brand-based sales platform for packaging materials and extend the sales model and logistic distribution to Business to Business (B2B). By working with the suppliers and implementing a win-win strategy, the upstream (production of raw materials), midstream (processing) and downstream (sale channel) can be integrated and a long-term partnership can be established to reduce the cost. As for the customers, the professional chain store of packaging materials provides a model that can ensure one-stop shopping at the store to meet the demands of the B2B and B2C customers, and help them select the most complete packaging materials within a short time. This can create business opportunities and create a new value for consumers in a win-win situation. In addition to the design and making of packaging containers, design and manufacture of packaging equipment, packaging method, and packaging process, the packaging industry involves the production and supply of packaging-related raw and auxiliary materials, circulation and sale of merchandises, and recovery, treatment and recycle of waste packaging materials.

2. Correlation among upstream, midstream and downstream in the industry:

In the aspect of the resource systems in the supply chain of the packaging material

industry, the Company provides various application solutions and distribution services for different packaging material products. Taking the sales of tapes as an example, we perform internal production and sales cooperation as well as supply chain management and assessment to control the quality at the sources and enhance the differentiation and competitiveness of the channels in order to ensure the quality of the products. The Company is a distributor at the downstream of the packaging material industry.

3. Development trend of the products and their competition status

Packaging material market

(1) Saving of energy and protection of environment

For the packaging design, the advanced industrialized countries recommend the 3R principles (Reduce, Recycle, Reuse) which require a comprehensive consideration of energy saving, environmental protection and ecological equilibrium. Hence, the concept of “energy saving and environmental protection” must be taken into account in the design, production and circulation of the packaging products.

(2) Attachment of great importance to the recycle of waste packaging materials

With respect to the recycle of waste packaging materials, Japan and other advanced countries in Europe and the USA request importers, manufacturers and retailers to take the responsibility for the recycle of the packaging materials. For this, upgrading the ideas of design is required and we must uphold the principles of energy saving, environmental protection, and development of the circular economy. Special attention must be paid to pollution that packaging materials generate in the process of the production, circulation and consumption. Regulations shall be established to govern the management and recycle of the waste to ensure taking effective measures for the protection of the environment and creation of a new value in time.

(3) Packaging of electronic products

The electronic IT products grow very rapidly. We focus on the development and application of the packaging materials featuring high efficiency, low consumption, energy saving and environmental protection to facilitate the improvement of the packaging technique.

(4) Packaging of products used in daily life

The packaging of the products used in daily life has become more fashionable, original, and environment-friendly. It is the market on which rapidest upgrading of packaging materials occurs. Quality packaging is a feature in the development of the packaging industry. As the commodity economy has become more prosperous and the living standard has been improved, people require more merchandises to be packaged and have more demands for the packaging. Hence, the only way to meet these demands is the development of more reliable and safer packaging materials and products in response to the market demands and upgrade of the level and standard of the packaging equipment on an ongoing basis to improve the quality and strength of the packaging industry.

(5) Development of protective films

Following Japan as the production base at the earliest stage, Korea has progressed in the development and manufacturing techniques of the protective

films. At the initial stage, the materials of the protective film in China are mainly imported from Japan and Korea. However, as a major country of the manufacturing industry, the tremendous opportunities attract more and more people to invest in the materials of the protective films. The manufacturers in China are currently able to product high-end protective film materials. As the mobile phones, electronic products and smart equipment have become more popular in China, the materials of the protective films are expected to become the mainstream on the market in the future. Hence, as long as finding reliable supply partners with a high technical threshold and establishing a common strategic view with them, we absolutely have the opportunity to facilitate the organization to develop prosperously in this field.

(III) Overview of technology and R&D

R&D expenses invested and technologies or products developed successfully in the most recent year and up to the publication date of the annual report: None. The Company does not have R&D plans for the future due to the characteristics of the industry and, thus, there are no R&D expenses.

(IV) Long-term and short-term business development plans

1. Short-term development plan

- (1) Expand sales channels for packaging materials across Taiwan, China, and Southeast Asia.
- (2) Focus on the development of the target customers to create the competitive strength in the industry.
- (3) Create a new retail business model and develop it steadily.
- (4) Develop low-carbon circular and fully paper-based materials to lead the market's sustainable transformation trend.
- (5) Position in high-end electronics and AI supply chain packaging materials to establish a leading professional advantage.

2. Long-term development plan

- (1) Integrate resources comprehensively and pursue steady profitability.
- (2) Accelerate the training of the talents in the fields of management and professional techniques.
- (3) Provide optimal value-added services and establish competitive niche.
- (4) Implement the digital transformation plan to optimize the operating process.
- (5) Achieve the global requirement and goal of energy-saving and carbon-reduction.

II. Overview of market and production/sales

(I) Market analysis

1. Sales region for major products

Unit: NT\$ thousand

		2024		2025	
		Sales amount	%	Sales amount	%
Domestic sales		1,404,612	97.32%	1,510,079	79.00%
International sales	Europe	80	0.00%	208	0.00%
	America	0	0.00%	0	0.00%
	Australia and New Zealand	0	0.00%	0	0.00%
	Asia-Pacific	38,630	2.68%	401,106	20.99%
	Others	0	0.00%	0	0.00%
	Subtotal	38,710	2.68%	401,314	21.00%
Total		1,443,322	100.00%	1,911,393	100.00%

2. The supply, demand and growth of the market in the future

Due to increased volatility in raw material prices, and under the current conditions, customer demand remains stable, with potential growth trends in orders from industries such as electronic components, information and communications and audiovisual products, and fast-moving consumer goods. Accordingly, the Company will adjust its focus to specific customer segments and product lines, emphasize the cultivation and development of mid- to large-scale key customers and potential demand, and closely monitor changes in demand arising from fluctuations in raw material prices. and enhance the stock management and the cost risk control capability.

3. Operating goals

(1) Sales:

- A. Promote the private brand and improve the overall corporate image of the Company.
- B. Adjust the product portfolio and pursue maximum profit.
- C. Create a new retail business model and reach more domestic and overseas prospective customers.
- D. Establish industry alliances and create a strategic advantageous market position.
- E. Develop new environmentally friendly packaging materials that are diverse, trend-oriented, and eco-friendly.
- F. Promote expansion strategies, increase sales personnel and input them in the development of the market.
- G. Focus on deepening engagement in key industry supply chains and develop specialized packaging materials required for advanced electronics and AI technologies.

(2) Production: None

- (3) R&D: None
- (4) Management:
 - A. Create training courses and a knowledge base for sales and technical personnel to input more momentum in the operation of the business.
 - B. Enhance the Enterprise Resource Planning (ERP) system and introduce the Customer Relationship Management (CRM) system to improve the decision-making and management performance.
 - C. Perform professional division of work and comprehensive integration, break established business operation and administration models, and improve the overall operating performance.
- 4. Advantageous and disadvantageous factors for the development in the future:
 - (1) Advantageous factors:
 - A. There is no physical chain stores of packaging materials or competitors on the market yet.
 - B. We are adapted to the B2C and B2B business models, increase customized services, and develop more market demands for the products with our own brand.
 - C. Control the sources of the products and techniques and trade with upstream manufacturers directly to reduce the cost and offer more reasonable prices to customers.
 - D. We have rich product resources and the employees have great endowments and outstanding expertise. The rising threshold in the competition is helpful for the development of the market in China.
 - (2) Disadvantageous factors:
 - A. The turnover rate of the sales personnel is high, bringing about an obstacle to the pass-down of the expertise.
 - B. The prices of the raw materials fluctuate to increase the operation cost and affect the income.
 - C. The price is transparent on the market and thus leads to fierce competition.
 - D. More requirements for environmental protection result in the reduction of plastics and packaging materials both domestically and overseas
 - (3) Countermeasures:
 - A. Develop key customers in line with the operating value, perform development and sale of new products, and maximize customer value.
 - B. Integrate procurement operations and perform in-depth supply chain management, implement stock control, and continue to develop premium new suppliers to improve the sales, competitiveness and profitability.
 - C. Accumulate momentum for the business operations, develop the territory for the organization, establish industry alliances, and create a strategic advantageous market position.
 - D. Integrate new retail business models and introduce new customers more rapidly to increase the operating revenue.
 - E. Create application-oriented advantages, be adapted to the trend of customized production for a variety of models in a small quantity, and make overall improvement in the high value-added services.

- F. Start the international trade business to reach the customers on the global market to reduce the operating risk due to concentration in a single market.
 - G. Actively develop circular economy-compliant packaging, including biodegradable, recyclable, and fully paper-based plastic-reducing packaging materials.
 - H. Focus on the AI technology supply chain and develop packaging materials dedicated to semiconductor and AI technologies, providing advanced process and precision protection solutions.
- (II) Applications and production processes of major products: This is not applicable because the Company focuses on the purchase and sale of packaging materials.
- (III) Supply of major raw materials: This is not applicable because the Company focuses on the purchase and sale of packaging materials.

(IV) The name of the customer that accounted for more than 10% of the total purchase (sales) amount in any of the most recent two years, the proportion of the purchase (sales) amount, and the reason for the changes

1. The name of the supplier that accounted for more than 10% of the total purchase in the most recent two years, and the amount and proportion of the purchase

	2024				2025			
Item	Name	bad debt	Percentage of total annual net purchases (%)	Relationship with the issuer	Name	bad debt	Percentage of total annual net purchases (%)	Relationship with the issuer
1	YEM CHIO	111,626	10.80	Related party	YEM CHIO	102,428	7.25	Related party
	Others	921,933	89.20		Others	1,309,531	92.75	
	Net purchases	1,033,559	100.00		Net purchases	1,411,959	100.00	

Note: Where there is financial information audited, certified or reviewed by CPAs prior to the publication date of this annual report, the information must also be disclosed: No such situation.

The reason for the change in purchase:

The Company and its subsidiaries' suppliers may change slightly each year depending on business needs. In 2025, none of the individual suppliers of the Company and its subsidiaries accounted for more than 10% of consolidated net purchases.

2. The name of the customer that accounted for more than 10% of the total sales in the most recent two years, and the amount and proportion of the sales

The Company and any subsidiaries did not have a customer that created a sales amount accounting for more than 10% of the consolidated total sales amount during the period from 2024 to 2025.

The reason for the change in sales: None.

III. Information on employees

- (I) Number of employees, average years of service, average age, and education degree distribution ratio in the most recent two years and up to the publication of this annual report:

Year		2024	2025	March 31, 2026
Number of employees	Direct personnel	0	0	0
	Indirect personnel	163	162	160
	Total	163	162	160
Average age		43.66	44.48	44.70
Average years of service		11.06	11.42	11.80
Educational background	PhD	0%	0%	0%
	Master	1.23%	1.85%	1.89%
	College	51.53%	49.38%	49.69%
	Junior college	14.72%	15.43%	15.09%
	High school	30.67%	31.48%	31.45%
	Junior high school and below	1.84%	1.85%	1.89%

- (II) Policies of diversification and gender equality at the workplace, and the implementation status

- (1) In line with the labor-related regulations established by the government and in compliance with the basic principles specified in the UN Sustainable Development Goal 5 (i.e. Achieve gender equality and empower all women and girls), the UN Universal Declaration of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms, the Charter of Fundamental Rights of the European Union, and the ILO Declaration on Fundamental Principles and Rights at Work, the Company has developed a human rights policy to actively create an equal and fair work environment free from discrimination and harassment. No discriminatory treatment shall be imposed due to the factors of race, nationality, age, gender, marriage, political position, or religion. Meanwhile, we make sure that every employee is in the right position where their skills are useful.
- (2) There were 162 employees in the Company in 2025, with male and female employees accounting for 49% and 51%, respectively. The percentage of female employees increased by 3% compared to that in 2024. The indicators of diversification in the Company in 2024 and 2025 are shown below:

Indicator of diversification of females	Number of female employees in 2024	Total number of employees in 2024	Percentage in 2024	Number of female employees in 2025	Total number of employees in 2025	Percentage in 2025
Female employees	77	163	47%	82	162	51%
Female managers	11	62	18%	14	63	22%
Other indicators of diversification	2024 Item Number of persons	Total number of employees in 2024	Percentage in 2024	2025 Item Number of persons	Total number of employees in 2025	Percentage in 2025
People with disabilities	2	163	1%	2	162	1%
Under 30 years old	14	163	9%	11	162	7%
31–50 years old	114	163	70%	111	162	68%
Over 50 years old	35	163	21%	40	162	25%

IV. Information on environmental protection expenses

Losses arising as a result of environmental pollution incidents in the most recent year and up to the publication date of the annual report (including any compensation paid and any violations of environmental protection laws or regulations identified in environmental inspection; the disciplinary date, number of the disciplinary letter, provisions violated, requirements of the provisions violated, and specific punishment shall be specified), the estimated amount of the losses that may incur currently or in the future and the responsive actions taken, and the reasons in case the losses cannot be reasonably estimated: None.

V. Labor-management relationship

(I) The Company's employee welfare measures, continuing education, training, retirement systems and implementation status thereof, as well as labor-management agreements and employee rights protection measures

1. Employee welfare measures

- (1) The employees participate in labor insurance and national health insurance pursuant to laws. The Company takes out group insurance for the employees to enhance their protection.
- (2) The Company provides in-service training based on the demands and specialties of the employees needed for their jobs to improve their professional capability.
- (3) The year-end bonus is approved and paid with reference to the operating status of the year and the personal work performance, seniority and service proportion.
- (4) The Company provides breastfeeding rooms and childbirth gifts and adjusts work time appropriately to create a friendly environment for parenting.
- (5) Employee Welfare Committee
 - A. The Company has established the Employee Welfare Committee. All the regular employees join the Committee and enjoy the benefits pursuant to its regulations.
 - B. A Chairman and a number of members are elected according to the Articles of Association of the Employee Welfare Committee to make plans for the benefits of the employees.

- C. Welfare measures includes subsidies for marriage, funeral, and festivities; bonuses for three traditional festivals; birthday bonuses, employee travel subsidies, educational bonuses, and Club activities.

2. Employees' training and continuing education

The Company has established an education and training procedure as a basis for the education and training of the employees. We encourage them to participate in the training courses arranged by external professional institutions or the internal courses.

3. The code of employee conduct and ethics

To help all the employees understand the required service behavior, integrity and ethics, the Company has established related regulations and guidelines for the management and all the employees to follow. These regulations and codes are briefly described as follows.

(1) The code of services and ethics for the employees: The requirements are outlined below:

- A. All the employees of the Company shall be diligent in their work, follow all the reasonable and lawful regulations of the Company, and accept the reasonable supervision and guidance of the managers at all levels.
- B. All the employees of the Company shall seriously perform their duties within their responsibilities, take care of the public property, reduce the consumption of the internal objects, improve the production performance, observe external etiquette requirements, and take non-disclosure responsibilities for the confidentialities in business or duties.
- C. No employees of the Company shall make use of the relationships and opportunities related to their functions to accept any improper benefits and thus affect the rights of the Company, nor shall they have any monetary borrowing or lending relationships with any internal employees, customers, or suppliers, or take any actions that may affect the goodwill of the Company.
- D. All the employees of the Company shall fulfill their obligations under their functions and enjoy the same benefits.
- E. All the employees of the Company shall uphold the principles of diligence, honest, modesty, positiveness, initiative, and responsibility.
- F. All the employees of the Company shall escalate the reports related to their functions, except for emergencies or special circumstances.
- G. No employees of the Company shall leave the workplace during the office hours without being approved by the manager; if there is any important matters, the employee may leave upon approval of the immediate supervisor.
- H. No employees of the Company shall carry firearms, ammunitions, lethal weapons, inflammables, explosives and other dangerous substances to the workplace.
- I. No employees of the Company shall carry any internal documents (including photocopies) or objects out of the workplace without prior permission.
- J. No employees of the Company shall work concurrently outside the Company without being allowed by any laws or regulations or permitted by the manager.
- K. The rewarding and disciplinary regulations of the Company shall apply to the employees of the Company who act in violation of the aforementioned provisions and thus damage or may damage to the corporate image of the

Company externally.

- (2) Regulations on hierarchical responsibility and delegation of authority: The Company applies hierarchical responsibility and the staff members at all the levels have their deputies. The departments observe the regulations governing the delegation of authority to ensure normal operations of the business.
- (3) Establishment of the rewarding and disciplinary regulations: The rewarding and disciplinary regulations specified in the work rules of the Company focuses on the reward with the punishment as an aid to ensure fairness, justice and timely rewarding and punishment.
- (4) Implementation of the Trade Secrets Protection Regulations: To protect the commercial assets of the Company, the employees shall sign a trade secret non-disclosure and intellectual property rights agreement and a software management police statement at the time when they register for the duties.
- (5) Employee performance evaluation regulations: The Company has set up a performance evaluation system and evaluated the performance of the employees on a regular basis. This is helpful for enhancing the communication between the managers and employees and can help the employees develop their potential. The result of the evaluation is used as a reference for the adjustment of the wages and the promotion of the employees.
- (6) Prevention of sex harassment and countermeasures: Any employees of the Company or job seekers who encounter sex harassment at the workplace may file a complaint to the Human Resource Division. The complainant will be treated confidentially to protect his/her rights. The name of the complainant or any data that may make the complainant identifiable will not be disclosed. After accepting a complaint, the Company may request the complainant to state the facts of the sex harassment, if needed, and conduct the investigation according to the statement of the complainant. The Company may request related departments or personnel to provide information.
- (7) Work rules and code of conduct: The Company established the Rules to specify the rights and obligations of the employees and management, establish a sound modernized management and operating system, ensure all the employees work together closely and harmoniously, achieve the maximization of the workforce, and involve all the stakeholders in the development of the business.
 - A. Discipline and code: The Employees shall honestly observe and comply with the guidelines, regulations and the reasonable orders of the managerial officers at all levels, and may give suggestions or opinions, if any, at any time. The managerial officers shall give orders and conduct supervision based on the principle of hierarchical responsibility.
 - B. Employment and training: The Company recruits most qualified persons without discrimination with regard to the gender, race or religion, except for the job for which only the person of a specific gender is qualified. All the employees of the Company shall be subject to the recruitment procedure specified in the personnel regulations. They can only be appointed after becoming qualified upon assessment conducted by a manager or in a recruitment examination.
 - C. Work time and rest: The Company specifies normal work time, attendance

- time, attendance management, etc.
 - D. Official holiday, vacation and leave: The Company specified official holidays, vacations, special leave, leave, etc.
 - E. Wage and bonus: The Company specified distribution of wages, breakdown of wages, year-end bonus, etc.
 - F. Rewarding, discipline and evaluation: The Company specifies rewarding, discipline, evaluation etc.
 - G. Layoff and resignation: The Company specifies termination of contracts by giving an advance notice, severance pay, voluntary resignation, etc.
 - H. Retirement and voluntary retirement: The Company specifies compulsory retirement, calculation of age, etc.
 - I. The application procedure for occupational accident compensation and consolation money or occupational accident compensation and death benefit.
 - J. Welfare measures: Employee welfare, group insurance, etc.
 - K. Safety and health: The Company perform labor safety and health pursuant to the Labor Safety and Health Act to prevent occurrence of occupational accidents.
4. Work environment, employee's personal safety protection measures, and implementation status:
- (1) Work environment measures:
 - A. The employees shall pay attention to their health and adaptation at any time, and form a good health habit.
 - B. The workplace must be tidied up in time to keep it clean and neat.
 - C. Littering trash and spitting phlegm, betel nut juice or its residue are not allowed at the workplace.
 - D. Smoking is only allowed at a specified space and no cigarette butts shall be tossed.
 - E. Water dispenser equipment that meet the drinking water standards shall be installed at appropriate locations of the workplace. It must be cleaned regularly and the water shall be subject to quality testing.
 - F. Thorough cleaning shall be performed every year and disinfection shall be conducted accordingly.
 - G. Toilets shall have good ventilation. They shall be cleaned and disinfected.
 - H. All the employees shall keep the environment of the plant clean and compliant with hygienic requirements. Good habit shall be formed.
 - I. Spitting phlegm, relieving the bowls, tossing cigarette butts and littering trash are not allowed.
 - (2) Employee's personal safety protection measures:
 - A. No slippers or shoes with toes or the heel visible are allowed during the work. Working barefoot is absolutely prohibited. Being barebacked or wearing only waistcoats or undershirts are not allowed during the work.
 - B. Alcohol abuse is absolutely prohibited; bantering or any other unsafe acts are absolutely prohibited during the work.
 - (3) Employee's personal safety and work environment protection measures and their implementation status
 - A. February 19, 2025 annual fire safety equipment inspection of the office

- building of the headquarters
 - B. Fire pump inspection at the beginning of the month
 - C. Daily elevator (lift) control
 - D. Employees must use identification cards to enter their respective offices in order to protect their safety during the work.
 - E. Four maintenance operations for the water dispensers every year (2/21/2025, 5/15/2025, 8/21/2025 and 11/21/2025)
 - F. A simple desktop healthcare box is available in the office.
5. Retirement system and its implementation status

The Company has made a retirement system. Existing employees have no seniority under the old system. The Labor Pension Act (new labor pension system) applies. The Company contributes 6% of the total employee salary to their individual pension accounts every month. Employees who meet the application requirements may choose to receive a monthly pension or a lump sum pension according to the Labor Pension Act.

6. Labor-management agreements and employee rights protection measures:

The labor-management relationship has been harmonious since the foundation of the Company, and both parties have worked together and contributed to the development of the business. No disputes or damage have occurred. We will enhance the labor-management communication to eliminate any possible disputes, and spare no effort to help both parties form common views favorable to the smooth promotion of the Company's business in all respects.

- (II) Losses arising as a result of labor-management disputes in the most recent year and up to the publication date of the annual report (including any violations of the Labor Standard Act identified in labor inspection; the disciplinary date, number of the disciplinary letter, provisions violated, requirements of the provisions violated, and specific punishment shall be specified), the estimated amount of the losses that may incur currently or in the future and the responsive actions taken, and the reasons in case the losses cannot be reasonably estimated: None.
- (III) Human rights policy:
1. The Company is dedicated to "becoming a happy enterprise with humans as the core and creating a benchmark for the industry." We follow the labor laws and regulations of the government including but not limited to the basic human rights legislations such as the "Labor Standard Act", "Labor Union Act", "Collective Agreement Act", "Act for Settlement of Labor-Management Dispute", "Occupational Safety and Health Act", and "Act of Gender Equality in Employment".
 2. All the overseas operation bases of the Company observe the laws and regulations of the country where they are located, respectively, and the basic principles specified in the Universal Declaration of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms, the Charter of Fundamental Rights of the European Union, and ILO Declaration on Fundamental Principles and Rights at Work.
 3. We have established the "Personnel Management Regulations" to maintain a fair, impartial and open work environment and provide fair, impartial, open and reasonable employment opportunities. The employees are requested to be dedicated to protecting a safe work environment of dignity. We communicate with the employees actively. A grievance system is available to the employees. It provides a channel for the Company to handle the complaints of the employees against discipline or improper management and over any recommendations or violations of labor-related laws and regulations. We have also set up an employee opinion box (chairmanoffice@ycgroup.tw) to widely

- adopt the suggestions of the employees and maintain smooth communication channels.
4. We protect the rights of the employees (including contracted, contract-based and temporary personnel) and follow the following principles:
 - (1) The labor and environment related laws and regulations at the place of our operating bases are observed to ensure employees have reasonable work conditions and a safe and healthy work environment.
 - (2) The Company is dedicated to an equal and fair work environment free from discrimination and harassment. No discriminatory treatment shall be imposed due to the factors of race, nationality, age, gender, marriage, political position, or religion.
 - (3) Forced labor and child workers are prohibited.
 - (4) The personal privacy is protected and the right to freedom of association is valued.
 - (5) We build an environment of readiness to communicate, provide grievance and whistleblowing systems (reporting mailbox: chairmanoffice@ycgroup.tw), place importance on the opinions of the employees, promote labor-management collaboration. Where any violations of the human rights, related departments start the investigation procedure immediately and implement remedial and corrective measures.
 - (6) By providing health lectures, professional medical personnel assist the employees in maintaining physical and mental health and finding the balance between the work and life.
 - (7) The Company reviews and assesses related systems and human rights policies. In addition to amending internal regulations in a timely manner, we perform education, training and dissemination several times a year to protect the basic human rights.

VI. Cyber Security Management

- (I) Cyber security risk management structure, policy, specific management plans, and the resources input for the cyber security management:

1. Cybersecurity governance framework and responsibility allocation

The Company regards cybersecurity as a critical foundation for operational sustainability and corporate governance, and has established a comprehensive cybersecurity governance framework to ensure the confidentiality, integrity, and availability of information assets.

(1) Roles and responsibilities allocation

- The **Information Department** serves as the cybersecurity authority, led by the CIO and staffed with professional IT personnel. It is responsible for planning, formulating, and implementing cybersecurity policies and systems, promoting various cybersecurity protection measures, and regularly reporting the status of cybersecurity governance and risk mitigation results to management.
- The **Audit Office** serves as the cybersecurity oversight unit, responsible for conducting regular and ad hoc audits of cybersecurity policies and their implementation. If deficiencies are identified, it requires the relevant units to

propose corrective action plans and tracks the effectiveness of these improvements.

(2) Management Mechanism

The Company adopts a cyclical management (Plan-Do-Check-Act, PDCA) model, using system establishment, implementation and control, audit and improvement, and continuous refinement to ensure the ongoing enhancement of cybersecurity governance effectiveness.

2. Cybersecurity Policy and Management Guidelines

The Company's cybersecurity policies and related management systems are established and implemented in accordance with the "Cyber Security Management Act," the "Personal Data Protection Act," and other relevant regulations to ensure that operations comply with legal and regulatory requirements.

The main management guidelines are as follows:

1. Establish a dedicated cybersecurity unit responsible for the development, implementation, and maintenance of cybersecurity systems.
2. Conduct regular cybersecurity education, training, and awareness programs to enhance all employees' cybersecurity awareness and risk identification capabilities.
3. Establish management mechanisms for hosts, networks, and information resources to ensure the security of information assets.
4. Prior to the deployment and launch of new systems and equipment, incorporate cybersecurity risk assessments and security testing.
5. Enhance physical and environmental security of data centers, and conduct regular inspections, maintenance, and servicing.
6. Implement system access and permission management to prevent unauthorized access.
7. Establish internal cybersecurity audit and corrective/preventive mechanisms to ensure effective system operation.
8. Establish business continuity management (BCM), redundancy, backup, and recovery mechanisms, and conduct regular drills.
9. Require all employees and outsourced contractors to comply with cybersecurity regulations, incorporating cybersecurity risk assessment and management into outsourced and sub-contracted operations.
10. Clearly define cybersecurity requirements in internal and external project management processes to reduce the risk of personal data and sensitive information leaks.

11. The cybersecurity policy is reviewed at least annually and revised as needed in response to regulations, technology, and business developments.

3. Cybersecurity management measures and resource allocation

The Company continuously allocates resources to strengthen cybersecurity protection, establishing a multi-layered defense framework combined with automated monitoring and third-party testing to enhance overall protection maturity.

(1) Technical and management measures

Category	Description	Related measures
Access and Permission Management	User accounts Access and permission management System operations	User account permission management and review Regular inventory and review of user account permissions
Access Control	User access to internal and external systems Data transmission security measures	Internal/external access control Data leakage prevention and control Activity and operation trace logging
External Threats	Potential vulnerabilities in internal systems Antivirus and anti-hacking protection measures	Host computer vulnerability detection and update measures Antivirus and anti-hacking, spam and malware detection
System Availability	System availability and procedures for handling service interruptions	System/network availability monitoring and notification mechanism Contingency measures for service interruptions Data backup and system redundancy mechanisms Regular Disaster Recovery Drill

(2) Specific Protective Measures

- **Network security:** Implement information security protection services provided by telecommunications operators and deploy firewalls.
- **Endpoint security:** Deploy antivirus and malware protection mechanisms on all endpoint devices.
- **Data security:** Implement document management and access control mechanisms to reduce the risk of data leakage.

- **Information security awareness:** Implement anti-phishing email mechanisms and strengthen social engineering prevention through training and case-based awareness programs.

(3) **Resource Allocation and Performance Indicators (annual)**

- Network security: An average of approximately 2,663 attacks are blocked per month, of which about 2,324 are high-risk attacks.
- Endpoint security: One external attack incident occurred during the year.
- Data security: All important management documents have been fully integrated into the system for control.
- Information security awareness: Completed five information security awareness and training sessions during the year.

4. **Cybersecurity Risk Management and Internal Control System**

(1) Risk Management Framework:

The Information Department oversees cybersecurity risk management, while the Audit Office is responsible for internal control system planning and internal audits, forming a three-tier defense of governance, management, and supervision.

(2) Key points of internal control system and procedures:

- Employee information security awareness training and promotion
- Information systems and data center physical security management
- Network and endpoint security protection
- System access control and account permission management
- System development and operational security management
- Outsourced and supplier information security management
- Business continuity planning and disaster recovery mechanisms

5. **Material cybersecurity incidents and improvement actions.**

As of the publication date of this report, the Company experienced a significant cybersecurity incident in **December** 2025 due to a ransomware attack. Following the incident, the Company immediately activated its cybersecurity response mechanism, completed a full reconstruction of the affected systems, and simultaneously strengthened the following corrective measures:

- Strengthen data protection and backup recovery mechanisms
- Enhance information security monitoring and real-time reporting capabilities
- Implement system updates and vulnerability patching
- Strengthen employee information security training and awareness

Going forward, the Company will continue to review and enhance cybersecurity governance and protective measures to reduce the risk of similar incidents recurring and to ensure operational stability and the protection of stakeholder interests.

- (II) Losses arising as a result of material cyber security incidents in the most recent year and up to the publication date of this annual report, possible impact thereof and responsive actions therefor, and the reasons in case the losses cannot be reasonably estimated:

As of the date of publication of the annual report, the Company experienced a material cybersecurity incident in December 2025, and the related losses have been gradually restored.

VII. Important contracts

Nature of contract	Party	Contract start/end date	Main contents	Restrictive clause
Distribution agreement	Nan Ya Plastics Corporation	01.01.2025~12.31.2025	Distribution agreement	None
Procurement agreement	Formosa Taffeta Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Laird Technologies Taiwan Inc.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Wistron Corporation	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Mr. Food & Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Tai-Yu Foods Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Taiwan Yoshinoya CO., LTD. - Contract	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	L'OREAL Taiwan Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Chi Deh Crane Engineering Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	LIAN HWA FOODS CORPORATION	01.01.2025~12.31.2025	Procurement agreemen	None
Procurement agreement	PRESIDENT DRUGSTORE BUSINESS CORPORATION	01.01.2025~12.31.2025	Procurement agreemen	None
Procurement agreement	VIVOTEK INC.	01.01.2025~12.31.2025	Procurement agreemen	None
Procurement agreement	Taiwan Taxi Co.	01.01.2025~12.31.2025	Procurement agreemen	None
Procurement agreement	RU JI FOODS CO., LTD.	01.01.2025~12.31.2025	Procurement agreemen	None
Procurement agreement	WISDOM DISTRIBUTION SERVICE CORP.	01.01.2025~12.31.2025	Procurement agreemen	None
Sale and purchase agreement	AUO CRYSTAL CORP.	01.01.2025~12.31.2025	Procurement agreemen	None
Sale and purchase agreement	Wacheng Taitong & Infinite Kitchen	01.01.2025~12.31.2025	Procurement agreemen	None
Supplier contract	ADVANCED INTERNATIONAL MULTITECH CO., LTD.	01.01.2025~12.31.2025	Procurement agreement	None
Supplier contract	KEE WAH CO., LTD.	01.01.2025~12.31.2025	Procurement agreement	None
Non-disclosure agreement	CREATE ELECTRONIC OPTICAL CO., LTD.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	FORWARD ELECTRONICS CO., LTD.	01.01.2025~12.31.2025	Procurement agreement	None
Project Procurement Contract	Avalue Technology Incorporation	01.01.2025~12.31.2025	Procurement agreement	None
Supplier Inventory Management Contract	LITE-ON TECHNOLOGY CORPORATION	01.01.2025~12.31.2025	Supplier Inventory Management Contract	None
Procurement agreement	Abbott Laboratories Services LLC Taiwan Branch	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Amulair Thermal Technology, Inc.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Jentech Precision Industrial Co Ltd	01.01.2025~12.31.2025	Procurement agreement	None
Transaction contract	Panasonic Industrial Devices Materials Taiwan Co., Ltd.	01.01.2025~12.31.2025	Transaction contract	None

Nature of contract	Party	Contract start/end date	Main contents	Restrictive clause
Master purchase contract	Siliconware Precision Industries Co., Ltd.	01.01.2025~12.31.2025	Master purchase contract	None
Procurement agreement	Maersk Contract Logistics (Taiwan) Limited., Taiwan Branch (HONG KONG)	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Taiwan Morinaga Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Delta Electronics, Inc.	01.01.2025~12.31.2025	Procurement agreement	None
Sale and purchase agreement	9x9 Stationery Proficient Co., Ltd.	01.01.2025~12.31.2025	Sale and purchase agreement	None
Sale and purchase agreement	Hsin Tung Yang Co., Ltd.	01.01.2025~12.31.2025	Sale and purchase agreement	None
Procurement agreement	Conquer Electronics Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Master service contract	Zuellig Pharma, Inc.	01.01.2025~12.31.2025	Master service contract	None
Procurement agreement	Compeq Manufacturing Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Surtec Industries Inc.	01.01.2025~12.31.2025	Procurement agreement	None
Cooperation contract	Martas Precision Slide Co., Ltd.	01.01.2025~12.31.2025	Cooperation contract	None
Procurement agreement	Micro-Star International Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Star Asia Vision Corporation	01.01.2025~12.31.2025	Procurement agreement	None
Sales contract	Moxa Inc.	01.01.2025~12.31.2025	Sales contract	None
Sale and purchase agreement	Uni-President Glass Industrial Co., Ltd.	01.01.2025~12.31.2025	Sale and purchase agreement	None
Non-disclosure agreement	Coupang / Rocket fulfillment	01.01.2025~12.31.2025	Non-disclosure agreement	None
Letter of Intent	Yannick Co., Ltd. Digital transformation support program (integration of artificial intelligence and marketing technology)	01.01.2025~12.31.2025	Letter of Intent	None
Non-disclosure agreement	King Slide Works Co., Ltd.	01.01.2025~12.31.2025	Non-disclosure agreement	None
Master purchase and sale agreement	Taiwan Daifuku Co., Ltd.	01.01.2025~12.31.2025	Master purchase and sale agreement	None
Procurement and delivery agreement	Creation Food Co., Ltd.	01.01.2025~12.31.2025	Procurement and delivery agreement	None
Procurement agreement	Billion Electric Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Jardine Food Services (Taiwan) Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Sale and purchase agreement	Uni-President Cold-Chain Corp.	01.01.2025~12.31.2025	Sale and purchase agreement	None
Master procurement agreement	Cosmed	01.01.2025~12.31.2025	Master procurement agreement	None
Procurement agreement	Shin Kong Life Insurance	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Q Burger Group Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Sale and purchase agreement	Comestibles Master Co., Ltd.	01.01.2025~12.31.2025	Sale and purchase agreement	None
Long-term supply agreement	China Fineblanking Technology Co., Ltd.	01.01.2025~12.31.2025	Master procurement agreement	None

Nature of contract	Party	Contract start/end date	Main contents	Restrictive clause
Sale and purchase agreement	Renjie Oldsichuan Catering Management Consultant Co., Ltd.	01.01.2025~12.31.2025	Sale and purchase agreement	None
Long-term supply agreement	Donutes International Co., Ltd.	01.01.2025~12.31.2025	Long-term supply agreement	None
Procurement agreement	Wonik Quartz Taiwan Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	ASE Global Integrated Solutions Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Non-disclosure agreement	BenQ Healthcare Corporation	01.01.2025~12.31.2025	Non-disclosure agreement	None
Long-term supply agreement	Jet Optoelectronics Co., Ltd.	01.01.2025~12.31.2025	Long-term supply agreement	None
Procurement agreement	Raystar Optronics, Inc.	01.01.2025~12.31.2025	Procurement agreement	None
Manufacturing subcontracting agreement	Kang Hsuan Educational Publich Corp.	01.01.2025~12.31.2025	Manufacturing subcontracting agreement	None
Procurement agreement	Chia Nan Food Industrial Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Patriot Memory Inc.	01.01.2025~12.31.2025	Procurement agreement	None
Product procurement agreement	Formica Taiwan Corporation	01.01.2025~12.31.2025	Product procurement agreement	None
Guarantee agreement	Sinox Company Ltd.	01.01.2025~12.31.2025	Guarantee agreement	None
Procurement agreement	Celxpert Energy Corporation	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Grundfos - Framework Agreement	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	MGL Appa Corporation	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Johnson & Johnson	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	Coretronic Corporation	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	La Creacion Co., Ltd. Taiwan Branch (SAMOA)	01.01.2025~12.31.2025	Procurement agreement	None
Supplier contract	Hoyii Life Co., Ltd.	01.01.2025~12.31.2025	Supplier contract	None
Procurement agreement	Florida Bakery Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Procurement agreement	The Bread Co., Ltd.	01.01.2025~12.31.2025	Procurement agreement	None
Financial procurement agreement	Kinmen Kaoliang Liquor Inc.	01.01.2025~12.31.2025	Financial procurement	None
Master Package Supply & sales contract	tesa tape (Shanghai) Co., Ltd.	07.25.2025~03.31.2026	Tesa tape authorized distributor agreement	None
Master Package Supply & sales contract	Beijing Jingdong Century Trading Co., Ltd.	04.01.2025~03.31.2026	Product sales and purchase agreement	None
Master Package Supply & sales contract	Beijing JD Smart Industrial Technology Co., Ltd.	01.01.2025~12.31.2025	Product sales and purchase agreement	None
Wuhan Supply & sales contract	CRRC Zhuzhou Locomotive Co., Ltd.	May 17, 2022 - until the contract amount has been fully executed	Materials procurement contract	None

Nature of contract	Party	Contract start/end date	Main contents	Restrictive clause
Distribution agreement of Victory Union	3M Taiwan Limited	01.01.2025~03.31.2026	Distribution agreement	Trademark / Quality / Region
Star Ray distribution agreement	3M Taiwan Limited	01.01.2025~03.31.2026	Distribution agreement	Trademark / Quality / Region
Suzhou Mingju distribution agreement	3M China Ltd.	12.13.2025~12.31.2026	Distribution agreement	Trademark / Quality / Region
Victory Union (Dongguan) distribution agreement	3M China Ltd.	11.24.2025~12.31.2026	Distribution agreement	Trademark / Quality / Region
Distribution agreement of Victory Union (Vietnam)	3M VIETNAM LIMITED	01.01.2026~12.31.2028	Distribution agreement	Trademark / Quality / Region
Xiamen Lianju distribution agreement	3M China Ltd.	01.01.2026~12.31.2026	Distribution agreement	Trademark / Quality / Region

Five. Review and Analysis of Financial Status and Financial Performance, and a listing of risks

I. Financial Status

Unit: NT\$ thousand

Item \ Year	2025	2024	Deviation	
			Amount	%
Current assets	1,116,877	827,548	289,329	34.96%
Property, plant and equipment	327,747	316,357	11,390	3.60%
Other non-current assets	98,683	23,789	74,894	314.83%
Total assets	1,543,307	1,167,694	375,613	32.17%
Current liabilities	624,750	432,789	191,961	44.35%
Non-current liabilities	43,793	14,603	29,190	199.89%
Total liabilities	668,543	447,392	221,151	49.43%
Capital stock	331,181	353,726	(22,545)	-6.37%
Capital reserve	164,187	174,658	(10,471)	-6.00%
Retained earnings	271,793	268,422	3,371	1.26%
Other equity	3,518	(3,648)	7,166	-196.44%
Treasury stock	0	(72,856)	72,856	100.00%
Non-controlling interest	104,085	0	104,085	100.00%
Total shareholders' equity	874,764	720,302	154,462	21.44%

- (I) Reasons for the variation of more than 20% and the amount up to more than NT\$10 million:
1. Current assets, other non-current assets, and total assets increased mainly due to the acquisition of new consolidated subsidiaries in 2025, resulting in increases in various asset items and goodwill arising from consolidation.
 2. Current liabilities, non-current liabilities, and total liabilities increased mainly due to the acquisition of new consolidated subsidiaries in 2025, resulting in increases in various liability items.
 3. Treasury shares decreased mainly due to the cancellation in 2025 of untransferred shares from the 9th and 10th share repurchase programs upon expiration, in accordance with the Securities and Exchange Act.
 4. Non-controlling interests and total equity increased mainly due to the acquisition of new consolidated subsidiaries in 2025, resulting in an increase in minority interests.
- (II) Impact: The aforementioned variations are normal in the operations, investments and financing activities. There is no material impact on the Company.
- (III) Countermeasures in the future: Not applicable.

II. Financial performance

Unit: NT\$ thousand

Item \ Year	2025	2024	Increase (decrease) amount	Variation ratio (%)
Net sales revenue	1,911,393	1,443,322	468,071	32.43%
Cost of sales	(1,406,051)	(1,038,703)	(367,348)	35.37%
Gross profit	505,342	404,619	100,723	24.89%
Operating expenses	(330,085)	(283,150)	(46,935)	16.58%
Operating income	175,257	121,469	53,788	44.28%
Non-operating revenue and profit	12,022	16,944	(4,471)	-27.11%
Income before income tax	187,279	137,962	49,317	35.75%
Income tax expense	(35,876)	(26,925)	(8,951)	33.24%
Net Income	151,403	111,037	40,366	36.35%

(I) Reasons for the variation of more than 20% and the amount up to more than NT\$10 million:

1. Operating revenue, operating costs, gross profit, operating expenses, operating profit, profit before tax, and profit for the period increased mainly due to the acquisition of new consolidated subsidiaries in 2025, resulting in increases in various profit or loss items.

(II) Expected sales volume and basis of estimate

The Company works more closely with the customers in addition to enhancing the sale of existing products to achieve the goals as planned. The design of the products may be changed to meet the requirements of the customer. We extend and integrate our core specialties and introduce new products on the market to create growing momentum and higher operating performance for the Company.

(III) Possible impact on the Company's finance: No material impact.

(IV) Countermeasures in the future: Not applicable.

III. Cash Flow

Unit: NT\$ thousand

Item \ Year	2025	2024	Increase (decrease)	Variable ratio
Net cash inflow (outflow) from operating activities	137,574	155,095	(17,521)	-11.30%
Net cash inflow (outflow) from investment activities	25,829	442,281	(416,452)	-94.16%
Net cash inflow (outflow) from financing activities	(109,385)	(469,371)	359,986	-76.70%
Net cash inflow (outflow)	74,175	128,997	(54,822)	-42.50%

(I) Analysis of cash flow variation for the year

1. Decrease in cash inflow from investing activities: In 2024, the Company recovered funds lent to the parent company due to funding needs.
2. Decrease in cash outflow from financing activities: In 2024, the Company reduced cash capital and returned shareholders' equity to improve the return on shareholders' equity.
3. Overall, there was a net cash inflow of NT\$74,175thousand.

(II) Improvement plan for insufficient cash: Not applicable.

(III) Cash liquidity analysis for the next fiscal year:

Unit: NT\$ thousand

Cash balance at beginning of period (1)	Expected annual net cash flow from operating activities (2)	Expected annual cash inflow (outflow) (3)	Expected cash surplus (deficit) amount (1) + (2) + (3)	Remedies for expected Cash deficits	
				Investment plan	Finance plan
316,147	170,403	(339,759)	146,791	-	-

Analysis:

1. Analysis of cash flow variation for the next fiscal year:

- (1) Operating activities: The cash inflow from operating activities is primarily a result of the continuous stable profitability in operations.
- (2) Financing activities: Cash outflows from financing activities are mainly surplus distribution and share buyback .

IV. The Impact of the major capital expenditures in the most recent year on finance and business:
There were no major capital expenditures in the most recent year.

V. Reinvestment policy in the most recent year, main reasons for its profit/loss, improvement plan, and the investment plan for the next fiscal year:

Reinvestment Analysis Table

Unit: NT\$ thousand

Description Item	Profit (loss) amount	Policy	Main reason for profit or loss	Improvement plan	Others Investment plan
Master Package (Shanghai) Material Technology Co., Ltd.	(205)	Diversification of the business	The profitability is affected by the price war on the local market.	Develop packaging material sales channels actively.	None
Achem Technology (Wuhan) Limited	368	Diversification of the business	The company's solid operating performance has led to its profitability.	None	None
Victory Union It Co., Ltd	9,827	Diversification of the business	The company's solid operating performance has led to its profitability.	None	None
Star Ray Co., Ltd	1,498	Diversification of the business	The company's solid operating performance has led to its profitability.	None	None
King Material Co., Ltd.	(488)	Diversification of the business	The profitability is affected by the price war on the local market.	Maintain a strong focus on core operations while expanding related business segments.	None

VI. Analysis and assessment of other risk items in the most recent year and up to the publication date of this annual report

(I) The impact of the fluctuation in interest and exchange rates and the inflation on the profit and loss of the Company, and the countermeasures in the future

Risk item	Impact on the profit (loss) of the Company	Countermeasures in the future
Interest rate	Financing: The Company and subsidiaries mainly need short-term credit and secured loans at a low interest rate. So, there is no material risk of changes in interest rate.	The Company and subsidiaries have a sound financial structure. The position of cash, bank deposits, investments and other assets of high liquidity is sufficient to meet the demand of the operations.
	Investment: The Company and its subsidiaries mainly invest in principal-guaranteed bank wealth management products at rates adjusted with changes in interest rates. These investments have little impact on the Company's profit or loss because of the small amount.	In consideration of the liquidity, safety and profitability, the Company and subsidiaries will remain conservatively and moderately investing in bank wealth management products.
Exchange rate:	The export amount occupies only a small percentage in the revenue of the Company and subsidiaries. The foreign exchange position is low and the impact of the variation in exchange rate is limited.	We observe the trend of the USD and RMB and control the utilization of the funds appropriately to reduce the impact of the fluctuation in exchange rate.
Inflation	The customers of the Company and its subsidiaries are mainly companies and distributors in Taiwan and the Chinese mainland. Most of our raw materials are purchased domestically. Given the proper control of inflation in Taiwan at the current stage, the Company and its subsidiaries control gross margins well. There is no risk of inflation in the overall operation.	We will pay attention to the interest rate policy of the central banks in different countries and their inflation status, and will adjust the price of the products and the stock of the (raw) materials appropriately. In addition, we will continue developing new suppliers for the collectively purchased products in big quantity to increase the advantage of purchase and the gross margin.

- (II) Policies on engaging in high risk and high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main reasons for profit and loss, and countermeasures in the future:

Risk item	Implementation status in 2025	Policy and countermeasure
High-risk and high-leverage investment	None	The Company and subsidiaries focus on our main business and are not engaged in such investment.
Loaning funds to others	The Company engaged in loaning funds to others in accordance with the internally established procedures for loaning funds to others.	The Company and subsidiaries have established the “Procedures for Loaning Funds to Others”.
Endorsement and guarantee	The endorsement and guarantee arrangements of the Company and its subsidiaries are carried out in accordance with their established endorsement and guarantee procedures.	The Company and subsidiaries have established the “Procedures for Endorsement and Guarantee”.
Transaction of derivatives	None	The Company and subsidiaries have incorporated the transaction procedure of derivatives in the “Procedures for Acquisition or Disposal of Assets”.

- (III) R&D plan and expected R&D funds in the future (2026): None.
- (IV) Impact of the change in domestic/foreign important policies and laws on the finance and business of the Company and countermeasures

All the business activities of the Company and subsidiaries are compliant with the applicable policies, laws and regulations. The Company has appointed management personnel to consult with related experts whenever any policies, laws or regulations are changed.

- (V) Impacts of the change in technology (including cyber security risk) and industry on the finance and business of the Company and countermeasures

The Company and subsidiaries provide sales channels of packaging materials and introduce electronic operation systems actively. Network and information systems have been built to shorten the message delivery process, improve the operation process effectively, and increase the operational efficiency. In addition to implementing technology-based management, the Company improve the techniques in response to the changes in the prospects of the industry in order to enhance the competitive strength of the Company. Hence, the change in technology and industry has a positive effect on the finance and business of the Company.

Assessment and analysis of information security and specific measures:

The Company implemented the Regulations Governing the Use of Computer Network Accounts that all the users shall observe with respect to the internal computers, login accounts and networks to protect the overall information security of the Company. The Regulations were announced and implemented on the same day.

The Company announced and implemented the Regulations Governing the Management in Response to Invasion in the Network of the Group to prevent network

saboteurs from invading in the network system of the Group to steal, destroy or illegally alter the data in the network server.

The Group requires the employees to implement both regulations to reduce and avoid information security risk.

In the network of the Group, the internal systems are isolated from external websites by firewalls. A public wireless network environment has been built and isolated from the internal operation environment to ensure the security and stability of the internal systems.

The email service has been migrated to a cloud-based system, utilizing cloud protection to prevent threats such as spam and phishing emails.

The EIP, BPM and ISO systems can provide services via the Internet. Hence, vulnerability detection and scanning are performed for these systems on a regular basis to reduce the risk of malicious invasion and attack.

All the core information systems of the Group are built in a virtual server structure and meet the requirements of high system reliability as planned. An automated remote backup system was built to mitigate the risk of business interruption due to information security events and reduce the RTO (Recovery Time Objective) for the recovery of the system.

This year, secure zones have been established for system databases, strictly prohibiting connections from unrelated computers to enhance security. In addition to antivirus protection, all computers are equipped with EDR, with centralized handling of alerts for anomalies on personal computers and hosts. Private cloud data backups are implemented with off-site, heterogeneous, and offline mechanisms to further strengthen security.

(VI) Impact of the change in the corporate image on the crisis management of the Company and countermeasures:

The Company and subsidiaries uphold the professionalism and ethical management principles and place importance on the corporate image and risk control. There are currently no foreseeable crises.

(VII) Expected benefits and potential risks in merger and acquisition and countermeasures

In Q3 2025, Yem Chio Distribution completed an equity acquisition of companies with professional application services and premium distribution channel resources. The expected benefits are primarily reflected in the integration of product lines and the enhancement of market position.

By incorporating high value-added products such as high-tech electronic-grade and industrial-grade tapes and adhesives, Yem Chio Distribution has successfully transformed from a pure packaging material supplier into a “comprehensive solution provider.” This not only strengthens supply chain integration and customer stickiness with existing customers, but also accelerates the development of core markets such as Taiwan, China, and Southeast Asia through the integration of distribution resources, thereby expanding its business scale and optimizing its profitability structure. In terms of merger and acquisition risk assessment, as the business scope of the acquired entities is highly complementary to that of Yem Chio Distribution and their operating fundamentals are sound, no significant financial or operational risks have been identified following a prudent evaluation. To ensure the realization of merger synergies, Yem Chio Distribution has implemented proactive measures, including the establishment of a comprehensive post-investment management mechanism to facilitate in-depth financial and operational integration and resource sharing.

At the same time, through the exchange of expertise in professional talent management, it ensures operational stability and maximizes integration synergies, thereby minimizing potential integration risks.

(VIII) Expected benefits and potential risks in expansion of plants and countermeasures

The Company and subsidiaries do not have plant expansion plans, so these risks do not exist.

(IX) Risks associated with any concentration of purchases or sales and countermeasures

The Company and subsidiaries have diversified the suppliers and customers and maintained good relationship with them. There are no risks associated with any concentration of purchases or sales.

(X) Impacts and risks from large transfers of shares held by our company's directors, supervisors, and large shareholders holding more than 10% of shares, and of subsidiaries impacts and risks: Impacts and risks from large transfers or variations of shares held by directors or the large shareholders holding more than 10% of the shares: Yem Chio Co., Ltd. holds 38.86% of the Company's shares and is the largest single shareholder of the Company. Its impact and risk to the Company and subsidiaries: None.

(XI) Impacts and risks from variations in the Company's management rights and countermeasures

All the directors were reelected at the 2023 annual general meeting of shareholders and the management rights was not changed. The operations of the Company and subsidiaries are normal and there is no impact.

Countermeasures: None.

(XII) For litigation or non-litigation events, please indicate the Company and directors, President, substantial responsible person, large shareholder holding more than 10% of the shares and affiliated companies that are involved in a significant litigation, non-litigation or administrative dispute event with affirmative judgment or pending in the court proceeding; where the result may have substantial impact on the shareholder's equity or stock price, the dispute fact, claim amount, start date of the litigation, primary litigation parties, and the handling status up to the publication date of this annual report shall be disclosed:

i. Xin Chio Global Co., Ltd. (hereinafter referred to as "Xin Chio") falling victim to the criminal fraud and civil infringement committed by XiZhun Technology Co., Ltd. (hereinafter referred to as "XiZhun") and ChengJun Co., Ltd. (hereinafter referred to as "ChengJun") in January 2018, with the damage compensation totaling NT\$20,732,539. Subsequent enforcement proceedings:

(i) Process of the incident:

Xin Chio was deceived between June 8, 2017 and January 17, 2018 by a well-organized crime group with division of work. The crime group was formed by the members of a fraudulent organization, including Tsung-Hsin Ho, Cheng-Yu Huang, Yi-Fan Lu, Chu-En Chi and Hsin-Chao Yu (fund provider and power behind the throne). Hsin-Chao Yu et al. selected Tsung-Hsin Ho to establish and be the responsible person of XiZhun Technology Co., Ltd. (hereinafter "XiZhun"), and selected Yi-Fan Lu to establish and be the responsible person of ChengJun Co., Ltd. (hereinafter "ChengJun"). The said

companies were both shell companies that the fraudulent organization members set up for scams, with vagrants' names used as the responsible persons thereof. After winning the trust of Xin Chio's sales personnel by placing cash on delivery orders at low prices, the two companies placed large orders at high prices and paid with dishonored checks. Later, they resold the products received by fraud and left their registered places. Without skepticism, Xin Chio's sales personnel thought that XiZhun would make payment as scheduled, and therefore sent the computer equipment, operational software, dehumidifiers and mobile phones ordered by XiZhun to the provided business location between November 2017 and January 2018; the total value of the products delivered amounted to NT\$20,435,050. Also, the computer hardware valued at NT\$418,688 was delivered to ChengJun's business location. Xin Chio wasn't aware of the fraud until XiZhun's and ChengJun's checks on which DBS Bank was drawn all bounced. The financial loss totaled NT\$20,732,539.

(ii) Handling status:

1. Criminal aspect: The responsible persons of XiZhun and ChengJun, Tsung-Hsin Ho, Yi-Fan Lu and Chu-En Chi, who were the members of the fraudulent organization led by Hsin-Chao Yu and Cheng-Yu Huang, targeted different computer product providers around Taiwan; many companies fell victims to their fraud and further filed legal complaints to the prosecuting agency. Based on the available clues, the police arrested the ringleader of the crime, Hsin-Chao Yu, and the other members. The Taiwan High Prosecutors Office appointed the Taiwan Shilin District Prosecutors Office to handle the investigation and action of all the relevant fraud cases. At the trial before the Taiwan Shilin District Court (case No.: Su-Zi No. 87 of Taiwan Shilin District Court, 2019), as the defendant admitted to the crime of assisting in the fraud, he was sentenced to 50-day imprisonment on June 13, 2019. Xin Chio filed an appeal to the prosecutor against the first-instance criminal judgment of Tsung-Hsin Ho's case on June 26, 2019. During the second instance, the court considered the appeal reasonable and revoked the first-instance decision on January 8, 2020. Tsung-Hsin Ho was further sentenced to imprisonment of 42 months for involving in the scam committed by more than 3 persons (case No.: Jian-Shang-Zi No. 133 of Taiwan Shilin District Court, 2019). On August 26, 2019, the Taiwan Shilin District Court sentenced the other defendants, Hsin-Chao Yu, Cheng-Yu Huang, Chu-En Chi and Yi-Fan Lu, to prison terms of 134 months, 14 months, 82 months and 68 months, respectively. The four aforementioned defendants filed an appeal against the decision. On May 31, 2022, the Criminal Division of Taiwan High Court sentenced Hsin-Chao Yu, Cheng-Yu Huang, Chu-En Chi and Yi-Fan Lu, to prison terms of 34 months, 14 months, 12 months and 12 months, respectively (simply for the jointly-committed scam in Xin Chio's case, the fraud committed by Hsin-Chao Yu et al. in the other company's cases, and the offense against the Organized Crime Prevention Act) (case No.: Shang-Su-Zi No. 335 criminal decision of Taiwan High Court, 2020).
2. Civil compensation incidental to the criminal case: Suffering a financial loss of NT\$20,732,539 due to the scam jointly committed by XiZhun, ChengJun, the

responsible person Tsung-Hsin Ho, and the other accomplices including Hsin-Chao Yu, Cheng-Yu Huang and Yi-Fan Lu, Xin Chio made a civil compensation claim incidental to the criminal case against them. On December 30, 2020, the Civil Division of Taiwan Shilin District Court decided that the defendants, Hsin-Chao Yu, Cheng-Yu Huang, Yi-Fan Lu, Chu-En Chi and Tsung-Hsin Ho should pay NT\$20,732,539 and the interest at an annual rate of 5% for the period from May 24, 2019 to the settlement date (Chong-Su-Zi No. 16 civil decision of Taiwan Shilin District Court, 2020. Since none of the said defendants filed any appeal, the case was concluded.)

3. After the name change, Yem Chio Distribution, in handling the above-mentioned criminal fraud case, suffered an accounting loss of NT\$20,732,539 due to the fraud. Accordingly, on November 13, 2025, it filed an application for compulsory enforcement with the Taiwan Shilin District Court (Court Case 2025 Ssu-Tsu-Zi No. 111383). As enforcement against Yu, Hsin-Chao, Huang, Cheng-Yu, Lu, Yi-Fan, Chi, Chu-En, and Ho, Tsung-Hsin, among others, yielded no results (no assets or income available for enforcement), the Taiwan Shilin District Court issued a creditor's certificate on December 3, 2025 (the case was closed).

ii. Xin Chio requesting a compensation of NT\$1,020,291 from MingJu Plastic Co., Ltd. in January 2018 for the non-performance as a result of the delivery of defective products:

(i) Process of the incident:

1. The interested party, LUNG YEN INDUSTRY CO., LTD. (hereinafter "LUNG YEN") purchased the plastic packaging materials—three-color printed zipper bags—from Xin Chio, and shipped them to another interested party, QMI Industrial Co. Ltd (hereinafter "QMI"), as the packaging materials for products. Starting from April 2017, Xin Chio placed orders with and commissioned MingJu Plastic Co., Ltd. (hereinafter "MingJu") for the production of three types of printed zipper bags. QMI used the three-color printed zipper bags produced in May and June, 2017 by MingJu, and found that the bags had many defects (e.g. serious color differences, rough edges, white spots on the bags). After LUNG YEN informed Xin Chio of the problem, Xin Chio, LUNG YEN and MingJu had a meeting with QMI to discuss the issue of product defects on July 6, 2017, where MingJu promised Xin Chio, LUNG YEN and QMI that the products would not contain such defects in the future.
2. The three-color zipper bags reproduced by MingJu after the four-party meeting continued to have the aforementioned defects. QMI could not use the bags, and had to purchase other zipper bags from the local manufacturers in Cambodia to handle the emergency. A total of 472,688 defective zipper bags made by MingJu (including those in the inventory of Xin Chio) were returned and shipped back to Xin Chio (valued at NT\$731,164 in total). After the payment for the purchase that Xin Chio had not made yet (NT\$368,719) was deducted, the loss (i.e. total expenses for

the return of the products) suffered by Xin Chio amounted to NT\$404,260 (requested amount 1). In addition, due to QMI's urgent need for the products, the products were delivered to Cambodia via air freight; the additional transportation fee incurred was NT\$248,909 (requested amount 2). Meanwhile, QMI's labor cost as a result of hiring local people in Cambodia for manual screening (inspection) of the defective products was NT\$91,262 (requested amount 3). Furthermore, Xin Chio paid a storage fee of NT\$93,000 for storing the returned products in the warehouse in Yilan between March 21, 2018 and September 30, 2020 (a total of 31 months). Xin Chio accordingly requested a total compensation of NT\$1,020,291 (i.e. the sum of requested amounts 1+2+3+4) from MingJu for its non-performance.

(ii) Handling process:

1. The Taiwan Shilin District Court decided on August 3, 2021 that MingJu should pay Xin Chio NT\$927,291 (All the Xin Chio's requests, except for the requested amount 4, were approved).
2. MingJu filed an appeal on August 23, 2021 for a second-instance trial. The case is currently pending at the Taiwan High Court (Shang-Yi-Zi No. 933 of Taiwan High Court, 2021).
3. In this case, the judge forced the two parties to establish mediation on April 21, 2022 (Settlement Record Case No.: Taiwan High Court, 2012 Shangtiao Zi No. 563), and MingJu Company paid the XIN CHIO a settlement fee of NT\$660,000 (the payment method will be monthly payment from May 2023 to NT\$30,000 to XIN CHIO CO. before the 20th of each month until the payment is completed). If one phase is not performed on time, it will be deemed to be all due, and MingJu Company shall pay XIN CHIO CO. punitive liquidated damages of NT\$260,000 **(as MingJu Company fully settled the amount on April 30, 2025, the case is hereby closed).**

- iii. **Yem Chio Distribution filed a criminal complaint against former Zhongli Branch Manager Cheng, Kai-Lung for alleged criminal breach of trust and forgery. On July 28, 2025, the New Taipei District Prosecutors Office issued a decision of non-prosecution (Yem Chio Distribution received the non-prosecution ruling on December 13, 2025; New Taipei District Prosecutors Office 2025 Zhen-Zi No. 3883 non-prosecution decision). Dissatisfied with the original prosecutor's failure to investigate multiple alleged criminal facts and the reasoning for the non-prosecution decision, including the failure to summon downstream vendors and an erroneous interpretation of the suspect Cheng, Kai-Lung's defense, the Company argued that the conclusion that any approved procurement constituted lawful purchase was a misinterpretation. It was further asserted that insufficient consideration was given to the fact that Cheng, Kai-Lung, as procurement personnel and the actual goods acceptance officer responsible for shipment matters, was able in substance to circumvent the Company's internal control mechanisms and exercised de facto control over the procurement, inbound, and outbound processes of goods. The original non-prosecution decision allegedly involved failure to investigate necessary evidence, misjudgment of the evidence and claims submitted by the complainant, and a**

violation of the duty to actively investigate evidence under Article 154 of the Code of Criminal Procedure. Accordingly, on January 2, 2026, the Company filed a petition for reconsideration (appeal against the non-prosecution decision) with the Taiwan High Prosecutors Office.

(i) Handling process:

1. The criminal complaint and the petition for reconsideration in this case were both handled in-house by the Legal Affairs Department. After the case was transferred to the Taiwan High Prosecutors Office, the High Prosecutors Office determined on February 5, 2026 that the case still contained matters requiring further investigation and therefore remanded the case to the New Taipei District Prosecutors Office for further investigation (Case No.: Taiwan High Prosecutors Office 2026 Shang-Sheng-Yi-Zi No. 00165 remand notice for further investigation).
2. The case is pending the reopening of the investigation proceedings by the New Taipei District Prosecutors Office.

iv. **A former Nankan Branch Manager of Yem Chio Distribution, Kuo, Min-Chih, filed a civil lawsuit with the Taipei District Court seeking payment of salary, alleging that Yem Chio Distribution improperly withheld his profit-sharing (or bonus) in the amount of NT\$4,135,734 (Taipei District Court 2025 Su-Zi No. 1773). Yem Chio Distribution argues that the profit center implementation guidelines relied upon by Kuo, Min-Chih are incorrect, and that the calculation sheet he submitted was not prepared by the Company's accounting personnel, therefore it does not qualify as a documentary instrument under the Code of Civil Procedure and lacks evidentiary admissibility. The Company further denies that it has improperly withheld any of his entitled profit-sharing (or bonus).**

(i) Handling process:

1. The case is currently under trial at the Taiwan Taipei District Court.

(XIII) Other significant risks: None.

VII. Other important matters: None

Six. Special Notes

I. Information on affiliates

Please go to the Market Observation Post System > Single Company > Electronic File Download > Affiliate Disclosure Statements section. (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II. Private placement of securities in the most recent year and up to the publication date of the annual report: None.

III. Other matters that require additional description: None.

Seven. Any of the matters stated in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act which may have significant impact on the shareholders' equity or the price of the securities in the most recent year and up to the publication date of the annual report :

As resolved by the Board of Directors on March 12, 2026, the CPAs, Liu Rong-Jin and Hsieh Sheng-An, of the Ernst & Young Global Limited, Taiwan, were changed to Lin Yi-Fan and Chen Ching-Chang, of PricewaterhouseCoopers, Taiwan, to meet the business operation, development and internal management requirements. The newly appointed CPAs started performing their duties from 2026 Q1.

Yem Chio Distribution Co., Ltd.

President: Lee, Chi-Cheng