

*Stock Code: 1702*



**Namchow Holdings Co., Ltd**

## **2024 Annual Report**

**Notice to readers**

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

*Printed and Published on March 28, 2025*

*Annual report inquiry URL: <https://mops.twse.com.tw>*

*Company website: <https://www.namchow.com.tw>*

### I.Spokesperson Information

	Spokesperson	Representative
Name	Kan-Wen Lee	To be elected
Title	General Manager	
Telephone	(02) 6619-3688	
E-Mail	Kevin@namchow.com.tw	

### II. Addresses and Telephone Numbers of the Headquarter, Branch office and Factory

Company	Address	Telephone
Headquarter	No.100, Sec. 4, Yanping N. Rd., Taipei City 103, Taiwan (R.O.C.)	(02)6619-3000
Branch office	2F, No. 64, Huaining Street, Taipei City 103, Taiwan (R.O.C.)	(02)6619-3000

Addresses and Telephone Numbers of Factory : None

### III. Stock Transfer Information

Name of Stock Transfer Agency	Agency Department of Chinatrust Commercial Bank
Address	5F., No. 83, Sec. 1, Chongqing S. Rd., Taipei City 100, Taiwan (R.O.C.)
Telephone	(02) 6636-5566
Website	<a href="https://www.ctbcbank.com">https://www.ctbcbank.com</a>

### IV. Certified Public Accountant for the Most Recent Year

Name of Firm	KPMG
Name of CPA	CPA Chong-Shun Wu, CPA Chun-Yi Chang
Address	68F., No. 7, Sec. 5, Xinyi Rd., Taipei City 110 , Taiwan (R.O.C.)
Telephone	(02) 8101-6666
Website	<a href="https://www.kpmg.com.tw">https://www.kpmg.com.tw</a>

V. Name of Trading Site for Listed Securities Overseas and Inquiry Information: None

VI. Company website : <https://www.namchow.com.tw>

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# **I. Letter to Shareholders**

## **I. 2024 Business Report**

The Company's consolidated revenue was NTD 23,738,315 thousand in 2024, an increase of NTD 1,058,309 thousand (+4.67%) from NTD 22,680,006 thousand in 2023. The profits amounted to NT\$1,010,029 thousand in 2024, a decrease of NT\$31,786 thousand (-3.05%) from NT\$ 1,041,815 thousand in 2023. The 2024 revenue underwent a growth compared to 2023. However, due to a sluggish economy in China, low price competition and weak consumer spending, adding to the rising oil price and various costs, the profit in 2024 declined compared to 2023.

Financially, the company's consolidated debts totaled NTD 18,094,221 thousand in 2024; the debt ratio was 54.94%, a decrease of 3.64% and increase in amount of NTD 354,182 thousand from 58.58% in 2023 when the consolidated debts were 17,740,039 thousand. In 2024, the net cash inflow from operating activities was NT\$2,055,098 thousand, net cash outflow from investing activities NT\$3,361,884 thousand, and net cash outflow from financing activities NT\$538,526 thousand. The 2024 current ratio was 198.07%, higher than that, 182.17%, in 2023, showing that the Company's overall financial position was sound.

Namchow's core mission is sustainable operation, becoming a 100-year-old enterprise, and building a long-term competitive advantage with a strategy of internationalization, localization and growth management. Cultivating connections in Taiwan, Thailand, China, and Japan, and operate in niche markets around the world. Products are sold to countries around the world. Take a trading organization as the core, it links the resources of various industries and achieve comprehensive effects in terms of talent, raw materials, R&D, production, customers, and services.

## **II. Summary of 2025 Business Plan**

Namchow, with the insights into international market trends, develops high value-added products, dynamic corporate organization, creates diversified business models to create a multi-win situation among customers, consumers, society and industries.

Namchow has operated its oil business in Mainland China for 28 years. It has been committed to providing customers with comprehensive consultant-style services and becoming a community with customers. It aims to become the top choice baking partner of customers. Namchow Food Group (Shanghai) Co., Ltd. was listed on the Shanghai A Share Index (SHAI) in May 2021, becoming the first publicly listed food company in mainland China. The funds raised by it are applied to increase the production capacity of baking fats and frozen dough and also expand the cold chain warehousing and R&D centers. In 2022, a new production base was constructed in Chongqing. The investment for this project is approximately RMB480 million, which includes the construction of facilities for whipped cream, frozen dough production and processing and supporting structures. Shanghai Namchow has established subsidiaries in Singapore, Hong Kong and Thailand, and also successfully marketed the baking fats products made in China to Hong Kong, Macau and ASEAN markets to expand its service areas.

Namchow has developed its business in Thailand for 34 year and, therefore, become an expert in a full range of rice products globally. Its rice crackers, cooked rice, and porridge are distributed and well received in the global market. In 2018, the new plant expansion project was implemented. In the first phase, about 1.37 billion baht has been invested to build intelligent plant and install a production line of baby rice cracker and baked bread and snacks. The rice cracker production line has been launched in Q2 2020. The production line of baked bread and snacks has commenced the production successfully in January 2023. The new production line of Namchow Thailand Phase II will start production in the first quarter of 2025. The main production is baby rice crackers, thin rice crackers, and rice crackers for pastas. In the future, the production capacity will increase significantly to satisfy the needs of global customers.

### **III. Future Development Strategies and Impact from the External Environment**

Namchow's long-term development is based on "understanding the changes in the social and economic environment, satisfying the needs of the public", and pursuing long-term earnings for the benefit of the public. Over the years, we have built strong team identity to work together to jointly review the past, invest in the present and focus on future development.

Future development strategy: Continue to increase investment in the production sites, equipment, talent, and R&D of each business unit. Currently, food revenue accounts for more than 98% of the Group's revenue. We will continue to develop safe, high-standard and healthy products, and meet the needs of customers with a more diversified supply of materials.

Competitive environment: In the home products business, we will continue to develop environmental friendly cleaning detergents that meet the needs of consumers in various scenarios, and focus on the market segments providing more functional and exquisite services.

Take the oil & fat business as an example. The Company continues to invest in R&D and services to keep up with international trends, and deepen the professional functions of the oil & fat business to become the first choice for customers, and is trusted by the baking industry as the most trustworthy partner. Focusing on the health trend awareness, the Company continues to launch the baking clean upgrade oil and fat that meet the international standards of "cleanness" and "no additives", and achieving the core goal of sustainable operation, which is to reduce the pollution and process carbon emissions.

Legal Environment: Since the 1980s, Namchow has introduced the concept of consumer protection, and actively implemented the comprehensive quality management, a pioneer at that time. Recently, the society has evolved rapidly, and in order to survive, enterprises need to follow the grand concept about environmental protection and care for the earth to become those with green competitiveness. Namchow always identifies itself as an enterprise for the social public, by upholding the principle of benefiting others, openness, transparency and sustainability policies, and also the idea about co-existence and co-prosperity with the society.

The overall environment: The geopolitical risks in 2024 are rising, the competition between the U.S. and China is expanding, inflation continues, and the energy price fluctuates drastically, causing the global market to face multiple challenges. However, the global AI trend continues to emerge, and how different industries use artificial intelligence in business has become an important and necessary issue for operators.

Looking ahead to 2025, the political and economic environment is changing rapidly. The new US policy of the Trump administration, such as its position on climate policy, tariff policy, and currency exchange rate control, will all deeply affect the operation of enterprises. In addition, the uncontrolled factors of climate change have caused the supply and demand of energy and agricultural raw materials unstable, which is a test of corporate management. However, as the consumption market is recovering, Namchow has adopted a precise strategy for its forward-looking deployment, and has effectively implemented it. Namchow is also developing its business positively, and the outlook is optimistic.

It has been 73 years since Namchow was founded, we have weathered through countless political and economic changes. We have turned a crisis into an opportunity and have taken the lead to rise to new heights. Over the years, we have developed a people-oriented, continuous learning organization that integrates employees' career development. Based on the principles of "Knowing changes, Responding to change, Seeking to change, and Remaining unchanged," we have developed a corporate culture and values. Always believing in ethical management, pursue consumers' interests and rights permanently, and create better investment returns for all stakeholders and shareholders.

To

Namchow General Shareholders Meeting

Chairman *Fei-Lung Chen*



## II. Corporate Governance Report

### I. Background Information on Directors, Supervisors, General Managers, Vice General Managers, Assistant Managers and Heads of Various Departments and Branches

#### Director and Supervisor Information (I)

April 05, 2025

Title (Note 1)	Nationality	Name	Gender and age (Note 2)	Date of Election /Inauguration Date	Tenure	Initial date of inauguration (Note 3)	Number of shares held at the time of election		Number of shares currently held		Current shares held by spouse and minors		Shares held in someone else's name		Main experience /education (Note 4)	Positions served at the Company and other companies at present	Other supervisors, directors or supervisors that are a spouse or within second degree of kinship			Remarks (Note 5)
							Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	R.O.C.	Hwa Zhin Co., Ltd.  Representative: Fei-Lung Chen	Male 81-90 years old	2024/7/15	3 years	2006/06/09  1959/04/04	864,884  33,814,934	0.29%  11.50%	864,884  33,814,934	0.29%  11.50%	0  2,803,413	0.00%  0.95%	0  0	0.00%  0.00%	Masters of Public Administration , University of San Francisco	Chairman of Hwa Zhin Co., Ltd. Chairman of Namchow BV Ltd. Chairman of Nacia International Corporation Chairman of Namchow (Cayman Islands) Holding Corp. Director of Mostro (Thailand) Ltd. Director of Dian Shui Lou Restaurant Business Co., Ltd.	Director	Employee Welfare Committee of Namchow Holdings CO., Ltd. Representative Yi-Wen Chen	Father and Daughter	None
Vice Chairman	R.O.C.	Hwa Zhin Co., Ltd.  Representative: Cheng-Wen Chen	Male 51-60 years old	2024/7/15	3 years	2006/06/09  2015/06/10	864,884  0	0.29%  0.00%	864,884  0	0.29%  0.00%	0  1,469,000	0.00%  0.50%	0  0	0.00%  0.00%	Master of Financial Affairs, Golden Gate University in San Francisco	Director of Lucky Royal Co., Ltd. Director of Qizhi Culture Co., Ltd. Director of Namchow BV Ltd. Director of Nacia International Corporation Director of Namchow (Cayman Islands) Holding Corp. Director of Tianjin Namchow Food Co., Ltd. Director of Tianjin Yoshi Yoshi Co., Ltd. Chairman of BLN Restaurants & Caterings Director of Namchow (Thailand) Ltd. Director of Mostro (Thailand) Ltd. Chairman of Shanghai Qiaohao Trading Co., Ltd. Director of Guangzhou Namchow Food Co., Ltd. Executive Director of Shanghai Qizhi Business Consultation Company. Chairman of Namchow Food Group (Shanghai) Co., Ltd. Executive Director of Shanghai Qiaohao Enterprise Management Co., Ltd. Executive Director of Shanghai Qiaohao Food Co., Ltd. Director of Shanghai Namchow Food Co., Ltd. Director of Tianjin Qiaohao Food Co., Ltd. Executive Director of Chongqing Qiaoxing Business Management Co., Ltd. Director of Guangzhou Yoshi Yoshi Co., Ltd. Chairman of Namchow Oil and Fat Co., Ltd. Executive Director of Wuhan Qiaoxing Co., Ltd. Director of Namchow Trading Singapore Pte. Ltd. Chairman of Chongqing Namchow Food Co., Ltd. Director of Namchow Trading Hong Kong Pte. Ltd. Director of Namchow Food (Bangkok) Ltd.	Chairman	Hwa Zhin Co., Ltd. Representative Fei-Lung Chen	Father and Son	None
																	Director	Employee Welfare Committee of Namchow Holdings CO., Ltd. Representative Yi-Wen Chen	Sister and Brother	



Title (Note 1)	Nationality	Name	Gender and age (Note 2)	Date of Election /Inauguration Date	Tenure	Initial date of inauguration (Note 3)	Number of shares held at the time of election		Number of shares currently held		Current shares held by spouse and minors		Shares held in someone else's name		Main experience /education (Note 4)	Positions served at the Company and other companies at present	Other supervisors, directors or supervisors that are a spouse or within second degree of kinship			Remarks (Note 5)
							Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio			Title	Name	Relationship	
Director	R.O.C.	Lucky Royal Co., Ltd. Representative: Kan-Wen Lee	Male 71-80 years old	2024/7/15	3 years	2006/06/09 2006/06/09	46,041,259 26,583	15.65% 0.01%	46,041,259 26,583	15.65% 0.01%	0 0	0.00% 0.00%	0 0	0.00% 0.00%	Master of Agricultural Economics, National Taiwan University  Master of Business Administration, National Chung Hsing University	Director of Nacia International Corporation Director of Namchow (Cayman Islands) Holding Corp. Director of Tianjin Yoshi Yoshi Co., Ltd. Director of Tianjin Namchow Food Co., Ltd. Director of Guangzhou Namchow Food Co., Ltd. Director of Namchow (Thailand) Ltd. Director of Mostro (Thailand) Ltd. Director of Guangzhou Yoshi Yoshi Co., Ltd Director of Namchow Food Group (Shanghai) Co., Ltd. Director of Namchow Oil and Fat Co., Ltd.	None	None	None	None
Director	R.O.C.	Lucky Royal Co., Ltd. Representative: Ming-Fen Zhou	Female 61-70 years old	2024/7/15	3 years	2006/06/09 2018/05/30	46,041,259 9,000	15.65% 0.00	46,041,259 9,000	15.65% 0.00%	0 0	0.00% 0.00%	0 0	0.00% 0.00%	Master of Educational Technology, Texas A&M University  Entrepreneurship Class of National Chengchi University	Chairman of Lucky Royal Co., Ltd. Director/General Manager of Chowho Enterprise Co., Ltd. Director of Namchow (Thailand) Ltd. Director of Shanghai Qiaohao Trading Co., Ltd. Director of Tianjin Yoshi Yoshi Co., Ltd. Director of Guangzhou Yoshi Yoshi Co., Ltd Director/General Manager of Huciang Industry Co., Ltd. Director of Namchow Oil and Fat Co., Ltd. General Manager of Dian Shui Lou Restaurant Business Co., Ltd.	None	None	None	None
Director	R.O.C.	Employee Welfare Committee of Namchow Holdings CO., Ltd. Representative: Yi-Wen Chen	Female 61-70 years old	2024/7/15	3 years	2019/05/30 2019/05/30	4,908,960 0	1.67% 0.00%	4,908,960 2,000,000	1.67% 0.68%	0 686,635	0.00% 0.23%	0 0	0.00% 0.00%	Master of San Francisco University	Director of Lucky Royal Co., Ltd. Supervisor of Chowho Enterprise Co., Ltd. Supervisor of Qizhi Culture Co., Ltd. Director of Namchow BV Ltd. Director of Nacia International Corporation Director of Namchow (Cayman Islands) Holding Corp. Chairman of Tianjin Namchow Food Co., Ltd. Chairman of Tianjin Yoshi Yoshi Co., Ltd. Vice Chairman of BLN Restaurants & Caterings Director of Namchow (Thailand) Ltd. Director of Shanghai Qiaohao Trading Co., Ltd. Chairman of Dian Shui Lou Restaurant Business Co., Ltd. Chairman of Guangzhou Namchow Food Co., Ltd. Director of Namchow Food Group (Shanghai) Co., Ltd. Supervisor of Shanghai Qiaohao Business Administration Co., Ltd. Chairman of Shanghai Qiaohao Food Co., Ltd. Chairman of Shanghai Namchow Food Co., Ltd. Chairman of Namchow Japan Co., Ltd. Supervisor of Namchow Consultancy Co., Ltd. Chairman of Tianjin Qiaohao Food Co., Ltd. Supervisor of Chongqing Qiaoxing Co., Ltd. Chairman of Guangzhou Yoshi Yoshi Co., Ltd Director of Namchow Oil and Fat Co., Ltd. Chairman of Huciang Industry Co., Ltd. Supervisor of Hwa Zhin Co., Ltd.	Chairman  Vice Chairman  Deputy General Manager/ Executive Deputy President	Hwa Zhin Co., Ltd. Representative Fei-Lung Chen  Representative of Hwa Zhin Co., Ltd. Cheng-Wen Chen	Father and Daughter  Sister and Brother  Sister and Brother	None
Director	R.O.C.	Hwa Zhin Co., Ltd. Representative Yu-Wen Chen	Male 51-60 years old	2024/7/15	3 years	2006/06/09 2022/12/13	864,884 18,003,624	0.29% 6.12%	864,884 32,541,619	0.29% 11.06%	0 0	0.00% 0.00%	0 0	0.00% 0.00%	Bachelor of Accounting, George Brown University, Canada	Director of Lucky Royal Co., Ltd. Director of Chowho Enterprise Co., Ltd. Director of Qizhi Culture Co., Ltd. Director of BLN Restaurants & Caterings Director of Namchow (Thailand) Ltd. Director of Dian Shui Lou Restaurant Business Co., Ltd. Director of Namchow Food Group (Shanghai) Co., Ltd. Director of Namchow Consultancy Co., Ltd. Director of Namchow Oil and Fat Co., Ltd. Director of Huciang Industry Co., Ltd.	None	None	None	None

Title (Note 1)	Nationality	Name	Gender and age (Note 2)	Date of Election /Inauguration Date	Tenure	Initial date of inauguration (Note 3)	Number of shares held at the time of election		Number of shares currently held		Current shares held by spouse and minors		Shares held in someone else's name		Main experience /education (Note 4)	Positions served at the Company and other companies at present	Other supervisors, directors or supervisors that are a spouse or within second degree of kinship			Remarks (Note 5)
							Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	R.O.C.	Ting-Kuo Chen	Male 81-90 years old	2024/7/15	3 years	2015/06/10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D in Business Administration University of Michigan	Founder and Honorary Chairman of the Chinese Academy of Business Chinese Professional Management Association Managing Supervisor Managing director, Chinese Management Association Independent director, member of Audit Committee and member of Remuneration Committee, Shiny Chemical Industrial Co., Ltd. Independent director, member of Audit Committee and member of Remuneration Committee, Taiwan Speciality Chemicals Corporation Remuneration Committee Member, EasyCard Corporation	None	None	None	None
Independent Director	R.O.C.	Chun-Hsueh Chen	Male 71-80 years old	2024/7/15	3 years	2019/05/30	2,000	0.00%	2,000	0.00%	0	0.00%	0	0.00%	Ph.D. Candidate of EDBA, School of Management, National Taiwan University of Science and Technology	Representative of Eni Chemicals (Italy) Taiwan Office General Manager of Polylytek (Singapore) Taiwan Branch General Manager of Polylytek (Singapore)	None	None	None	None
Independent Director	R.O.C.	Ming-Chih Wang	Male 61-70 years old	2024/7/15	3 years	2024/7/15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA, National Taiwan University	Chairman of NV Group Independent Director of Weblink International Inc. Independent Director of Namchow Food Group (Shanghai) Co., Ltd. Director of KPMG Sustainable Development Education Foundation	None	None	None	None

Note 1: Corporate shareholders shall list the names and representatives of corporate shareholders separately (if it is a representative of a juristic person shareholder, the name of the juristic person shareholder should be indicated); and the following Table 1 should be filled in.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Fill in the time of first serving as director or supervisor of the company. If there is any interruption, it should be noted.

Note 4: For the experience relevant to the current position, such as employment at an audit and certification accounting firm or an associated enterprise during the said period, the title and responsibilities shall be specified.

Note 5: When the company's chairman and general manager or equivalent (top manager) are the same person, or spouse or relative within one degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be explained (e.g., the number of independent directors should be increased, more than half of the directors should not be concurrent employees or managers, etc.).

Table 1: Major shareholders of institutional shareholders

April 05, 2025

Name of institutional shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)
Lucky Royal Co., Ltd.	Namchow Holdings Co., Ltd.(69.51%)
Hwa Zhin Co., Ltd.	Fei-Lung Chen (45%), Yu-Wen Chen (45%)
Employee Welfare Committee of Namchow Holdings CO., Ltd.	Not applicable

Note 1: If the directors and supervisors are representatives of juristic person shareholders, the name of the juristic person shareholders should be filled in.

Note 2: Fill in the name of the main shareholder of the juristic person shareholder (whose shareholding ratio falls in the top ten) and its shareholding ratio. If its major shareholder is a juristic person, it should be disclosed in Table 2 below.

Note 3: When the juristic person shareholder is not a company organizer, the names of shareholders and shareholding ratios that should be disclosed beforehand are the names of the funders or donors (refer to Judicial Yuan Announcement Query) and their contributions or contribution ratios. If a donor had passed away, please denote said donor as “deceased”.

Table 2: Major shareholders of major shareholders who are institutions

April 05, 2025

Name of institution	Serial No.	Name of major shareholder of the institution	Shareholding ratio (%)
Namchow Holdings Co., Ltd.	1	Lucky Royal Co., Ltd.	15.65%
	2	Fei-Lung Chen	11.50%
	3	Yu-Wen Chen	11.06%
	4	Bank SinoPac as Custodian for Reva Spring Ltd. Investment Account	4.23%
	5	Yuguan Investment Consulting Limited	3.65%
	6	Yong-Wen Chen	1.72%
	7	Namchow Holdings CO.,Ltd . Employee Welfare Committee	1.67%
	8	Shiao-Chuan Chen-Huang	0.95%
	9	Standard Chartered Bank Business Department Entrusted Custody of SPDR® Index Shares Fund Associated SPDR Emerging Markets ETF Investment Account	0.89%
	10	Yi-Wen Chen	0.68%

Note 1: If the main shareholder is a juristic person as shown in Table 1 above, the name of the juristic person should be filled in.

Note 2: Fill in the name of the main shareholder of the juristic person (whose shareholding ratio falls in the top ten) and its shareholding ratio.

Note 3: When the juristic person shareholder is not a company organizer, the names of shareholders and shareholding ratios that should be disclosed beforehand are the names of the funders or donors (refer to Judicial Yuan Announcement Query) and their contributions or contribution ratios. If a donor had passed away, please denote said donor as “deceased”.

## Director and Supervisor Information (II)

### I. Disclosure on the professional qualifications and independence of directors and supervisors:

<div style="text-align: center;">Requirement</div> <div style="text-align: left;">Name</div>	Professional qualifications and experience (Note 1)	Compliance with the independence requirement (Note 2)	Number of other public offering companies where the position of part-time independent director is held
Hwa Zhin Co., Ltd. Representative: Fei-Lung Chen	With no less than five years of work experience in a business, financial, accounting or corporate entity without any violation of offenses described in Article 30 of the Company Act.	Not an independent director and thus not applicable (For more information on the Board's independence, please refer to (II) Board Independence on page 11 in this Annual Report).	0
Hwa Zhin Co., Ltd. Representative: Cheng-Wen Chen	With no less than five years of work experience in a business, financial, accounting or corporate entity without any violation of offenses described in Article 30 of the Company Act.		0
Lucky Royal Co., Ltd. Representative: Kan-Wen Lee	With no less than five years of work experience in a business, financial, accounting or corporate entity without any violation of offenses described in Article 30 of the Company Act.		0
Lucky Royal Co., Ltd. Representative: Ming-Fen Chou	With no less than five years of work experience in a business, financial, accounting or corporate entity without any violation of offenses described in Article 30 of the Company Act.		0
Employee Welfare Committee of Namchow Holdings CO., Ltd. Representative: Yi-Wen Chen	With no less than five years of work experience in a business, financial, accounting or corporate entity without any violation of offenses described in Article 30 of the Company Act.		0
Hwa Zhin Co., Ltd. Representative: Yu-Wen Chen	With no less than five years of work experience in a business, financial, accounting or corporate entity without any violation of offenses described in Article 30 of the Company Act.		0
Ting-Kuo Chen	Chen possesses more than the prerequisite five years of experience in commercial, financial, accounting or corporate administration; served as the Dean of College of Management, Tamkang University. Current roles include Charity Chairman of the Chinese Academy of Business. He has no prior violations of Article 30 under the Company Act.	1. Not an employee of the Company or its affiliates. 2. Not a director or supervisor of the Company or its associated enterprise. 3. Not a natural person shareholder that holds by himself/herself or by his/her spouse or minor child in someone else's name more than 1% of all circulating shares of the Company or is on the Top 10 shareholding list. 4. Not a manager of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate blood relative within three degrees of kinship. 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 that ranks among the top five in shareholdings, or that designates its a representative to serve as a director or supervisor of the company under Paragraph 1	2
Chun-Hsueh Chen	With no less than five years of work experience in a business, financial, accounting or corporate entity. He has previously served as the General Manager of Pulong Enterprise Co., Ltd. and has no prior violation of offenses described in Article 30 of the Company Act.		0
Ming-Chih Wang	With no less than five years of work experience in a business, financial, accounting or corporate entity; he has passed the CPA National Examination and is currently serving as a certified public. He has no prior violation of offenses described in Article 30 of the Company Act.		1

<div>Requirement</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Compliance with the independence requirement (Note 2)	Number of other public offering companies where the position of part-time independent director is held
		<p>or 2, Article 27, of the Company Act.</p> <p>6. The majority of the company's director seats or voting shares and those of any other company are not controlled by the same person: a director, supervisor or employee of that other company.</p> <p>7. The chairman, general manager or person holding an equivalent position of the company and a person in any of those positions at another company or institution are not the same person or spouses: a director (or governor), supervisor, or employee of that other company or institution.</p> <p>8. Not a director, supervisor, manager, or shareholder holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the Company.</p> <p>9. Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the company or any affiliate of the Company for amounts exceeding NTD 500,000 in the past two years.</p> <p>10. Not the spouse or a relative within the second degree of kinship to any other director of the Company.</p> <p>11. Not a government agency, juristic person or its representative set forth in Article 27 of the Company Act.</p>	

Note 1: Professional qualifications and experience: State the professional qualifications and experience for each director and supervisor. If he/she is acting as a member of the Audit Committee with backgrounds/credentials in accounting or finance, be sure to include his/her relevant backgrounds/prior experiences in accounting and finance, as well as prior violation of Article 30 of the Company Act.

Note 2: Independent directors are required to declare their status of independence, (i.e. whether he/she, his/her spouse or relative within 2nd degree of kinship is also serving as a director, supervisor or employee of Namchow or its subsidiaries; the number of shares and percentage of the company's shares in their possession or the possession of their spouse or relative within 2nd degree of kinship; whether he/she is serving as a director/supervisor/employee at specific companies with financial/business relationship with Namchow and so forth. Refer to Article 3, Section 1 Clauses 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies for details). Independent directors must also declare the amount of compensation they have received in the past 2 years for their auditing/commercial/legal/financial/accounting or related services.

## II. Board Diversity and Independence:

### (I) Board Diversity:

In addition to the company's Articles of Incorporation, Namchow has also established its Procedure of Directors Appointment, which explicitly requires that candidates must be nominated and reviewed to verify their eligibility before the Board of Directors resolve their nomination for election and appointment at the Shareholders' Meeting. Pursuant to Article 3 of "Board of Directors Appointment Procedure", composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic conditions and values: gender, age, nationality and culture.
2. Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. Perspective of international market
7. Leadership ability.
8. Decision-making ability.

Namchow's incumbent Board of Directors consists of 9 directors. A summary of our board composition diversity policy and status of achievement for specific management goal is provided as below:

Management Goal	Status of Achievement
The Board of Directors shall be at least 1 female member	Achieved
Board members shall contribute diverse professional knowledge and skills that are relevant and applicable	Achieved
The number of independent directors shall not be less than one-third of the total number of directors.	Achieved
At least two of the independent directors must not have served for more than three terms on the Board	Achieved

The election of the Company's Board of Directors members is based on a comprehensive assessment of their professional ability, industry experience as well as corporate governance requirements. The gender ratio of the Board of Directors is currently still less than one-third. However, the Company values gender diversity highly and will continue to optimize the Board composition. In the future, the Company will actively seek out female director candidates with the necessary professional qualifications and from diverse backgrounds to strengthen the diversity of decision-making and improve the quality of corporate governance.

The implementation status of our Board Diversity policy is as follows:

Item of diversification  Name of director	Basic composition			Do they meet one of the following professional requirements and possess at least five years of work experience		Professional background			Professional knowledge and skills				
	Nationality	Gender	Also serving as an employee at the company	An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public/private college or university.	Judge, prosecutor, lawyer, CPA or other professionals and technicians that have taken and been approved in national exams required for corporate operation	Business	Financial	Industry	Business Management	Knowledge of the industry.	Finance and Accounting	Perspective of international market	Risk management
Hwa Zhin Co., Ltd. Representative: Fei-Lung Chen	R.O.C.	Male	V			V	V	V	V	V	V	V	V
Hwa Zhin Co., Ltd. Representative: Cheng-Wen Chen		Male	V			V	V	V	V	V	V	V	V
Lucky Royal Co., Ltd. Representative: Kan-Wen Lee		Male	V			V	V	V	V	V	V	V	V
Lucky Royal Co., Ltd. Representative: Ming-Fen Chou		Female	V			V	V	V	V	V	V	V	V
Namchow Holdings Co., Ltd. Employee Welfare Committee Representative: Yi-Wen Chen		Female	V			V	V	V	V	V	V	V	V
Hwa Zhin Co., Ltd. Representative: Yu-Wen Chen		Male	V			V	V	V	V	V	V	V	V
Ting-Kuo Chen		Male		V		V	V	V	V	V	V	V	V
Chun-Hsueh Chen		Male				V	V	V	V	V	V	V	V
Ming-Chih Wang		Male			V	V	V	V	V	V	V	V	V

(II) Board Independence: There are 9 incumbent members in the current Board of Directors. The directors include 2 are female directors and 3 are independent directors. Independent directors account for 33% of the Board. None of the 3 independent directors have violated Clauses 3 and 4 in Article 26-3 of the Securities and Exchange Act. Three Board members have spouses or relatives within the second degree of kinship serving at the company or its affiliated businesses. For more information on each director's education and work experience, please refer to Page 4~6 Directors' Profile in this Annual Report.

(II) Background Information of General Managers, Vice General Managers, Assistant Managers and Heads of Various Departments and Branches.

Title (Note 1)	Nationality	Name	Gender	Date of Election/ Inauguration Date	Quantity of shares		Current shares held by spouse and minors		Shares held in someone else's name		Main experience/education (Note 2)	Positions at other companies held at present	Managers who are a spouse or a relative within the second degree of kinship			Remarks (Note 3)
					Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio			Title	Name	Relationship	
General Manager	R.O.C.	Kan-Wen Lee	Male	1997/09/09	26,583	0.01%	0	0.00%	0	0.00%	Master of Agricultural Economics, National Taiwan University MBA, National Chung Hsing University	Director of Tianjin Namchow Food Co.,Ltd. Director of Tianjin Yoshi Yoshi Co., Ltd. Director of Guangzhou Namchow Food Co.,Ltd. Director of Namchow Food Group (Shanghai) Co., Ltd. Director of Guangzhou Yoshi Yoshi Co., Ltd Director of Namchow (Thailand) Ltd. Director of Mistro (Thailand) Ltd. Director of Namchow (Cayman Islands) Holding Corp. Director of Nacia International Corporation Director of Namchow Oil & Fat Co., Ltd.	None	None	None	None
Chief Operation Officer	R.O.C.	Ming-Fen Chou	Female	2016/05/24	9,000	0.00%	0	0.00%	0	0.00%	Texas A&M University Educational Technology Master Entrepreneurship Class of National Chengchi University	Chairman of Lucky Royal Co., Ltd. Director/General Manager of Huciang Industry Director of Namchow Oil & Fat Co., Ltd. Director/General Manager of Chowho Enterprise Co., Ltd. Director of Tianjin Yoshi Yoshi Co., Ltd. General Manager of Dian Shui Lou Restaurant Business Co., Ltd. Director of Shanghai Qiaohao Trading Co., Ltd. Director of Namchow (Thailand) Ltd. Director of Guangzhou Yoshi Yoshi Co., Ltd	None	None	None	None
Chief Risk Officer	R.O.C.	Mei-Hui Liao	Female	2023/09/25	0	0.00%	0	0.00%	0	0.00%	Saginaw Valley State University of Michigan MBA	Director of Namchow (Thailand) Ltd.	None	None	None	None
Chief of Staff	R.O.C.	Zhou-Jing Chen	Male	1996/05/01	0	0.00%	0	0.00%	0	0.00%	Bachelor in Law, Soochow University	Director of Tianjin Namchow Food Co.,Ltd. Director of Shanghai Namchow Food Co., Ltd. Director of Tianjin Yoshi Yoshi Co., Ltd. Director of Namchow Consultancy Co., Ltd. Director of Guangzhou Namchow Food Co.,Ltd. Director of Shanghai Qiaohao Food Co., Ltd. Director of Tianjin Qiaohao Food Co., Ltd. Supervisor of Huciang Industry Co., Ltd.	None	None	None	None
Chief Financial Officer	R.O.C.	Ching-Hui Chiu	Female	2018/08/13	0	0.00%	0	0.00%	0	0.00%	B.Sc, Department of Risk Management and Insurance, Feng Chia University	None	None	None	None	None
Executive Deputy General Manager	R.O.C.	Lan-Hsin Chou,	Female	2022/09/15	0	0.00%	0	0.00%	0	0.00%	Master of Marketing and Distribution Management, National Kaohsiung University of Science and Technology	Supervisor of Wuhan Qiaoxing Co., Ltd.	None	None	None	None
Vice General Manager	R.O.C.	Lung-Wen Xue	Male	2023/01/18	0	0.00%	0	0.00%	0	0.00%	Bachelor, Department of Labor Relations, Chinese Culture University	None	None	None	None	None



Title (Note 1)	Nationality	Name	Gender	Date of Election/ Inauguration Date	Quantity of shares		Current shares held by spouse and minors		Shares held in someone else's name		Main experience/education (Note 2)	Positions at other companies held at present	Managers who are a spouse or a relative within the second degree of kinship			Remarks (Note 3)
					Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio			Title	Name	Relationship	
Assistant Manager	R.O.C.	Jui-Tzu Chu	Female	2015/01/01	0	0.00%	0	0.00%	0	0.00%	Master, Institute of Food and Nutrition, Providence University	None	None	None	None	None
Assistant Manager	R.O.C.	Shih-Wei Wang	Male	2018/10/09	0	0.00%	0	0.00%	0	0.00%	EMBA, Business Administration Program, National Chengchi University	Supervisor of Tianjin Namchow Food Co.,Ltd. Supervisor of Guangzhou Namchow Food Co.,Ltd. Supervisor of Shanghai Qizhi Business Consulting Co., Ltd. Supervisor of Namchow Food Group (Shanghai) Co., Ltd. Supervisor of Shanghai Qiaohao Food Co., Ltd. Supervisor of Shanghai Namchow Food Co., Ltd. Supervisor of Tianjin Qiaohao Food Co., Ltd. Supervisor of Namchow Japan Co., Ltd. Supervisor of Namchow Oil & Fat Co., Ltd.	None	None	None	None

\* Chief Financial Officer Ms. Ching-Hui Chiu resigned on July 1, 2024.

Note 1: It shall include the information of general managers, vice general managers, assistant managers, and heads of respective departments and branches; regardless of their title, the information has to be disclosed as long as their ranking is equivalent to that of a general manager, vice general manager, or assistant manager.

Note 2: For the experience relevant to the current position, such as employment at an audit and certification accounting firm or an associated enterprise during the said period, the title and responsibilities shall be specified.

Note 3: When the general manager or equivalent (top manager) and the chairman are the same person, or spouse or relative within one degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be explained (e.g., the number of independent directors should be increased, more than half of the directors should not be concurrent employees or managers, etc.).

## II. Remuneration to ordinary directors, supervisors, general manager, and assistant general managers

(I)

### (1-1) Remuneration of general directors and independent directors

Title	Name	Remuneration for directors								Sum of A, B, C, and D and the ratio to after-tax earnings (Note 10)		Remunerations for part-time employees								Sum of A, B, C, D, E, F, and G (%) and its ratio to after-tax earnings ratio of the (Note 10)		Remuneration received from investee companies outside of subsidiaries or from the parent company (Note 11)	
		Remunerations (A) (Note 2)		Retirement and pension (B)		Remunerations for directors (C) (Note 3)		Operational expenditure (D) (Note 4)				Salary, bonus, and special expenditure (E) (Note 5)		Retirement and pension (F)		Remunerations for employees (G) (Note 6)							
		The Company	All companies within the Financial Report (Note 7)	The Company	All companies within the Financial Report (Note 7)	The Company	All companies within the Financial Report (Note 7)	The Company	All companies within the Financial Report (Note 7)	The Company	All companies within the Financial Report (Note 7)	The Company	All companies within the Financial Report (Note 7)	The Company	All companies within the Financial Report (Note 7)	The Company		All companies within the Financial Report (Note 7)		The Company	All companies within the Financial Report (Note 7)		
Chairman	Representative of Hwa Zhin Co., Ltd. Fei-Lung Chen	0	0	0	0	41,590,742	41,590,742	115,200	1,628,006	41,705,942 4.13%	43,218,748 4.28%	57,731,059	59,700,270	559,476	567,942	0	0	0	0	99,996,477 9.90%	103,486,960 10.25%	None	
Director	Representative of Hwa Zhin Co., Ltd. Cheng-Wen Chen	0	0	0	0	10,397,686	10,397,686	0	2,494,849	10,397,686 1.03%	12,892,535 1.28%	32,722,880	105,956,745	557,640	908,116	257,383	0	884,357	0	43,935,589 4.35%	120,641,753 11.94%	None	
Director	Representative of Hwa Zhin Co., Ltd. Yu-Wen Chen																						
Director	Representative of Lucky Royal Co., Ltd. Kan-Wen Lee																						
Director	Representative of Lucky Royal Co., Ltd. Ming-Fen Chou																						
Director	Representative of Namchow Holdings Co., Ltd. Employee Welfare Committee Yi-Wen Chen	0	0	0	0	0	0	2,922,313	2,922,313	2,922,313 0.29%	2,922,313 0.29%	0	0	0	0	0	0	0	0	2,922,313 0.29%	2,922,313 0.29%	None	
Independent Director	Ting-Kuo Chen																						
Independent Director	Chin-Shih Lin																						
Independent Director	Ming-Chih Wang																						
Independent Director	Chun-Hsueh Chen																						
1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: Independent directors of the Company are paid travel expenses on a monthly basis regardless of profit or loss including business execution related expenses, and they do not participate in the Company's annual profit distribution. No other compensation, remuneration or expenses is paid. 2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None 3. The term of Independent Director Chin-Shih Lin expired on 2024/7/14, and Independent Director Ming-Chih Wang assumed the office on 2024/7/15.																							

Remuneration bracket table

Remuneration level of each director of the company	Name of director			
	Sum of the said four types of remunerations (A+B+C+D)		Sum of the said seven types of remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies within the Financial Report (Note 9) H	The Company (Note 8)	All companies within the Financial Report (Note 9) I
Less than NTD 1,000,000	Ting-Kuo Chen, Chin-Shih Lin, Chun-Hsueh Chen, and Ming-Chi Wang	Ting-Kuo Chen, Chin-Shih Lin, Chun-Hsueh Chen, and Ming-Chi Wang	Ting-Kuo Chen, Chin-Shih Lin, Chun-Hsueh Chen, and Ming-Chi Wang	Ting-Kuo Chen, Chin-Shih Lin, Chun-Hsueh Chen, and Ming-Chi Wang
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Yu-Wen Chen, Representative of Hwa Zhin Co., Ltd.; Yi-Wen Chen, Representatives of Employee Welfare Committee of Namchow Holdings Co., Ltd.	Yu-Wen Chen, Representative of Hwa Zhin Co., Ltd.	Yu-Wen Chen, Representative of Hwa Zhin Co., Ltd.; Yi-Wen Chen, Representatives of Employee Welfare Committee of Namchow Holdings Co., Ltd.	
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Kan-Wen Lee, Representative of Lucky Royal Co., Ltd.; Ming-Fen Chou, Representative of Lucky Royal Co., Ltd.; Cheng-Wen Chen, Representative of Hwa Zhin Co., Ltd.	Kan-Wen Lee, Representative of Lucky Royal Co., Ltd.; Ming-Fen Chou, Representative of Lucky Royal Co., Ltd.; Cheng-Wen Chen, Representative of Hwa Zhin Co., Ltd.	Ming-Fen Chou, Representative of Lucky Royal Co., Ltd.; Cheng-Wen Chen, Representative of Hwa Zhin Co., Ltd.	Yu-Wen Chen, Representative of Hwa Zhin Co., Ltd.
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)		Yi-Wen Chen, Representative of Namchow Holdings Co., Ltd. Employee Welfare Committee		
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)				
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)				
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)				Yi-Wen Chen, Representative of Namchow Holdings Co., Ltd. Employee Welfare Committee, Ming-Fen Chou, Representative of Lucky Royal Co., Ltd.
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	Fei-Lung Chen, Representative of Hwa Zhin Co., Ltd.	Fei-Lung Chen, Representative of Hwa Zhin Co., Ltd.	Kan-Wen Lee, Representative of Lucky Royal Co., Ltd.	Kan-Wen Lee, Representative of Lucky Royal Co., Ltd.; Cheng-Wen Chen, Representative of Hwa Zhin Co., Ltd.
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)			Fei-Lung Chen, Representative of Hwa Zhin Co., Ltd.	
Over NTD 100,000,000				Fei-Lung Chen, Representative of Hwa Zhin Co., Ltd.
Total	10 people	10 people	10 people	10 people

Note 1: Names of directors shall be listed separately (both the name of the institution and its representative shall be listed for an institutional shareholder), and listing general directors and independent

directors separately, and individual payments made shall be disclosed through a summary. If the director is also a general manager or vice general manager, this table and the following table shall be completed (Remuneration of general manager and deputy general manager).

Note 2: The remunerations paid to directors in the latest year (including salaries, additional pay, service pay, various prizes, rewards, among others)

Note 3: The value of remunerations approved to be assigned to directors by the Board of Directors in the most recent year

Note4: Related expenses for carrying out tasks incurred by directors in the latest year (including transportation, special expenditure, various allowances, dormitory, and car, among other actual items provided) For housing, automobiles and other transportation tools or expenses that are specific to individuals, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline and other payments shall be disclosed. If a driver is assigned, please indicate the pay available for the driver but it may not be included in the calculation of remunerations.

Note5: Salaries, additional pay, service pay, various prizes, rewards, transportation, special expenditure, various allowances, dormitory, cars and other actual items that are claimed by directors and employees (including part-time general managers, vice general managers, other managers and employees) in the latest year. For housing, automobiles and other transportation tools or expenses that are specific to individuals, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline and other payments shall be disclosed. If a driver is assigned, please indicate the pay available for the driver but it may not be included in the calculation of remunerations. In addition, salaries recognized in accordance with IFRS 2: "stock-based payment transaction", including employee stock option certificates, restricted employee shares, and participation in subscribing shares in cash capital increase, shall also be included as part of the remunerations.

Note 6: This means that directors and employees (including part-time general managers, vice general managers, other managers, and employees) having claimed employee remunerations (including shares and cash) shall disclose employee remunerations distributed through the Board of Directors in the most recent year. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculated proportionally and Table 1-3 shall be completed.

Note 7: The total value of remunerations paid to directors of the Company by all companies in the Consolidated Report (including the Company) shall be disclosed.

Note 8: For the total value of various remunerations paid to each director by the Company, disclose the name of the director in the respective bracket.

Note 9: For the total value of various remunerations paid to each director of the Company by all companies (including the Company) in the Consolidated Report, disclose the name of the director in the respective bracket.

Note 10: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column I of the

c. Remunerations are the compensation, rewards (including rewards for employees, directors, supervisors) and operational expenditures claimed by supervisors of the Company who serve as the director, supervisor, or manager at a reinvested business other than the subsidiary or at the parent company.

\* The content of the remunerations disclosed in this table differs from the idea of income indicated in the Income Tax Act. As such, the purpose of this table is for disclosure of information only, not for taxation.

### Remunerations for general managers and vice general managers

Title	Name	Base Compensation (A)(Note 2)		Retirement and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		Remuneration received from investee companies outside of subsidiaries or from the parent company (Note 9)
		The Company	All companies within the Financial Report (Note 5)	The Company	All companies within the Financial Report (Note 5)	The Company	All companies within the Financial Report (Note 5)	The Company		All companies within the Financial Report (Note 5)		The Company	All companies within the Financial Report (Note 5)	
								Current value	Stock value	Current value	Stock value			
General Manager	Kan-Wen Lee	23,721,228	31,904,727	1,043,640	1,187,404	47,386,188	61,922,120	802,431	0	998,363	0	72,953,487 7.22%	96,012,614 9.51%	None
Chief Operation Officer	Ming-Fen Chou													
Chief Risk Officer	Mei-Hui Liao													
Chief Financial Officer	Ching-Hui Chiu													
Chief of Staff	Zhou-Jing Chen													
Executive Deputy General Manager	Lan-Hsin Chou,													
Vice General Manager	Lung-Wen Xue													

\* Regardless of their title, the information has to be disclosed as long as their ranking is equivalent to that of a general manager or vice general manager (e.g. president, chief executive officer, general director, etc.).

\* CFO Ching-Hui Chiu resigned on July 1, 2024.

Remuneration bracket table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager (s)	Name of General Manager(s)/Assistant General Manager(s)	
	The Company (Note 6)	All consolidated entities (Note 7)
Less than NTD 1,000,000		
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)		
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Ching-Hui Chiu	Ching-Hui Chiu
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Lung-Wen Xue	
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Zhou-Jing Chen, Lan-Hsin Chou	Zhou-Jing Chen, Lan-Hsin Chou, Long-Wen Xue
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)		
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	Mei-Hui Liao	Mei-Hui Liao, Ming-Fen Chou
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	Kan-Wen Lee	Kan-Wen Lee
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)		
Over NTD 100,000,000		
Total	6 people	7 people

Note 1: Names of general managers and vice general managers shall be listed separately and individual payments made shall be disclosed through a summary. If the director is also a general manager or vice general manager, this table and the above table (1-1) shall be completed.

Note 2: Salaries, additional pay, and service pay for general managers and vice general managers in the latest year.

Note 3: Various prizes, awards, transportation, special expenditure, various allowances, dormitory, cars, and other actual items provided and other compensations for general managers and vice general managers in the latest year. For housing, automobiles and other transportation tools or expenses that are specific to individuals, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline and other payments shall be disclosed. If a driver is assigned, please indicate the pay available for the driver but it may not be included in the calculation of remunerations. In addition, salaries recognized in accordance with IFRS 2: "stock-based payment transaction", including employee stock option certificates, restricted employee shares, and participation in subscribing shares in cash capital increase, shall also be included as part of the remunerations.

Note 4: Employee remunerations (including stock and cash) distributed to general managers and vice general managers as approved by the Board of Directors in the latest year. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally. In addition, the attached Table 1-3 shall be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the general manager(s) and assistant general manager(s) by all companies in the consolidated financial report (including the Company).

Note 6: For the total value of various remunerations paid to each general manager and vice general manager by the Company, disclose the name of the general manager and the vice general manager in the respective bracket.

Note 7: For the total value of various remunerations paid to each general manager and vice general manager of the Company by all companies (including the Company) in the Consolidated Report, disclose the name of the general manager and vice general manager in the respective bracket.

Note 8: Net profit after tax refers to the net profit after tax in the most recent year's individual or separate entity financial reports.

Note 9: a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and assistant general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None")

b. If general manager(s) or assistant general manager(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises."

c. Remuneration means remuneration received by the general manager(s) and assistant general manager(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

\* The content of the remunerations disclosed in this table differs from the idea of income indicated in the Income Tax Act. As such, the purpose of this table is for disclosure of information only, not for taxation.

(II) Names and distribution of managers assigned with employee rewards

	Title (Note 1)	Name (Note 1)	Stock value	Current value	Total	After-tax earnings ratio (%)
Manager	General Manager	Kan-Wen Lee	0	1,189,575	1,189,575	0.12%
	Chief Operation Officer	Ming-Fen Chou				
	Chief Risk Officer	Mei-Hui Liao				
	Chief Financial Officer	Ching-Hui Chiu				
	Chief of Staff	Zhou-Jing Chen				
	Executive Deputy General Manager	Lan-Hsin Chou				
	Vice General Manager	Lung-Wen Xue				
	Assistant Manager	Jui-Tzu Chu				
	Assistant Manager	Shih-Wei Wang				

Note 1: The name and title of the individual shall be disclosed but distribution of profits may be disclosed through a summary.

Note 2: Employee remunerations (including stock and cash) distributed to managers through the Board of Directors in recent years. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally. After-tax pure earnings are those in the latest year. When the International Financial Reporting Standards are adopted, after-tax pure earnings are those indicated in the entity or individual financial report from the most recent year.

Note 3: For the applicability of managers, follow the Tai-Cai-Zheng-San No. 0920001301 letter dated March 27, 2003.

- (1) General Managers and people of equivalent ranking
- (2) Vice general managers and people of equivalent ranking
- (3) Assistant managers and people of equivalent ranking
- (4) Head of Department of Finance
- (5) Head of Accounting Department
- (6) Other people handling corporate affairs and signature rights

Note 4: If any director, general manager, or assistant general manager receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-1.

(III) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers Describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Analysis of total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past two fiscal years to directors, supervisors, general managers, and assistant general managers:

Year	The Company				All companies in the Consolidated Report			
	2023		2024		2023		2024	
	Total	Percentage in net income after tax	Total	Percentage in net income after tax	Total	Percentage in net income after tax	Total	Percentage in net income after tax
Total remunerations for directors	134,041,413	12.87%	146,854,379	14.54%	209,287,144	20.09%	227,051,026	22.48%
Total value of remunerations for general managers and vice general managers	61,982,593	5.95%	72,953,487	7.22%	80,176,168	7.70%	96,012,614	9.51%
Net profit after tax	1,041,814,963		1,010,028,531		1,041,814,963		1,010,028,531	

2. Correlation between the remuneration payment policy, standards and combination, remuneration establishing procedures, and management efficacy and risks in the future:

(I) Policies, standards and packages for the payment of remuneration

1. The Company set up the Compensation Committee in compliance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Committee evaluates and decides on the remuneration payment policy according to the company's management strategy, human resources policy, and payment capability. The level of remuneration for directors and managers of the Company are set and periodically reviewed, and recommendations made to the Board for decision-making, based on findings of compensation surveys conducted by professional compensation survey institutions each year.
2. In accordance with Article 31 of the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall allocate no more than 5% as remuneration to the directors. The monthly remuneration to independent directors is determined by the board of directors, and they do not participate in the Company's remuneration distribution when making profits. According to the "Regulations Governing the Performance Evaluation of the Board of Directors" (please refer to page 39 of the Annual Report for the evaluation items), the Remuneration Committee evaluates the linkage between the annual performance evaluations and operating performance, then makes recommendations on the actual contribution ratio to the Board of Directors for resolution.

(II) Procedures for determining remuneration

1. The remuneration for directors and managerial officers are regularly evaluated in accordance with the Company's "Regulations Governing Performance Evaluation of the Board of Directors" and "Regulations Governing Performance" applicable to managerial officers and employees. The remuneration for the Company's general manager and deputy general manager is also based on their personal performance, their contribution to the Company's overall business performance, as



well as well as the prevailing standard of remuneration in the industry based on surveys conducted by professional organizations. The proposed remuneration Committee is then submitted to the Board of Directors for approval.

- The performance evaluations and reasonableness of remuneration for the Company's directors and managerial officers are regularly assessed and reviewed by the Remuneration Committee and the Board of Directors every year. In addition to individual performance targets and contributions to the Company, the Company's overall operating performance, as well as future industry risks and development trends are taken into consideration. The remuneration system is also reviewed based on current business conditions and the relevant laws and regulations as necessary. Current trends in corporate governance are also considered to ensure reasonable remunerations, striking a balance between the Company's sustainable operation and risk control. The actual amount of remuneration to directors and managerial officers paid in 2024 is deliberated by the Remuneration Committee and then submitted to the board of directors for approval.

### (III) Correlation between business performance and future risks:

- The review of the Company standards and systems for remuneration is based on the overall operating conditions of the Company. Standard of compensation is based on the completion of performance targets and level of contribution to enhance the overall effectiveness of the Board of Directors and the management departments. In addition, with reference to industry standards, we ensure that the remuneration for the Company's management is competitive in the industry to retain outstanding management talents.
- The performance objectives of the Company's managers are combined with risk management to manage and prevent potential risks within their scope of responsibility. Evaluations and ratings of their actual performance are then linked to the relevant human resources and remuneration policies. The significant decisions are made by the Company's management by taking into consideration risk factors, and the performance of relevant decisions is reflected in the Company's profit making, and then the remuneration for the management class is related to the risk control performance.

## III. Implementation of Corporate Governance

### (I) Board of Directors

The Board of Directors met 7 times (A) in the latest year. Attendance of directors in the meetings is as follows:

Title	Name (Note 1)	Actual frequency of attendance (being seated) in meetings B	Frequency of attendance through proxy	Actual attendance (seated) rate (%) [B/A] (Note 2)	Remarks
Chairman	Representative of Hwa Zhin Co., Ltd.: Fei-Lung Chen	6	1	86%	Shareholders' Meeting on May 30, 2024 Re-election
Vice Chairman	Representative of Hwa Zhin Co., Ltd.: Cheng-Wen Chen	2	5	29%	Shareholders' Meeting on May 30, 2024 Re-election
Director	Representative of Lucky Royal Co., Ltd.: Kan-Wen Lee	7	0	100%	Shareholders' Meeting on May 30, 2024 Re-election
Director	Representative of Lucky Royal Co., Ltd.: Ming-Fen Chou	7	0	100%	Shareholders' Meeting on May 30, 2024 Re-election
Director	Representative of	6	1	86%	Shareholders' Meeting

	Namchow Holdings Co., Ltd. Employee Welfare Committee: Yi-Wen Chen				on May 30, 2024 Re-election
Director	Representative of Hwa Zhin Co., Ltd.: Yu-Wen Chen	5	2	71%	Shareholders' Meeting on May 30, 2024 Re-election
Independent Director	Ting-Kuo Chen	7	0	100%	Shareholders' Meeting on May 30, 2024 Re-election
Independent Director	Chun-Hsueh Chen	6	1	86%	Shareholders' Meeting on May 30, 2024 Re-election
Independent Director	Ming-Chih Wang	3	1	43%	Shareholders' Meeting on May 30, 2024 Newly appointed by co-option Actual attendance was 75%
Independent Director	Chin-Shih Lin	3	0	43%	Term expired July 14, 2024 Actual attendance was 100%

Other details to be documented:

I. The items included in Article 14-3 of the Securities and Exchange Act and other comments objected or retained by other Independent Directors in record or the resolutions of the Board of directors in a written statement should indicate the date, period, content of the motion, opinions of all Independent Directors and how the company handles the opinion of the Independent Directors.

A total of 7 Board of Directors meetings were held by the Company during 2024. There were no items defined in Article 14-3 of the Securities Exchange Act, or Board resolutions where Independent Directors expresses an objection or reservation that has been included in records or stated in writing.

II. For the enforcement of recusal upon conflicts of interest among directors, the name of the director, content of the proposal, reason for the recusal, and participation in the voting process or not shall be described.

1. Article 31 of the Company's Corporate Governance Best-Practice Principles stipulates that:

Directors of the Company shall be highly self-disciplined. For proposals brought forth by the Board of Directors that will undermine the interests of directors themselves and the Company's interests, the directors shall recuse themselves and may not take part in the discussion and voting process. They may not exercise voting rights on behalf of other directors in this case, either. Self-discipline shall be expected among directors, too. No inadequate mutual support is allowed.

For spontaneous recusals of directors, they shall be specified in the meeting agenda of the Board of Directors.

2. Article 15 of the Board of Directors Meeting Rules of the Company stipulates:

For matters to be discussed in the meeting that concern the interests of participating directors or the institutions they represent, there should be descriptions of important contents concerning conflicts of interest in the current meeting. In cases of undermining interests of the Company, the directors may not take part in the discussion and voting process and shall recuse themselves during discussion and voting and they may not exercise voting rights on behalf of other directors.

For a resolution, the votes that directors are not allowed to exercise as voting rights as indicated in the foregoing paragraph are entitled to will not be counted in the overall number of voting rights.

3. Proposals relating to the Company's Board of Directors and concerning directors in the latest year up to the date of printing of Annual Report:

(1) On April 2, 2024, the Board of Directors discussed the proposal for individual payment of 6 directors' remuneration for 2023 as submitted by the Remuneration Committee. Six directors of the Company, namely Chairman Fei-Lung Chen (Representative of Hwa Zhin Co., Ltd.), Director Kan-Wen Lee (Representative of Lucky Royal Co., Ltd.), Cheng-Wen Chen (Representative of Hwa Zhin Co., Ltd.), Ming-Fen Chou (Representative of Lucky Royal Co., Ltd.) Yi-Wen Chen (Representative of Employees' Welfare Committee), and Yu-Wen Chen (Representative of Hwa Zhin Co., Ltd.) were recused in accordance with the Company Act and Article 15 of the Board of Directors Meeting Rules of the Company: Directors who are stakeholders of matters being discussed shall recuse themselves.

Voting outcome of this case: The case was approved unanimously among the attending directors, without taking into account the directors who recused themselves from discussion and voting.

(2) On April 2, 2024, the Board of Directors discussed the proposal for individual payment of managerial officers' remuneration for 2023 as submitted by the Remuneration Committee. The two directors and concurrent as managers of

Lucky Royal, namely Kan-Wen Lee, and Ming-Fen Chou were recused in accordance with the Company Act and Article 15 of the Board of Directors Meeting Rules of the Company: Directors who are stakeholders of matters being discussed shall recuse themselves.

Voting outcome of this case: The case was approved unanimously among the attending directors, without taking into account the directors Kan-Wen Lee, and Ming-Fen Chou who recused themselves from discussion and voting.

- (3) On April 2, 2024, the Board of Directors discussed the proposal to adjust the remuneration payable to Chairman Fei-Lung Chen submitted by the Remuneration Committee. Chairman Fei-Lung Chen recused himself in accordance with the Company Act and Article 15 of the Company's Board of Directors Meeting Rules due to conflict of interest with the agenda item.

Voting outcome of this proposal: With the exception of Chairman Fei-Lung Chen who recused himself, the proposal was approved unanimously by all other attending directors.

- (4) On May 14, 2024, the Board of Directors discussed the proposal to adjust the remuneration payable to Representative of Juristic-Person Director Ming-Fen Chou submitted by the Remuneration Committee. Director Ming-Fen Chou recused herself in accordance with the Company Act and Article 15 of the Company's Board of Directors Meeting Rules due to conflict of interest with the agenda item.

Voting outcome of this proposal: With the exception of Director Ming-Fen Chou who recused herself, the proposal was approved unanimously by all other attending directors.

- (5) On August 13, 2024, the Board of Directors discussed the proposal to adjust the remuneration payable to the independent directors of the Company submitted by the Remuneration Committee. Independent directors Ting-Kuo Chen, Chun-Hsueh Chen, and Ming-Chih Wang recused themselves in accordance with the Company Act and Article 15 of the Company's Board of Directors Meeting Rules due to conflict of interest with the agenda item.

Voting outcome of the case: With the exception of Independent Directors Ting-Kuo Chen, Chun-Hsueh Chen, and Ming-Chih Wang who recused themselves, the proposal was approved unanimously by all other attending directors.

- (6) On August 13, 2024, the Board of Directors discussed the proposal for directors and managerial officers to participate in the subscription of shares available to specific persons for the share release by "Lucky Royal Co., Ltd.", a subsidiary of the Company submitted by the Remuneration Committee. Directors Kan-Wen Lee and Ming-Fen Chou recused themselves in accordance with the Company Act and Article 15 of the Company's Board of Directors Meeting Rules due to conflict of interest with the agenda item.

Voting outcome of this proposal: With the exception of Directors Kan-Wen Lee and Ming-Fen Chou who recused themselves, the proposal was approved unanimously by all other attending directors.

- (7) On August 13, 2024, the Board of Directors discussed the proposal detailing the individual amounts for the 2024 mid-year bonus of six directors and six managerial officers of the Company submitted by the Remuneration Committee Six directors of the Company, namely Chairman Fei-Lung Chen (Representative of Hwa Zhin Co., Ltd.), Director Kan-Wen Lee (Representative of Lucky Royal Co., Ltd.), Cheng-Wen Chen (Representative of Hwa Zhin Co., Ltd.), Ming-Fen Chou (Representative of Lucky Royal Co., Ltd.) Yi-Wen Chen (Representative of Employees' Welfare Committee), and Yu-Wen Chen (Representative of Hwa Zhin Co., Ltd.) were recused in accordance with the Company Act and Article 15 of the Board of Directors Meeting Rules of the Company: Directors who are stakeholders of matters being discussed shall recuse themselves.

Voting outcome of this case: The case was approved unanimously among the attending directors, without taking into account the directors who recused themselves from discussion and voting.

- (8) On December 19, 2024, the Board of Directors discussed the proposal detailing the individual amounts for the 2024 annual bonus of six directors and six managerial officers of the Company submitted by the Remuneration Committee Six directors of the Company, namely Chairman Fei-Lung Chen (Representative of Hwa Zhin Co., Ltd.), Director Kan-Wen Lee (Representative of Lucky Royal Co., Ltd.), Cheng-Wen Chen (Representative of Hwa Zhin Co., Ltd.), Ming-Fen Chou (Representative of Lucky Royal Co., Ltd.) Yi-Wen Chen (Representative of Employees' Welfare Committee), and Yu-Wen Chen (Representative of Hwa Zhin Co., Ltd.) were recused in accordance with the Company Act and Article 15 of the Board of Directors Meeting Rules of the Company: Directors who are stakeholders of matters being discussed shall recuse themselves.

Voting outcome of this case: The case was approved unanimously among the attending directors, without taking into account the directors who recused themselves from discussion and voting.

III. Information on the period, duration, range, method, content of evaluation ... etc. of the self-evaluation of board of directors of the company: The execution of evaluation as follows:

Period of Evaluation	Duration of Evaluation	Range of Evaluation	Method of Evaluation	Content of Evaluation
Conducted annually	Evaluation of performance from January 1, 2024 through to December 31, 2024.	The Board of Directors, individual member of the board of directors and functional committee (Audit Committee and	Internal self-evaluation of the Board of Directors, individual member of the board of	1. Overall Evaluation of the Board of Director: Including participation in the operation of the company; quality of board of directors' decision making; composition and structure of the board of directors; election and continuing education

		Remuneration Committee)	directors and functional committee (Audit Committee and Remuneration Committee)	<p>of the director; and internal control. Total of 10 questions in five major aspects.</p> <p>2. Individual Evaluation of the Board of Directors: Including alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control. Total of 18 questions in six major aspects.</p> <p>3. Evaluation of the Audit Committee: participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; make up of the functional committee and election of its member; and internal control. Total of 22 questions in six major aspects.</p> <p>4. Evaluation of the Remuneration Committee: participation in the operation of the company; awareness of the duties of the functional committee; improvement of quality of decisions made by the functional committee; make up of the functional committee and election of its member; and internal control. Total of 19 questions in five major aspects.</p>
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IV. Reinforced assessments of functional objectives of the Board of Directors (e.g. to set up the Audit Committee and to enhance information transparency, among others) and implementation status of the objectives of the immediate year and the latest year.

1. It was decided in the general shareholders' meeting of 2014 that independent directors will be added according to law under Article 18 of the Company's "Articles of Incorporation".
2. In response to the addition of independent directors, the "Guidelines for Electing Board Directors and Supervisors" and the "Procedures for the Acquisition or Disposal of Assets of the Company" were amended through the general shareholders' meeting in 2014.
3. December 11, 2014 The Board of Directors decided to revise the Company's "Corporate Governance Best-Practice Principles" and "Ethical Corporate Management Best Practice Principles".
4. June 10, 2015 Ting-Kuo Chen and Chin-Shih Lin were elected independent directors through the general shareholders' meeting.
5. December 29, 2015 the Board of Directors decided to establish the Company's "CSR Practical Principles".
6. March 13, 2017 the Board of Directors decided to establish the "Code of Conduct", the "Operating Procedure for Handling Major Internal Information", the "Merger and Acquisition Information Disclosure Self-discipline Regulations", and the "Regulations Governing Controlling Legal Person Shareholders Exercising Rights and Participating in Decision-making".
7. March 28, 2017 the Board of Directors decided to formulate the "Honest Management Operating Procedure" and "Self-Evaluations or Peer Evaluation of the Board of Directors".
8. January 16, 2019, The Board of Directors decided to establish the "Organic Rules for Audit Committee" and to set up an audit committee.
9. The board of directors approved the revision of the "Self-Evaluations or Peer Evaluation of the Board of Directors" and the "Organizational Rules of Audit Committee" on August 13, 2019.
10. June 17, 2019 an audit committee was formally established, consisting of three independent directors.

11. The Board of Directors approved the revision of amendment to "Remuneration Committee Charter", "Audit Committee Charter" and "Corporate Social Responsibility Best Practice Principles" on May 14, 2020.
12. The Board of Directors approved the revision of amendment to "Articles of Association of Special Committee on mergers and Acquisition" and "Audit Committee Charter" on August 13, 2020.
13. The board of directors approved the revision of the "Guidelines of self-assessment or peer-assessment of the Board of directors" and the "Organizational Rules of Remuneration Committee" on November 12, 2020.
14. Report on the self-evaluation of the board of director (including all the functional committee) on January 28, 2021. Score for the overall Board of Directors was 86 (out of 100); Score for individual directors was 3.88; score for the Audit Committee was 3.7; score for the Remuneration Committee was 4 (out of 4); the Board of Directors, Audit Committee and Remuneration Committee were all found to be operating soundly.
15. The Board of Director approved the revision of amendment of "Rules and Procedures of Shareholders' Meetings", "Regulations Governing the Election of Directors and Independent Directors" and "Rules of Procedure for Board of Directors Meetings" on January 28, 2021.
16. The Board of Directors approved the revision of amendment of Rules and Procedures of Shareholders' Meeting" on March 12, 2021.
17. The Company appointed its Head of Corporate Governance on May 13, 2021.
18. Nomination of director Ting-Kuo Chen, independent directors Jin-Shih Lin and Professor Hai-Ming Chen to be the members of the 5th Intake of Remuneration Committee on July 21, 2021.
19. The Board of Directors approved the revision of amendment of "Articles of Incorporation" to enable shareholders' meetings to be held via video conference on March 15, 2022.
20. Report on the self-evaluation of the board of director (including all the functional committee) on March 15, 2022. Score for Overall Board of Directors came to 92 (out of 100); Score for Individual Board of Directors came to 3.94; Score for Audit Committee was 4; Score for Remuneration Committee came to 3.97 (Out of 4); Therefore, the operating of Board of Directors, Audit Committee and Remuneration Committee were good.
21. On November 10, 2022, the Board of Directors resolved to formulate the "Procedures for Preparing and Verifying Sustainability Reports" for the Company and to amend the "Sustainability Best Practice Principles".
22. On December 27, 2022, the Board of Directors resolved to amend the "Rules of Procedure for Board of Directors Meetings", "Rules and Procedures of Shareholders' Meeting", "Operating Procedure for Handling Major Internal Information" and "Ethical Corporate Management Best Practice Principle and Guide".
23. On March 14, 2023, the Board of Directors resolved to formulate the General Principles of Pre-approval of Non-convicted Service Policies.
24. Report on the self-evaluation of the board of director (including all the functional committee) on March 14, 2023. Score for the overall Board of Directors was 94 (out of 100); Score for individual directors was 3.94; score for the Audit Committee was 3.98; score for the Remuneration Committee was 4 (out of 4); the Board of Directors, Audit Committee and Remuneration Committee were all found to be operating soundly.
25. On December 21, 2023, the Board of Directors approved the amendment to the "Rules and Procedures of Shareholders' Meeting."
26. Report on the self-evaluation of the board of director (including all the functional committee) on March 12, 2024 Score for the overall Board of Directors was 100 (out of 100); Score for individual directors was 3.96; score for the Audit Committee was 4; score for the Remuneration Committee was 4 (out of 4); the Board of Directors, Audit Committee and Remuneration Committee were all found to be operating soundly.
27. On November 23, 2024, the Board of Directors approved amendments to the "Board of Directors Meeting Rules", "Audit Committee Charter" and the "Sustainability Reporting and Verification Procedures."
28. On November 12, 2024, the Board of Directors resolved to establish the "Regulations Governing the Management of Sustainability Information."
29. On December 19, 2024, the Board of Directors resolved to formulate the General Principles for Pre-approval of Non-Assurance Services Policy."
30. On March 11, 2025, the self-evaluation report for Board of Directors performance evaluation (including functional committees) was presented. Score for the overall Board of Directors was 98 (out of 100); score for individual directors was 3.98; score for the Audit Committee was 3.99; score for the Remuneration Committee was 3.95 (out of 4); the Board of Directors, Audit Committee and Remuneration Committee were all found to be operating soundly.
31. On March 11, 2025, the Board of Directors resolved to amend the Company's "Articles of Incorporation" to include the percentage of employee remuneration to be distributed to the entry-level employees.

Note 1: If directors and supervisors are institutions, names of shareholders and the representative of the institutions shall be disclosed.

Note 2: (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) Before a year is completed, upon any re-election of the directors or supervisors, names of the said directors/supervisors, new and old, shall be listed and it shall be specified in the remarks column that a specific director or supervisor is old, new, or re-elected and the date of re-election. The actual attendance (seated) rate (%), on the other hand, is to be calculated by the number of Board of Directors meetings held during service and the frequency number of attendance (being seated) in the meetings.

## (II) Operation of the Audit Committee

The Audit Committee of the Company comprises 3 independent directors. The Audit Committee assists the Board of Directors in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company.

The Audit Committee of the Company held 8 meetings from 2024 to March 2025 to review the following matters: audit of financial statements, accounting policies and procedures, internal control system and related policies and procedures, material asset or derivative transactions, material loaning of funds and endorsements or guarantees, offering or issuance of securities, derivatives and cash investment, compliance, related party transactions and possible conflicts of interest by managerial officers and directors, CPA qualifications, independence and performance evaluation, CPA appointment, the Audit Committee's performance of its duties, Audit Committee's performance evaluation self-assessment questionnaire, and other related matters.

### ● Reviewing Financial Statements

The Board of Director has prepared the 2024 Business Report, Financial Statement, Proposal of Earnings Distribution etc. The CPA firm of KPMG was retained to audit the Company's Financial Statements and has issued an audit report relating to the Financial Statements. The above-stated Business Report, Financial Statement and Proposal of Earning Distribution have been reviewed by the Audit Committee and deemed to be correct.

### ● Evaluating the effectiveness of internal control system

The Audit Committee evaluates the effectiveness of the policies and procedures of internal control system (including finance, operating, risk management, information safety, law compliance and other control measures); and examines the audit department of the company, the CPAs and the regular report of management, including risk management and law compliance. The Audit Committee considered that the risk management and internal control system of the company is effective, the company takes the required control systems to monitoring and correct its irregularities.

### ● Engagement of CPAs

The Audit Committee's duty is to monitoring the CPAs executing their duties with independency and to ensure the fairness of the Financial Statements. In general, the CPAs' were not allowed to provide other services to the company except the services related to tax and the special approved items. A standard for assessing the competency of accountants has been defined in accordance with Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountants. Accountants are also evaluated on their independence, years of experience with auditing services, non-involvement in business relationships with the Company and its affiliates, non-involvement with the management responsible for decision-making at the Company and its affiliates, and related items. The accountants and their accounting firm were also asked to provide related documents and statements. The outcome of the evaluation was reported to the Audit Committee and the Board of Directors, and approved by the 4th Meeting of the 3rd Audit Committee and the Board of Directors on December 19, 2024.

On December 19, 2024, the Board of Directors used the 5 major aspects of professionalism, quality control, independence, supervision and innovation ability and their 13 indicators from the Audit Quality Indicators (AQIs), as a reference for replacement of CPAs to improve the quality of financial information.

The Audit Committee held 8 meetings (A) in 2024 and as of the date of publication of the Annual Report. The attendance of independent directors was as follows:

Title	Name	The actual frequency of attendance in the meetings (B)	Frequency of attendance through proxy	Actual attendance rate (%) (B/A) (Note 1. Note 2)	Remarks
Independent Director	Ting-Kuo Chen	7	1	88%	Shareholders' Meeting on May 30, 2024 Re-election
Independent Director	Chin-Shih Lin	3	0	100%	Term expired July 14, 2024
Independent Director	Chun-Hsueh Chen	7	1	88%	Shareholders' Meeting on May 30, 2024 Re-election
Independent Director	Ming-Chih Wang	4	1	80%	Shareholders' Meeting on May 30, 2024 Newly elected on July 15, 2024

Other details to be documented:

I. If there any of the following situations arise the operation of the Audit Committee, the date of the board meeting should be stated, as well as the period, and motion content, oppositions from independent directors, their qualified opinions or contents of material suggestions, the results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's comments.

(I) Matters defined under Article 14-5 of the Securities and Exchange Act and other important resolutions.

Operations in 2024 and up to the printing of this Annual Report.

Audit Committee Date	Period	Content of the matters	Contents of suggestions/oppositions from Independent Director	Result of Audit Committee Resolution	The Company's handling of the opinions of the audit committee
2024.03.12	The 2nd Term The 14th meeting	1. Review the Company's 2023 annual business report and parent only and consolidated financial statements. 2. The Company's 2023 earnings distributions. 3. Plan of the subsidiary Lucky Royal Co., Ltd. to apply for listing on TWSE/TPEX in Taiwan. 4. Share release plan of the subsidiary Lucky Royal Co., Ltd. prior to application for listing on TWSE/TPEX. 5. Design of internal control system in 2023 and implementation of valid "Statement of Internal Control System". 6. Capital increase/decrease for subsidiary Chowho Enterprise. 7. Endorsement or guarantees made to subsidiaries by the Company	None of the independent directors opposed or provided qualified opinion	Unanimous resolution from all participating members	None
2024.04.02	The 2nd Term 15th Meeting	1. Cash capital increase of the subsidiary Qizhi Culture Co., Ltd..	None of the independent directors opposed or provided qualified opinion	Unanimous resolution from all participating members	None
2024.05.14	The 2nd Term The 16th meeting	1. The Company's consolidated financial report for Q1, 2024. 2. Endorsement or guarantees made to subsidiaries by the Company	None of the independent directors opposed or provided qualified opinion	Unanimous resolution from all participating members	None

2024.07.18	The 3rd Term 1st Meeting	1. Proposal for share release by the subsidiary "Lucky Royal Co., Ltd." 2. Endorsement or guarantees made to subsidiaries by the Company	None of the independent directors opposed or provided qualified opinion	Unanimous resolution from all participating members	None
2024.08.13	The 3rd Term 2nd Meeting	1. The Company's consolidated financial report for Q2, 2024 2. Endorsement guarantees made to a subsidiary by the Company	None of the independent directors opposed or provided qualified opinion	Unanimous resolution from all participating members	None
2024.11.12	The 3rd Term 3rd Meeting	1. The Company's consolidated financial report for Q3, 2024. 2. Capital increase/decrease by subsidiary Namchow Japan. 3. Capital increase by Namchow Consultancy 4. Establishment of the Company's "Regulations Governing the Management of Sustainability Information." 5. Amendment of 2 related internal regulations.	None of the independent directors opposed or provided qualified opinion	Unanimous resolution from all participating members	None
2024.12.19	The 3rd Term 4th Meeting	1. To meet working capital requirements in 2025, a proposal was made to authorize the Chairman to represent the Company in finance-related matters such as signing of contracts for loans with financial institutions. 2. For the 2025 working capital requirements of subsidiaries and other companies with business dealings with Namchow (including reinvestment subsidiaries of subsidiaries), where the Company intends to act as an endorsement guarantor, a proposal was made to authorize the Chairman to represent the Company in all dealings with financial institutions. 3. Periodic assessment of the CPA's independence and suitability. 4. Attestation fees for CPAs in 2024. 5. Amendment of the Company's list of pre-approved non-assurance services. 6. The Company's 2025 Audit Plan. 7. Endorsement guarantees made to a subsidiary by the Company	None of the independent directors opposed or provided qualified opinion	Unanimous resolution from all participating members	None
2025.03.11	The 3rd Term 5th Meeting	1. Review the Company's 2024 annual business report as well as standalone and consolidated financial statements. 2. The Company's 2024 earnings distributions. 3. "Statement of Internal Control System" validating the design and implementation of the internal control system in 2024. 4. Endorsement or guarantees made to subsidiaries by the Company	None of the independent directors opposed or provided qualified opinion	Unanimous resolution from all participating members	None

(II) Except for above-stated matters, other resolutions that have not been approved by the Audit Committee but have been approved by two-thirds or more of all directors: No such situation.

II. For the enforcement of recusal upon conflicts of interest among independent directors, the name of the independent director, content of the proposal, reason for the recusal, and participation in the voting process or not shall be described: No such situation.

III. Communication between independent directors and the internal audit head and the CPA (Should include major matters, methods and results of communication on the company's financial and business conditions).

1. The preparation and submission of an "Audit Report" to the Audit Committee for inspection each month in accordance with the 2024 audit plan approved by the Board of Directors was completed on schedule. Once the audit reports and follow-up reports have been presented in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, they are also delivered or made available to the independent directors for inspection, with the audit conclusions and declarations provided for reference.



2. Each audit report must track the improvement of its internal control deficiencies and abnormal events, and make a tracking report quarterly to submit to the Audit Committee.
3. The internal audit supervisor attends the Audit Committee and the board of directors to report audit business quarterly in accordance with regulations, and communicates with independent directors through the Audit Committee.
4. The summary of communications between independent directors and chief audit executive in 2024 is summarized as follows:

Date	Communication meeting	Communication items	Communication results
2024.03.12	Audit Committee	Internal audit results report from November to December 2023	No comments at this meeting
2024.04.02	Audit Committee	Internal audit report for January, 2024	No comments at this meeting
2024.05.14	Audit Committee	Internal audit reports for February ~ March, 2024	No comments at this meeting
2024.07.18	Audit Committee	Internal audit reports for April ~ May 2024	No comments at this meeting
2024.08.13	Audit Committee	Internal audit report for June, 2024	No comments at this meeting
2024.11.12	Audit Committee	Internal audit reports for July ~ September, 2024	No comments at this meeting
2024.12.19	Audit Committee	Internal audit report for October, 2024	No comments at this meeting
2025.03.11	Audit Committee	Internal audit report for November ~ December, 2024	No comments at this meeting

5. The Company submits the results of the annual financial statement check of the CPAs to the audit committee meeting, and regularly arranges accountants to brief and explain to the audit committee before the committee meeting. The audit committee of the Company has good communication with CPAs.

Communication between independent directors and accountants is summarized as follows:

Date	Communication items	Communication results
2024/03/12	<ol style="list-style-type: none"> <li>1. Description of audit matters, key audit matters and communications regarding the latest securities and exchange laws and regulations for the 2023 financial statements.</li> <li>2. Communication of the firm's quality management system.</li> <li>3. Disclosure of the Audit Quality Indicators (AQI).</li> <li>4. Updates to important laws and regulations (disclosure of carbon reduction target and schedule in annual reports and prospectus, amendments to the Regulations Governing the Exercise of Powers by Audit Committees, new system for cyber security of TWSE/TPEX listed companies, Sustainability-related issues).</li> </ol>	No comments at this meeting
2024/05/14	<ol style="list-style-type: none"> <li>1. Communications on the review scope, responsibilities, contents (accounts receivable, inventory), legal compliance, and internal controls and other matters for the 2024 Q1 consolidated financial report.</li> <li>2. Summary of recent updates to audit standards.</li> <li>3. Common cyber security management risks for TWSE/TPEX listed companies.</li> <li>4. Updates to important accounting standards or interpretations, securities regulations and tax laws (Regulations Governing Establishment of Internal Control Systems by Public Companies, Regulations Governing Information to be Published in Annual Reports of Public Companies etc.).</li> </ol>	No comments at this meeting
2024/08/13	<ol style="list-style-type: none"> <li>1. Communications on the review scope, responsibilities, contents (accounts receivable, inventory), legal compliance, and internal controls and other matters for the 2024 Q2 consolidated financial report.</li> <li>2. Introduction plan for the IFRS Sustainability Disclosure Standards.</li> <li>3. Updates on important laws and accounting standards (Regulations Governing Establishment of Internal Control Systems by Public Companies, Amendment to Article 14 of the Securities and Exchange Act, and material changes to IFRS).</li> </ol>	No comments at this meeting
2024/11/12	<ol style="list-style-type: none"> <li>1. Communications on the review scope, responsibilities, contents (accounts receivable, inventory), legal compliance, and internal controls and other matters for the 2024 Q3 consolidated financial report.</li> <li>2. Annual audit planning - expected key audit matters (evaluation of investments accounted for using equity method, impairment of accounts receivable, and inventories after the reporting period).</li> </ol>	No comments at this meeting

	3. The recent update of auditing standards (the main impact of the expected amendments to the Auditing Standard No. 600 "Special Considerations—Audits of Group Financial Statements"). 4. Major updates of important laws and regulations (major changes to IFRS18, amendments to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, etc.).	
2025/03/11	1. Description of audit matters, key audit findings (account receivables, inventory), legal compliance, and internal controls in the annual financial report. 2. Communication on quality management system and case resources at CPA firm. 3. Audit Quality Indicators (AQI). 4. Major regulatory updates (Regulations Governing the Preparation of Financial Reports by Securities Issuers, amendment to Paragraph 6, Article 14 of the Securities and Exchange Act)	No comments at this meeting

Note 1: In the event that independent directors resign before a year is completed, the date of resignation should be indicated in the remark column. The actual attendance rate (%), on the other hand, shall be calculated by the number of Audit Committee meetings held during service and the frequency number of attendance in the meetings.

Note 2: Before a year is completed, upon any re-election of independent directors, names of the said independent directors, new and old, shall be listed and it shall be specified in the remarks column that a specific independent director is old, new, or re-elected and the date of re-election. The actual attendance rate (%), on the other hand, is to be calculated by the number of Audit Committee meetings held during service and the frequency number of attendance in the meetings.

(III) Corporate governance implementation status, deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons

Assessed areas	Operational status (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The company enacted the “Corporate Governance Best-Practice Principles” to ensure shareholders' benefits and interest; strengthen the functions of the Board of Directors; respect the stakeholders' benefits and interest; promoting transparency of information etc. The Corporate Governance Best-Practice Principles and the related internal regulation and its implementation disclose for reference on the company's website and MOPS.	None
II. Shareholding structure and shareholders' rights				
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(I) Internal operating procedures were established in accordance with the Corporate Governance Best Practice Principles to deal with shareholder suggestions, concerns, disputes and litigation, and implemented them in accordance with the procedures. A spokesperson and deputy spokesperson system corresponding to the communication system was set up protect the rights and interests of shareholders. An investor contact platform was also set up on the website to process shareholder suggestions, concerns, disputes or inquiries.	None
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(II) Information on changes are volunteered by the directors, managerial officers and major shareholders of the Company every month, and declared in accordance with statutory requirements. The company appointed the Share Affairs Agency Department of the China-trust Commercial Bank to in charge of shareholders' service, actual control of the distribution of major shareholders' shareholding and the change in equity of ultimate controlling party of major shareholders.	None
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(III) The assets, liabilities, and financial management responsibilities between the Company and its affiliates are handled in accordance with relevant laws and regulations and the Company's internal control system.	None
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(IV) The “Management and Control Measures to Prevent Insider Trading,” “Code of Conduct,” and “Procedures for Ethical Management and Guidelines for Conduct” were stipulated by the Company to govern all employees, managerial officers, directors, and any party with inside information due to their professional or control relationship. Any conduct that may involve insider trading is prohibited.	None

Assessed areas	Operational status (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</p>	V		<p>(I) 1. According to Article 20 of the "Corporate Governance Best Practice Principles" of the Company, the composition of the Board of Directors shall take diversity into consideration, and the Board of Directors shall be established with a diversity policy that covers the Company's business operations, business model, and development needs. The Board of Directors of the Company shall be capable of making operational judgments, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making, and shall implement the diversity policy in a concrete manner to strengthen the structure of the Board of Directors of the Company.</p> <p>2. The implementation of the diversity policy of the Board of Directors in 2024, along with specific management objectives and status of implementation can be found on page 11 of the Annual Report and are also disclosed on the Company's website and.</p>	None
<p>(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</p>		V	<p>(II) The company established the Remuneration Committee and Audit Committee in accordance of Laws. Currently, no other functional committees were established.</p>	Continuously evaluating the need of establishment
<p>(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p>	V		<p>(III) 1. The Company established the "Regulations Governing Performance Evaluation of the Board of Directors " on March 28, 2017, which stipulated that the Company must conduct an internal evaluation of the Board performance once a year and an external evaluation once every three years. Such evaluations must be completed by the end of the first quarter in the following year.</p> <p>2. The 2024 internal evaluation (including the entire Board of Directors, individual members of the Board of Directors, and the functional committees) was conducted by the Company and the results reported to the Board of Directors on March 11, 2025. (Note 2)</p> <p>3. The results of the performance evaluation on the board of directors will be used as a reference for the selection and remuneration of elected directors (including independent directors) or individual directors.</p>	None

Assessed areas	Operational status (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the Company regularly evaluate its external auditors' independence?	V		<p>(IV) 1. According to Article 29 of the Company's "Corporate Governance Best-Practice Principles," the Company should periodically (at least once a year) evaluate the independence and suitability of the appointed accountant.</p> <p>2. A standard for assessing the suitability of accountants has been defined in accordance with Article 47 of the Certified Public Accountant Act and Bulletin No. of the Norm of Professional Ethics for Certified Public Accountants. Accountants are also evaluated on their independence, years of experience with auditing services, non-involvement in business relationships with the Company and its affiliates, non-involvement with the management responsible for decision-making at the Company and its affiliates, and related items, with the outcome of the evaluation reported to the Board of Directors. The date of the most recent report was December 19, 2024. (Note 3)</p> <p>3. On December 19, 2024, the Board of Directors used the 5 major aspects of professionalism, quality control, independence, supervision and innovation ability and their 13 indicators from the Audit Quality Indicators (AQIs), as a reference for replacement of CPAs to improve the quality of financial information. (Note 3)</p>	None
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		<p>1. The Company has set up a part-time unit for corporate governance. The executive secretary of the Board of Directors is responsible for providing the information needed for directors to perform their duties, handling statutory matters related to Board of Directors and shareholders' meetings, preparing minutes from Board of Directors and shareholders' meetings, and assisting the Company with compliance on the relevant laws and regulations governing Board and shareholders' meetings. Currently, the Assistant Vice President of Accounting serves concurrently as the executive secretary of the Board of Directors. In addition, other Company units including the Finance Department, Accounting Department, Administrative Department (Legal Affairs), Human Resources Department, Procurement Department, and Audit Office also assist with the handling of corporate governance matters.</p> <p>2. The position of Corporate Governance Officer was established by the Board resolution on May 13, 2021, and held concurrently by Associate Vice President Shih-Wei Wang. Responsibilities included organizing of board of directors' meeting and shareholders' meeting, preparing agenda for board of directors' meeting and shareholders' meeting, assisting with the</p>	None

Assessed areas	Operational status (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>appointment and continuing education of directors, providing directors with the information they need to carry out their duties, assisting directors with compliance and other corporate governance related matters.</p> <p><u>Highlights from the implementation of corporate governance related matters included the following:</u></p> <p>(1) In 2024, a total of seven Board of Directors' Meetings and seven Audit Committee Meetings were held.</p> <p>(2) The Shareholders' Meeting was held once in 2024.</p> <p>(3) All members of the Board of Directors have completed no fewer than 6 credits for further education courses.</p> <p>(4) The company has provided liability coverage for its directors and key personnel and relevant reports have been submitted to the Board of Directors.</p> <p>(5) The company has conducted performance evaluations for its Board of Directors and functional committees. The results of performance evaluation for the Board of Directors, the Audit Committee and Remuneration Committee were all "surpassed the standard".</p> <p>(6) Ranked among 36% to 50% in the 10th Corporate Governance Evaluation.</p> <p>(7) In 2024, the Corporate Governance Officer completed a total of 15 hours of training and completed the declaration on the Market Observation Post System website.</p> <p>(8) Information regarding to 2024 Corporate Governance Officer's performance of his/her duties and continuing education is already declared on the Company's website.</p>	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including without limitation shareholders, employees, customers, and suppliers, etc.) and properly respond to corporate social responsibility issues that stakeholders are concerned about?	V		<p>The Company's website has a "Stakeholder Section" that covers customers/consumers, suppliers, employees, investors and other related stakeholders. The contact windows and details for each category are also clearly indicated. The Company values and properly responds to the corporate social responsibility issues that are of most concern to stakeholders, ensuring effective communication and transparent disclosure. Communication outcomes and accomplishments are detailed in the "Stakeholder Engagement and Results" of the Company's Sustainability Report, and the ESG section on the Company's website. The results of stakeholder communications are also reported to the Board of Directors every year. The date of the most recent report to the Board was November 12, 2024.</p>	None
VI. Does the company designate a professional shareholder service agency to deal with affairs relating to shareholders meetings?	V		<p>The company appointed China-trust Commercial Bank for their professions of share affairs to hold the matters of Shareholders' Meeting.</p>	None

Assessed areas	Operational status (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VII. Disclosure of Information				
(I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(I) The Company's website has set up an Investor Relations section to disclose the Company's financial information, annual reports, corporate governance and product information.	None
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(II) The Company has set up an English website and established a spokesperson- deputy spokesperson system. Dedicated personnel from the Accounting Department have been assigned to handle the collection and disclosure of Company information. The Company's website is regularly updated in accordance with relevant laws and regulations, and material information disclosed as necessary. The Company also connects to the MOPS of the Taiwan Stock Exchange to implement information disclosure.	None
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		V	(III) The Company announced the 2023 financial report in March 2024. The Q1, Q2, and Q3 2024 financial reports and Monthly Revenue statements were announced and declared on the MOPS before the required date, and uploaded concurrently to the Company's website.	The company complete with announcement and declaration before the date required by the competence authority.
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		<p>1. Employee rights and care: The Company values harmonious labor-management relations, and places great emphasis on the welfare and rights of employees. There are diversified communication channels to promote the Company's policies, systems, welfare measures and various activities.</p> <p>2. Investor relations: The Company continues to engage constructively with investors on financial disclosure, and regular communication with investors through various events (such as institutional investor conferences, investor conferences held by securities brokers). Feedback from investors is also used as a reference for improvements and adjustments. The company will continue to strengthen the relationship with investors in the future, and maintain well communication and interaction between our investors.</p> <p>3. Supplier relations: Good supplier relations are maintained. By comparing prices, it ensures the legitimacy of raw materials pricing and compliance with Act Governing Food Safety and Sanitation and</p>	None



Assessed areas	Operational status (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>regulations such as TQF, HACCP, ISO9001, ISO22000, FSSC22000, certification criteria for health foods and recommendation requirements for disease preventive products to help control quality of raw materials and equipment and to ask suppliers to provide with corresponding product laboratory test certificates.</p> <p>4. Stakeholders' rights: We provide a variety of communication channels and information disclosure, maintain good communication with stakeholders, collect issues of concern to stakeholders, and review our activities to see whether they respond to stakeholders. For relevant information, please refer to the Company's website and the Sustainability Report.</p> <p>5. Continuing education of directors: All (independent) directors) completed the statutory hours of continuing education in 2024. Continuing education completed by directors each year is disclosed on the MOPS and in the Annual Report (Note 4). The Company also arranges liability insurance for directors in accordance with Article 19-1 of the Company's "Articles of Incorporation" and Article 39 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>6. Implementation of risk management policies and risk assessment standards: The Company's material operating policies, investment projects, endorsements/guarantees, loaning of funds, bank financing and other material proposals were evaluated and analyzed by the responsible departments then submitted to the Audit Committee and the Board of Directors for resolution before implementation; the Audit Office also formulates and enforces its annual audit plan based on the results of the risk assessment to ensure proper supervision and oversee the implementation of risk management measures.</p> <p>7. Implementation of customer policies:</p> <p>(1) Consumer rights of end-customers: It is the Company's policy to supply consumers with products that are hygienic, safe, and of sound quality that they can enjoy for health and peace of mind. Related certifications on the manufacture and the sanitary, safe, and healthy benefits of products have been obtained; products of optimum quality are provided to consumers. The liability insurance has been purchased for products. In addition, there is the 0800 hotline for customer service.</p> <p>(2) Competitive advantages of clients: It is the Company's policy to create a Win-Win situation that contributes to co-prosperity and co-sharing of maximum benefits among downstream customers. Downstream clients are provided with the</p>	



Assessed areas	Operational status (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			Company's information through the Company's website, the Outlook feature, and the ERP system. In addition, quality, health, and safety of products are maintained to seek various certifications, to promote brand publicity, and to provide clients and employees with information on how to enhance their technical and marketing/management capabilities by means of the bi-monthly professional journal entitled "Namchow Frozen Dough and Baking Oils and Fats" that is issued by an associated enterprise.	

IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.

1.1	Did the company report at the AGM the remuneration received by directors, including the remuneration policy, the content and amount of individual remuneration?	Status quo for the time being.
1.2	Has the company adopted written rules for the procedures for financial and business operations between the company and related parties, the content of which should include procedures for managing transactions such as purchase and sale, acquisition or disposal of assets, etc., and the requirement that material transactions be approved by the board and approved by or reported at the shareholders' meeting?	Status quo for the time being.
1.15	Did the company adopt bylaws prohibiting insiders, including directors and employees, from using information not publicly disclosed in the market to trade securities, with content including (but not limited to) a prohibition against directors trading the company's stock during a blackout period of 30 days before the publication of the company's annual financial report and 15 days before the publication of each quarterly financial report, and were those bylaws and the status of their implementation disclosed on the company's website?	Status quo for the time being.
1.17	Is it true that the company did not have any government agencies or any single legal entity and its subsidiaries accounting for one-third or more of the board?	Status quo for the time being.
2.4	Is it true that there were no more than two directors having a relationship of spouse or of kinship within the second degree?	Status quo for the time being.
2.5	Is it true that the number of the directors on the company's board of directors who are employees of the company or of its parent, subsidiary, or sister company is less than or equal to one-third of the total number of directors?	Status quo for the time being.
2.9	Has the company adopted succession planning for board members and key executives, and disclosed the operational status of such planning on its website and in its annual report?	No plan of establishment for the time being.
2.14	Did the company have any non-statutory functional committees such as a nomination committee, risk management committee, or sustainable development committee, and did such functional committees have not less than three members, with at least half of the members being independent directors, and with one or more members possessing the particular professional competences required by the respective committees, and did the company disclose the organization, functions, and operations of such committees?	Status quo for the time being.
2.19	In the year being evaluated, did the average rate of actual attendance of all directors at board meetings reach 85% or more and were at least two independent directors personally in attendance at each board meeting?	In 2024 the average attendance rate was 83.21%
2.22	Has the Company established risk management policies and procedures approved by the Board of Directors, to disclose the scope of risk management, organizational structure and operation status, and reported to the Board of Directors at least once a	Status quo for the time being.

Assessed areas		Operational status (Note 1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
		Yes	No	Summary	
	year?				
2.27	Has the Company formulated an intellectual property management plan that is linked to operational objectives, and disclosed the implementation status on the Company's website or annual report, and reported to the board of directors at least once a year?				Status quo for the time being.
3.4	Did the company file its audited annual financial report within two months from the end of the fiscal year?				Status quo for the time being.
3.13	Did the company voluntarily disclose the individual remuneration details of each director and supervisor its annual report?				No disclosure for the time being.
3.21	Did the company voluntarily disclose the individual remuneration details of each general manager and vice general manager its annual report?				No disclosure for the time being.
4.22	Did the company invest resources to support domestic cultural development, and disclose the methods and results of that support on the company's website or in its annual report or sustainability report?				The Company has invested resources in supporting domestic cultural development, and the amount of investment has not reached the amount of NTD 3 million as required by the indicator.
Items that were not scored in the annual Corporate Governance Evaluation will be discussed and an improvement plan formulated for the continued refinement of the governance mechanism to enhance the sustainability value of the Company.					

Note 1: Regardless of the answer, "Yes" or "No", descriptions need to be provided in the summary column.

Note 2: Implementation of the internal performance evaluation of the Board of Directors in 2024 is described below:

	Index of Self-Evaluation	Items	Score and Result of Evaluation
Board of Directors	<ol style="list-style-type: none"> <li>1. Participation in the operation of the company</li> <li>2. Improvement of the quality of the board of directors' decision making</li> <li>3. Composition and structure of the board of directors</li> <li>4. Election and continuing education of the directors</li> <li>5. Internal control</li> </ol>	10	The score of internal self-evaluation of the Board of Directors was 98 (out of 100).
Member of Directors	<ol style="list-style-type: none"> <li>1. Alignment of the goals and mission of the company</li> <li>2. Awareness of the duties of a director</li> <li>3. Participation in the operation of the company</li> <li>4. Management of internal relationship and communication</li> <li>5. The professionalism and continuing education of directors</li> <li>6. Internal control</li> </ol>	18	The score from self-evaluation of the Board members was 3.98 (out of 4), the result of evaluation was <u>Exceed Standards</u> .
Remuneration Committee	<ol style="list-style-type: none"> <li>1. Participation in the operation of the company</li> <li>2. Awareness of the duties of the functional committee</li> <li>3. Improvement of quality of decisions made by the functional committee</li> <li>4. Makeup of the functional committee and election of its member</li> </ol>	19	The score of self-evaluation of the Remuneration Committee members was 3.95 (out of 4), the result of evaluation was <u>Exceed Standards</u> .
Audit Committee	<ol style="list-style-type: none"> <li>1. Participation in the operation of the company</li> <li>2. Awareness of the duties of the functional committee</li> <li>3. Improvement of quality of decisions made by the functional committee</li> <li>4. Makeup of the functional committee and election of its member</li> <li>5. Internal control</li> </ol>	22	The Score of Self-Evaluation of the Audit Committee is 3.99 (out of 4), the result of evaluation as <u>Exceed Standards</u> .

Note 3: The assessment items of the Independence, Suitability and Audit Quality Indicators (AQIs) of CPAs are as follows:

CPA Independence Evaluation:

Item	Result	Independent
1. Does the CPA have direct or significant indirect financial relationship with the Company?	No	Yes
2. Does the CPA have financing or guarantees with the Company or its directors?	No	Yes
3. Does the CPA have close business relationship and potential client and commission relationship with the Company?	No	Yes
4. Had the CPA and their audit team members served as directors, managers or taken up positions that have significant influence on audit work at the Company at present or in the last two years?	No	Yes
5. Does the CPA provide non-audit service items that may directly affect the audit work provided to the Company?	No	Yes
6. Does the CPA possess stocks or securities issued by the Company?	No	Yes
7. Had the primary/secondary attesting CPA served for more than seven consecutive years?	No	Yes
8. Has the CPA acted as agent for stocks or securities issued by the Company?	No	Yes
9. Had the CPA acted as the defender of the Company or mediated conflicts with third parties on behalf of the Company?	No	Yes
10. Is the CPA related to the Company's directors, managers or personnel with significant influence on the audit case?	No	Yes

### CPA Accountability Evaluation:

Item	Accountable
1. The CPA had not served as the attesting auditor for the Company more than seven years (until the most recent attestation).	Yes
2. The CPA has no significant financial relationship with the client.	Yes
3. The CPA has taken steps to refrain from engaging in any inappropriate relationship with the client.	Yes
4. The CPA has taken steps to ensure that his assistants adhere to pertinent guidelines and standards on honesty, impartiality and independence.	Yes
5. The CPA had not performed attestation for financial reports published by the company they served two years prior to obtaining their CPA qualification.	Yes
6. The CPA may not authorize any other individual to perform relevant services in their name.	Yes
7. The CPA does not possess stocks or securities issued by the Company or its affiliated businesses.	Yes
8. The CPA had not borrowed money from the Company or its affiliated businesses.	Yes
9. The CPA is not involved in a joint-investment or mutually beneficial relationship with the Company or its affiliated businesses.	Yes
10. The CPA is not receiving a salary for also performing routine work at the Company or its affiliated businesses.	Yes
11. The CPA is not involved in the decision-making management functions of the Company or its affiliated businesses.	Yes
12. The CPA is not managing other businesses that may compromise their independence.	Yes
13. The CPA is not the spouse, a relative within the second degree of kinship or a direct blood relative to any managers at the Company.	Yes
14. The CPA has not collected any business related commission.	Yes
15. The CPA has not been sanctioned or involved in any incident thus far that would compromise their independence.	Yes

### Assessment of CPA Audit Quality Indicators (AQIs):

Five major aspects	NO	AQI Indicator	Key points of measurement	Result
Professionalism	1	Auditing experience	Whether the senior auditors have sufficient audit experience to perform the audit work.	V
	2	Training hours	Whether CPAs and senior auditors receive sufficient education and training each year to continuously acquire professional knowledge and skills.	V
	3	Turnover rate	Whether the firm maintains sufficient senior human resources.	V
	4	Professional support	Whether the firm has sufficient professionals (e.g. evaluators) to support the audit team.	V
Quality control	5	Workload of CPAs	Whether the workload of CPAs is too heavy.	V
	6	Investment in audits	Whether the input of audit team members is appropriate at each stage of audit.	V
	7	EQCR review	Whether the EQCR CPAs have taken sufficient time to perform review of the audited cases.	V
	8	Quality control support capability	Whether the firm has sufficient quality control manpower to support the audit team.	V
Independence	9	Non-audit professional fees	The impact of the proportion of non-audit professional fees on the independence	V
	10	Customer familiarity	The impact of the audit on the independence of the cumulative number of years in the firm's certification of annual financial reports	V
Supervision	11	Defects found in external inspections and disposition	Whether the quality management and audit by the firm are conducted in accordance with the relevant laws and standards.	V
	12	Improvements demanded by the letter sent from the competent authority		V
Innovation ability	13	Innovative planning or initiatives	The commitment of the accounting firm to improve the quality of audits, including the innovation and planning of the accounting firm.	V

Note 4: Continuing education of directors in 2024 is detailed below:

Title	Name	Date of Advanced Studies	Main organizer	Name of the Course	Duration of Advanced Studies	Total hours of continuing education in 2024
Legal Person Directors Representatives	Fei-Lung Chen	2024/11/01	Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3	6.0
		2024/12/09	Taiwan Corporate Governance Association	Trend towards Net-Zero in Carbon Management and Response	3	
Legal Person Directors Representatives	Kan-Wen Lee	2024/11/01	Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3	6.0
		2024/12/09	Taiwan Corporate Governance Association	Trend towards Net-Zero in Carbon Management and Response	3	
Legal Person Directors Representatives	Cheng-Wen Chen	2024/09/30	Taiwan Corporate Governance Association	Corporate Governance and Securities and Exchange Regulations	3	9.0
		2024/11/01	Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3	
		2024/12/09	Taiwan Corporate Governance Association	Trend towards Net-Zero in Carbon Management and Response	3	
Legal Person Directors Representatives	Ming-Fen Chou	2024/09/30	Taiwan Corporate Governance Association	Corporate Governance and Securities and Exchange Regulations	3	6.0
		2024/11/01	Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3	
Legal Person Directors Representatives	Yi-Wen Chen	2024/06/19	Taiwan Institute of Directors	Unlocking the International Competitiveness of Taiwanese Enterprises Against a Backdrop of Global Co-opetition	3	9.0
		2024/09/30	Taiwan Corporate Governance Association	Corporate Governance and Securities and Exchange Regulations	3	
		2024/11/01	Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3	
Legal Person Directors Representatives	Yu-Wen Chen	2024/09/30	Taiwan Corporate Governance Association	Corporate Governance and Securities and Exchange Regulations	3	6.0
		2024/11/01	Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3	
Independent Director	Ting-Kuo Chen	2024/11/01	Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3	6.0
		2024/12/09	Taiwan Corporate Governance Association	Trend towards Net-Zero in Carbon Management and Response	3	

Title	Name	Date of Advanced Studies	Main organizer	Name of the Course	Duration of Advanced Studies	Total hours of continuing education in 2024
Independent Director	Chun-Hsueh Chen	2024/07/19	Taiwan Corporate Governance Association	Best Practice on the Audit Committee's Exercise of Powers - The Role of the Convener	3	6.0
		2024/11/01	Taiwan Corporate Governance Association	Global Economic Outlook and Industry Trends for 2024	3	
Independent Director	Ming-Chih Wang	2024/03/29	Taiwan Corporate Governance Association	US-China Relations and Future International Situation - Political Risk of Investing in China	3	6.0
		2024/08/23	Taiwan Corporate Governance Association	Trends and risk management of digital technology and artificial intelligence	2	
		2024/08/23	Taiwan Corporate Governance Association	Labor Compliance - Sexual Harassment Prevention, Reporting and Disciplinary Action in the Workplace (Rejecting Predators and Building a Friendly Workplace Together)	1	

(IV) If the Company has a Compensation Committee, the composition, responsibilities, and operations of the Committee shall be disclosed.

1. Information on the Remuneration Committee members

Status	Requirement Name	Professional qualifications and experience	Compliance with the independence requirement	Number of other public offering companies with part-time membership of their Remuneration Committee
Independent Director	Ting-Kuo Chen	Please refer to page 6 on Directors' Professional Qualifications and Experience	In accordance with the provisions of the Company's Articles of Incorporation and the Corporate Governance Best-Practice Principles, election of directors was done applying the nomination system. The Company has obtained a written statement, work experience, current employment certificate and kinship form provided by each director at the time of nomination and selection of the Board members to verify and confirm the independence of himself, his spouse and direct blood relative within the third degree of kinship from the Company. The Company has also verified that the two independent directors listed left have met the eligibility requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act within the two years prior to their appointment and during their tenure, and that the independent directors have been granted the authority to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and have independently performed relevant functions and powers.	4
Independent Director	Chun-Hsueh Chen			0
Others	Hai-Ming Chen	Hai-Ming Chen, a committee member, PhD, College of Management Science, National Chiao Tung University, was a full-time professor at the Institute of Management Science, Tamkang University, and is currently an honorary professor of the university. Mr Chen specializes in human resources management, organizational behavior, management, strategic management and organizational theory, and has rich experience in industry and academia. He currently serves as a member of the Remuneration Committee of the Company, an independent director and convener of the Remuneration Committee of TECOM CO., LTD., and a member of the Remuneration Committee of WIN SEMICONDUCTORS CORP. Moreover, he does not fall into any of the circumstances mentioned in Article 30 of the Company Act.	During the two years prior to his appointment and during his term of office, he did not violate the independence provisions of Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange."	3



## 2. Operation of the Remuneration Committee

- (1) The Company's Remuneration Committee has three members.
- (2) Current members will serve from July 18, 2024, through to July 14, 2027. The Remuneration Committee met 5 times (A) in the latest year. Committee members' qualifications and attendance are as follow:

Title	Name	The actual frequency of attendance in the meetings (B)	Frequency of attendance through proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Ting-Kuo Chen	5	0	100%	Re-elected
Member	Chin-Shih Lin	3	0	100%	Term expired July 14, 2024
Member	Hai-Ming Chen	5	0	100%	Re-elected
Member	Chun-Hsueh Chen	1	1	50%	Newly elected on July 18, 2024

Other details to be documented:

- I. If the Board of Directors does not accept or modifies suggestions provided by the Remuneration Committee, the date of the Board of Directors meeting, the session number, contents of the proposal, decisions made by the Board of Directors, and management of opinions from the Remuneration Committee by the Company should be stated (If the compensation and rewards approved by the Board of Directors are superior to those advised by the Remuneration Committee, there should be descriptions of the differences and reasons considered).
- II. For decisions made by the Remuneration Committee, as long as there are members objecting or having their reservations that are recorded or stated in writing, the date of the Remuneration Committee meeting, the session number, contents of the proposal, and how opinions from all members and from opposing members are handled should be described: None.
- III. The date of meeting, the session number, contents of the proposal, resolution and the company handled the opinions from the remuneration Committee, as follows:

Remuneration Committee	Content of the matters	Resolution	The Company's handling of the opinions of the Remuneration Committee
The 5th Term 15th Meeting 2024/03/12	1. Evaluation and formulation of the proposal on the issuance of directors' remuneration for 2023. 2. Evaluation and formulation of the proposal on the issuance of employees' compensation (including managerial employees) for 2023.	The entire committee in attendance agreed unanimously	Proposed to the Board of Directors and agreed by the attending directors unanimously.
The 5th Term 16th meeting 2024/04/02	1. Evaluation and formulation of the proposal on the distribution of directors' remuneration for 2023. 2. Evaluation and formulation of the proposal on the distribution of employees' remuneration (including for managerial employees) for 2023. 3. Evaluation and formulation of the proposal on adjusting the individual remuneration of Company Chairman Fei-Lung Chen.	The entire committee in attendance agreed unanimously	Proposed to the Board of Directors and agreed by the attending directors unanimously.



The 5th Term 17th meeting 2024/05/14	<ol style="list-style-type: none"> <li>1. Evaluation and formulation of the proposal on adjusting the individual remuneration of Ming-Fen Chou as the Representative of Juristic-Person Director Lucky Royal Co., Ltd.</li> <li>2. Evaluation and formulation of the proposal on adjusting the salary of Company Chief Risk Officer Mei-Hui Liao, serving concurrently as the Special Assistant to the Chairman of Namchow Food Group (Shanghai) Co., Ltd.</li> </ol>	The entire committee in attendance agreed unanimously	Proposed to the Board of Directors and agreed by the attending directors unanimously.
The 6th Term 1st Meeting 2024/08/13	<ol style="list-style-type: none"> <li>1. Proposal on independent directors' remuneration.</li> <li>2. Proposal on Remuneration Committee members' remuneration.</li> <li>3. Proposal on managerial officers participating in share subscriptions for specific persons during the share release by Company subsidiary "Lucky Royal Co., Ltd."</li> <li>4. Evaluation and formulation of individual packages and amounts for the proposed distribution of directors and managerial officers' mid-year bonuses for 2024.</li> </ol>	The entire committee in attendance agreed unanimously	Proposed to the Board of Directors and agreed by the attending directors unanimously.
The 6th Term 2nd Meeting 2024/12/19	<ol style="list-style-type: none"> <li>1. Evaluation and formulation of individual packages and amounts for the proposed distribution of directors and managerial officers' annual bonuses for 2024.</li> </ol>	The entire committee in attendance agreed unanimously	Proposed to the Board of Directors and agreed by the attending directors unanimously.

IV. Information on Nominating Committee members and its operation: Not applicable

Note:

- (1) In the event that members of the Remuneration Committee resign before a year is completed, the date of resignation should be indicated in the remark column. The actual attendance rate (%), on the other hand, shall be calculated by the number of Remuneration Committee meetings held during service and the frequency number of attendance in the meetings.
- (2) Before a year is completed, upon any re-election of Remuneration Committee members, new and old, shall be listed and it shall be specified in the remark column that a specific member is old, new, or re-elected, and the date of re-election. The actual attendance rate (%), on the other hand, is to be calculated by the number of Remuneration Committee meetings held during service and the frequency number of attendance in the meetings.

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

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies
	Yes	No	Summary	
I. Has the Company established and promoted its governance structure for sustainable development and established a department that is fully (or partially) committed to the promotion of sustainable development by senior management with authorization from the Board of Directors perform relevant tasks, under the supervision of the Board of Directors?	V		<p>1. In March 2015, the Company held its Corporate Social Responsibility Kick Off Meeting and later established its CSR Committee in April of the same year. The convener of the committee is the President of the Namchow Group. The Business Governance, Product Responsibility, Environmental Sustainability, and Social Relations groups were established under the Committee, with each group made up of assistant vice presidents or higher. The groups were responsible for formulating and implementing the response strategies for related issues. In August 2022, in order to cooperate with the "Sustainable Development Roadmap of Listed Companies", the Board of Directors changed its name to "Namchow Group Sustainable Development and ESG Committee" by making adjustments to the CSR committee organization of Namchow Group; at the same time, a task force on climate change was set up to carry out greenhouse gas inventory and verification related operations.</p> <p>2. The Board of Directors is the highest supervisory unit for this committee. The Executive Secretariat reports to the Board of Directors at least once a year on implementation results and direction. In November 2024, ESG implementation outcomes and future direction were reported to the directors at the Board of Directors meeting (Note 3)</p> <p>3. The Board of Directors of the Company is briefed quarterly on ESG progress. The briefing covers: (1) greenhouse gas inventory and verification progress; (2) progress on sustainability-related tasks, and related planning. For issues relating sustainable development, the management team must constantly monitor the latest domestic and overseas developments on ESG standards, and use them as a reference for refining the Company's own ESG systems. Adjustments must be made when necessary to enhance the effectiveness of CSR implementation.</p>	None
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management	V		<p>1. The disclosed information covers the Company's performance on sustainability at its main locations from January to December in 2024. The company has been identified as the boundary of risk assessment, covering regions including Taiwan, Mainland China and Thailand as our material aspects of consideration so that the boundary of disclosure will encompass all of Namchow's production facilities and major business</p>	None

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies						
	Yes	No	Summary							
policies or strategies? (Note 2)			<p>locations.</p> <p>2. Analyses have been made in accordance with the materiality principles of the Sustainability Report for communication with internal and external stakeholders. We also reviewed relevant local and foreign studies and reports, international standards and compiled applicable data from different departments to identify ESG issues of materiality, along with the relevant risks and potential impacts. After careful assessment, corresponding management guidelines were formulated, policies for supervision and control of risk management put into place, and concrete action plans adopted to mitigate the impact of related risks.</p> <p>3. Based on the assessed risks, the relevant risk management policies and strategies are as follows:</p> <table><tr><th>Material Issue</th><th>Items of Risk Assessment</th><th>Explanation</th></tr><tr><td>Environmental Dimension</td><td>Environmental Impact and Management</td><td><p>1. As climate change has resulted in frequent extreme weather, government agencies have strengthened supervision of energy. The Company's various categories of consumption of water, electricity, gas, and other energy resources are one of the main components included in daily operating costs. A reasonable layout of energy facilities and management and control functions can improve the utilization efficiency of the facilities and energy significantly and reduce costs.</p><p>2. Namchow assesses the impact of climate risks and opportunities on its operations by means of climate scenario analyses. We will also analyze the possible worst-case future scenarios, to better avoid underestimating the possible impact. Furthermore, based on the identified risk levels, we gradually plan the corresponding management strategies, and start to assess the operational and financial impacts that climate risks may have on Namchow.</p><p>3. Greenhouse gas emissions are regularly inventoried according to ISO 14064-1 or the GHG Protocol standards to examine the impact on corporate operations. Continued to implement carbon reduction measures based on the results of</p></td></tr></table>	Material Issue	Items of Risk Assessment	Explanation	Environmental Dimension	Environmental Impact and Management	<p>1. As climate change has resulted in frequent extreme weather, government agencies have strengthened supervision of energy. The Company's various categories of consumption of water, electricity, gas, and other energy resources are one of the main components included in daily operating costs. A reasonable layout of energy facilities and management and control functions can improve the utilization efficiency of the facilities and energy significantly and reduce costs.</p> <p>2. Namchow assesses the impact of climate risks and opportunities on its operations by means of climate scenario analyses. We will also analyze the possible worst-case future scenarios, to better avoid underestimating the possible impact. Furthermore, based on the identified risk levels, we gradually plan the corresponding management strategies, and start to assess the operational and financial impacts that climate risks may have on Namchow.</p> <p>3. Greenhouse gas emissions are regularly inventoried according to ISO 14064-1 or the GHG Protocol standards to examine the impact on corporate operations. Continued to implement carbon reduction measures based on the results of</p>	
Material Issue	Items of Risk Assessment	Explanation								
Environmental Dimension	Environmental Impact and Management	<p>1. As climate change has resulted in frequent extreme weather, government agencies have strengthened supervision of energy. The Company's various categories of consumption of water, electricity, gas, and other energy resources are one of the main components included in daily operating costs. A reasonable layout of energy facilities and management and control functions can improve the utilization efficiency of the facilities and energy significantly and reduce costs.</p> <p>2. Namchow assesses the impact of climate risks and opportunities on its operations by means of climate scenario analyses. We will also analyze the possible worst-case future scenarios, to better avoid underestimating the possible impact. Furthermore, based on the identified risk levels, we gradually plan the corresponding management strategies, and start to assess the operational and financial impacts that climate risks may have on Namchow.</p> <p>3. Greenhouse gas emissions are regularly inventoried according to ISO 14064-1 or the GHG Protocol standards to examine the impact on corporate operations. Continued to implement carbon reduction measures based on the results of</p>								

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies
	Yes	No	Summary	
			<div>the carbon inventory.</div> <div>4. We conducted audits on the Company's compliance with the relevant environmental laws and regulations to ensure that all operating procedures comply with relevant statutory regulations.</div> <div>Social Dimension</div> <div>Supply Management</div> <div>1. Supplier review and risk assessment were strengthened, non-compliant suppliers removed, frequency of on-site audits increased, and suppliers required to provide their sustainability report as a reference for audits.</div> <div>2. Ensured the steady supply and quality of all raw materials to reduce food safety risks and to grow together with suppliers.</div> <div>Product safety</div> <div>1. Establish a comprehensive product tracing system for the entire process from the raw materials to the product and its user. Meanwhile, to ensure the quality of customer service, the Company proactively conducts customer service satisfaction survey every year, to strengthen the partnership with customers.</div> <div>2. Simulate product tracing every year and ensure that the product is 100% traceable.</div> <div>Customer Privacy</div> <div>1. Establish an authorization mechanism for the collection of customers. Customer data is to be stored in highly secure and reliable data storage systems. All data access and use require proper authorization.</div> <div>2. With regards to the collection, processing and use of customer data, the company has adhered and complied with pertinent privacy protection laws and regulations in the place of operation.</div> <div>Corporate Governance Dimension</div> <div>Corporate Governance Business Performance</div> <div>1. The Company established a governance organization and enforced internal control mechanisms to ensure that all employees and operations comply with the relevant laws and regulations.</div> <div>2. External corporate governance evaluations and internal control system assessments were carried out to provide a clear picture of risk governance.</div>	

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies			
	Yes	No	Summary				
			<table><tr><td></td><td>Risk management Compliance</td><td>1. Comply with various local laws, regulations, and policies, and abide by each department's standard operating procedure strictly 2. Establish multiple management mechanisms and guidelines to implement compliance.</td></tr></table> <p>4. The relevant risk management policies can be found in our Sustainability Report.</p>		Risk management Compliance	1. Comply with various local laws, regulations, and policies, and abide by each department's standard operating procedure strictly 2. Establish multiple management mechanisms and guidelines to implement compliance.	
	Risk management Compliance	1. Comply with various local laws, regulations, and policies, and abide by each department's standard operating procedure strictly 2. Establish multiple management mechanisms and guidelines to implement compliance.					
III. Environmental Issues							
(I) Has the Company set an environmental management system designed to industry characteristics?	V		(I) All of the Company's plants and subsidiaries have established environmental management systems in accordance with ISO 14001 and have continued to pass third-party certifications. They have also conducted annual greenhouse gas inventories in accordance with ISO 14064-1, tracked emission reduction results and publicly disclosed them in the sustainability report and on the Company's website. (The latest certificate for ISO 14001 Environmental Management System for Thailand region is valid from 2024/1/5 to 2027/1/5; for Mainland China is valid from 2023/11/12 to 2026/11/11; the latest ISO 50001 energy management system certificate is valid from 2022/6/2 to 2025/6/1.)	None			
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(II) 1. The company has actively promoted various energy usage reduction measures, adopted highly energy-efficient equipment with energy-saving designs to reduce our corporate and product energy consumption. The Company has also expanded the use of renewable energies to optimize energy efficiency. 2. The Company is primarily involved in food production, and as such, all of our materials must be compliant with pertinent food-grade regulations. Not only that, we also source from EPA certified suppliers of corrugated boxes as the external packaging for our products. For distribution in the Mainland China market, we have also endeavored to prioritize our sourcing of paper packaging from FSC certified suppliers. In 2024, our purchases of FSC certified boxes reached 66%. For Namchow Thailand, the percentage of eco-friendly paper boxes purchased came to 44%.	None			
(III) Has the Company evaluated the potential risks and opportunities	V		(III) 1. The risks and opportunities of climate change to the Company were identified using TCFD framework published by the International	None			

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies												
	Yes	No	Summary													
<p>posed by climate change for its business now and in the future and adopted relevant measures to address them?</p> <p>(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?</p>	V		<p>Financial Stability Board ti optimize the climate change management mechanism of Namchow. The Company also reviewed the effectiveness of greenhouse gas reduction and energy-saving strategies, evaluated the impact of climate change on operations, and developed future action plans. The relevant results are reported quarterly to the Board of Directors to ensure the proper implementation of sustainable development goals.</p> <p>2. Climate risks factors were identified and prioritized using the TCFD framework to evaluate potential opportunities and formulate response measures. With regards to the alleviation of climate changes, the company will focus on relevant developments in energy management and green building; as for climate change adaptation, the company will take steps to fortify its basic infrastructures and bolster its capacity for sustainable operations. Detailed descriptions of Namchow’s climate change risk and opportunity analysis have been disclosed in our Sustainability Report.</p> <p>(IV) 1. The Company gathered the statistics on carbon emissions, water consumption and total weight of waste over the past two years, along with environmental targets and related data. Full disclosure on implementation is provided in the Sustainability Report every year.</p> <p><u>Greenhouse gas emissions in the last two years:</u></p> <p>(Data in Scope 1 and 2 cover our manufacturing, administrative, and sales operations in Taiwan, China and Thailand, as well as our gastronomy business operations in Taiwan and China; Scope 1 information covers Thailand only)</p> <p>Unit: Tons CO<sub>2</sub>e</p> <table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th></tr><tr><td>2023</td><td>91,340.88</td><td>103,784.53</td><td>-</td></tr><tr><td>2024</td><td>109,189.03</td><td>111,038.35</td><td>171,512.72</td></tr></table> <p>For the 2024 Greenhouse Gas Inventory, Thailand region is expected to complete third-party verification by 2025 Q2, and Taiwan region is expected to complete third-part verification by 2025 O4. All production sites in China have</p>	Year	Scope 1	Scope 2	Scope 3	2023	91,340.88	103,784.53	-	2024	109,189.03	111,038.35	171,512.72	None
Year	Scope 1	Scope 2	Scope 3													
2023	91,340.88	103,784.53	-													
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Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies																		
	Yes	No	Summary																			
			<p>passed the ISO 50001 Energy Management System certification and verification (valid until June 1, 2025). In the future, the production bases in each region will regularly disclose the results of greenhouse gas inventories and review the carbon reduction results year by year.</p> <p>2. The Company continues to pay attention to water resource conservation and environmental protection issues. In terms of water conservation plans, the Company has invested a number of improvement measures, including the channeling of the wastewater system into the recycling system and improving related processes. By introducing comprehensive water-conservation measures and mechanisms in our day-to-day activities, we would be able to achieve greater success in improving water efficiency.</p> <p><u>Water consumption in the last two years:</u></p> <p>(Encompasses manufacturing, administration, and sales units in Taiwan, China, Thailand, and the gastronomy business in China)</p> <p>Unit: Cubic meters</p> <table><tr><th>Year</th><th>Total water consumption</th><th>Water intensity</th></tr><tr><td>2023</td><td>1,773,316</td><td>0.079</td></tr><tr><td>2024</td><td>1,910,938</td><td>0.081</td></tr></table> <p>3. The Company complied with local regulations on waste clearance, treatment or reuse of wastewater. Declarations are also periodically uploaded over the Internet. The Company carries out online querying and verification of waste clearance, treatment, and reuse within the given deadline.</p> <p><u>Waste generation in the last two years:</u></p> <p>(Encompasses manufacturing, administration, and sales units in Taiwan, China, Thailand, and the gastronomy business in China)</p> <p>Unit: tons</p> <table><tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th></tr><tr><td>2023</td><td>53</td><td>15,147</td></tr><tr><td>2024</td><td>48</td><td>18,223</td></tr></table> <p>In accordance with the Solid Waste Management Regulations and Hazardous Waste Management Regulations in China, our plants have designated storage locations for sorted waste to avoid cross-</p>	Year	Total water consumption	Water intensity	2023	1,773,316	0.079	2024	1,910,938	0.081	Year	Hazardous waste	Non-hazardous waste	2023	53	15,147	2024	48	18,223	
Year	Total water consumption	Water intensity																				
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Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies						
	Yes	No	Summary							
			contamination. Thailand Factory continues to adhere to 3R (Reduce, Recycle, Reuse) to teach employees about waste reduction and how to create value from waste. Production attrition targets were also set to reduce waste.  4. The Company is continuing to review the progress and effectiveness of reduction programs at each plant. We also compile and evaluate related local and international trends in order to develop polices and targets for improving energy-efficiency and carbon reduction, greenhouse gas reduction, water conservation, and management of other wastes.							
IV. Social Issues  (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(I) 1. To fulfill our corporate social responsibility as well as protect the basic human rights of all employees, customers and stakeholders, Namchow Group acknowledges and adheres to the spirit and basic principles of human rights protection defined under the “UN Declaration of Human Rights,” “UN Global Compact,” “International Labor Organization Conventions,” and other international conventions. All employees are treated equally and with respect. No human rights abuses or violations in any form are tolerated.  2. All operating locations of the Company adhere strictly to their local labor laws and regulations. Internal regulations have also been defined to build a workplace environment that protects human rights, and respects the basic rights of permanent employees, contract and temporary personnel, and interns. The company requested that the contracts between the Company and its major suppliers include termination or dismissal clauses which come into force once the suppliers breach the corporate social responsibility policy and cause significant impact on the environment and society.  Namchow’s management policy on human rights is as follows: <table><tr><th>Policy</th><th>Explanation</th></tr><tr><td>Compliance with pertinent labor laws</td><td>We pledge to comply with all pertinent laws and regulations in the countries/regions where our businesses are located. Child labor is strictly forbidden, as well as any form of forced labor.</td></tr><tr><td>Safeguarding human rights in the workplace</td><td>We are committed to creating friendly workplaces with equal</td></tr></table>	Policy	Explanation	Compliance with pertinent labor laws	We pledge to comply with all pertinent laws and regulations in the countries/regions where our businesses are located. Child labor is strictly forbidden, as well as any form of forced labor.	Safeguarding human rights in the workplace	We are committed to creating friendly workplaces with equal	None
Policy	Explanation									
Compliance with pertinent labor laws	We pledge to comply with all pertinent laws and regulations in the countries/regions where our businesses are located. Child labor is strictly forbidden, as well as any form of forced labor.									
Safeguarding human rights in the workplace	We are committed to creating friendly workplaces with equal									



Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies
	Yes	No	Summary	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V			rights that is free from unequal treatment or any form of discrimination on the basis of race, class, language, ideology, religious belief, political affiliation, ancestry, birthplace, sexual orientation, age, marital status, physical appearance, physical/mental disability, or past union membership.
			Building a healthy and safe workplace	Pursuant to pertinent occupational safety and health regulations, the company implements routine health checkups for employees and assessment of safety hazards in the workplace so as to create a healthy, safe and comfortable working environment.
			Harmonious labor/management relations	The company has established diverse channels of communication to disseminate company policies, systems, benefits and relevant activities on top of organizing scheduled labor-management meetings in order to ensure harmonious, “win-win” labor/management relations.
			(II) 1. Employee compensation: We determine each employee’s salary based on his/her education, work experience, skills, and job requirements. We support gender equality in the salary system, and our salaries do not differ between men and women. The Company encourages employees to value the Company's business goals. Annual or performance bonuses are determined based on the profitability of each business unit, strategic goals, and the nature of each function. The amount of bonuses is based on the individual performance of employees to incentivize outstanding performance by employees. Pursuant to the Articles of Incorporation, employees’ remuneration shall be no less than 1% of the company’s profit for the current fiscal year.  2.Employee benefits: Employee Welfare Committee has been established with each employee entitled to basic benefits of NTD 11,000 per year. Additional benefits are also offered including: children's education subsidy, club/activity subsidy, annual festivals/birthdays gifts,	
				None

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies
	Yes	No	Summary	
			<p>employee insurance, retirement, medical care, etc.</p> <p>3. Workplace diversity and equality: Namchow Group fosters a corporate culture that is diverse and inclusive, values work-life balance, and provides gender-equal development opportunities. The male and female workers are evenly distributed, and on average, 38% of management level workers are female. The average salary ratio of male and female employees at all levels and the average salary of male and female employees at each operating location are both almost 1:1, with the difference not being gender-based. This an important indicator of a gender-friendly business.</p> <p>The Company values the rights and benefits of employees. Surpluses are shared with employees including through holistic physical, mental, and spiritual care of all groups. In 2024, the Company employed a total of 27 employees with physical/mental disabilities or of indigenous descent, exceeding the mandatory quotas set by the People with Disabilities Rights Protection Act and Indigenous Peoples Employment Rights Protection Act.</p> <p>4. Reflection of the company's operational performance in employees' remuneration:</p> <p>Pursuant to Article 31 of the Articles of Incorporation: In cases of profits for the year, the company shall set aside no less than 1% to be the remunerations for employees and no more than 5% to be those for board directors and supervisors. If there are accumulated losses, however, the value to make up for the losses should be set aside first. The remuneration to employees may be paid in stock or cash, and the employees of subsidiaries meeting specific condition are entitled to the payment. In terms of overall remuneration policies, the company regularly participated in the International Market Salary Survey to calibrate our pay scales and provide competitive compensation. Salary adjustments were also made in accordance with the Company's business performance, consumer price index, economic growth rate, and individual performances etc. In 2024, the Company adjusted salaries based on individual performance.</p>	

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies
	Yes	No	Summary	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		<p>(III) 1. Occupational safety and health policy: all of our production factories have established their own Occupational Safety and Health (OSH) Committees responsible for the management and tracking of occupational hazards/illness incidents. Occupational safety incidents must be reported at OSH committee meetings. A public announcement must also be made as soon as possible to enhance the overall standard of OSH performance and ensure effective risk control.</p> <p>OSH issues in each plant area are compiled to propose effective countermeasures and to make continued improvements to the occupational safety culture. We also strengthen the management of worker protection and invest in occupational disease prevention to create an accident-free workplace. In 2024, the injury rates (IR) for our factories were 1.54 (Taiwan), 0.29 (China) and 0.15 (Thailand) Company officers also take an active interest in the physical and mental well-being of employees to ensure their safety at work.</p> <p>2. Workplace monitoring: Workplace inspection is conducted at least twice per year at each of our production factories to ensure a safe workplace for employees.</p> <p>3. Work safety audit: all factories are required to perform periodic audits and organize corresponding departments to conduct targeted safety inspections. In addition, responsible units would follow-up on the outcomes of safety audits and inspections and implement relevant planning, promotion and closing of response to anomalies or projects on a monthly basis.</p> <p>4. Equipment safety management: The company commissions partners each year to perform thorough safety inspections on specialized equipment throughout the factory. Safety inspection reports are also obtained to ensure that the equipment can be operated safely.</p> <p>5. The Company strives to provide a safe and healthy workplace environment. We organize regular health and safety education for employees, support health promotion and health management initiatives, provide first-aid facilities on the shop floor, arrange annual health examinations for all employees, and provide related health guidance and education.</p>	None

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies												
	Yes	No	Summary													
(IV) Has the Company established effective career development training programs for employees?	V		<p>Below are statistics of occupational safety and health training conducted in the last three years:</p> <table><tr><th>Year</th><th>No. of trainees</th><th>No. of training hours completed</th></tr><tr><td>2022</td><td>4,272</td><td>18,733</td></tr><tr><td>2023</td><td>4,162</td><td>16,527</td></tr><tr><td>2024</td><td>4,536</td><td>21,899</td></tr></table> <p>6. Certifications: Shanghai Namchow, Shanghai Qiaohao, Tianjin Namchow, Tianjin Yoshi Yoshi, Guangzhou Namchow, and Guangzhou Yoshi Yoshi are certified on the ISO 45001 occupational health and safety management system.</p> <p>7. There was a fire with no casualties at the Dian Shui Lou Nanjing Store in 2024. There were no fires in all other regions.</p> <p>(IV) The Company has established training programs for the career development of employees. We also provide systematic and hierarchical career development for employees by providing them with diversified education and training to build up their basic competencies, and equip them with the skills they will need for future development and promotion. In 2024, a total of 54,202 Group employees completed over 177,683 hours of career training (including online courses). During the scheduled annual performance interview, employees would discuss their personal competency development plan for the year with their supervisors. Periodic reviews and feedback help employees develop a tailored development plan. Implementation details can be found in the Sustainability Report.</p>	Year	No. of trainees	No. of training hours completed	2022	4,272	18,733	2023	4,162	16,527	2024	4,536	21,899	None
Year	No. of trainees	No. of training hours completed														
2022	4,272	18,733														
2023	4,162	16,527														
2024	4,536	21,899														
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		<p>(V) 1. The Company has set up a Food Safety Office to monitor product safety and protect the health of customers. Transparency and compliance in marketing and labeling help ensure customers' peace of mind.</p> <p>2. We respect customer privacy. The collection, processing and use of all customer data comply with the relevant local privacy protection regulations at each operating location.</p> <p>3. On consumer rights policy, we set up a Consumer</p>	None												

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies
	Yes	No	Summary	
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?		V	<p>Service Center (0800 toll-free number) to respond to consumers' inquiries and concerns in a timely manner.</p> <p>(VI) 1. Compliance with local laws and regulations is the basic prerequisite for all contracts signed between the Company and suppliers. All suppliers must comply with local laws and regulations on corporate governance, environmental protections, labor and human rights.</p> <p>2. The Company has not formulated a policy on evaluating the environmental and social performance of suppliers. However, contracts with primary suppliers explicitly stipulate that if a supplier violated its CSR policy in a manner that had a significant environmental and social impact, the contract may be terminated or revoked at any time.</p> <p>3. Suppliers and raw materials are evaluated in accordance with "Raw Material Risk Assessment and Supplier Risk Management", "Procurement Control Procedures", "Supplier Evaluation Control Procedures", and internal control procedures of the Company. Regular and unscheduled factory inspection and audits of suppliers are conducted to ensure compliance with company strategies and operational requirements. For information on the annual assessment of existing suppliers and the selection and review of new suppliers, please refer to the Company's official website and the Sustainability Report.</p>	Evaluating, planning and formulating the related policies of suppliers management
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above? Did the preliminary report obtain the confidence or assurance opinion of the collaborating vendors' verification unit?	V		<p>1. The Company prepared the "2023 Namchow Group Sustainability Report" based on the guidelines described in GRI Standards and the Food Processing Sector Disclosures published by Global Reporting Initiative.</p> <p>2. KPMG has been commissioned as a verification body to implement an independent limited assurance process according to the Assurance Standards Bulletin No. 3000, "Assurance Cases for Audits or Reviews of Non-historical Financial Information" issued by the Accounting Research and Development Foundation to prepare the required assurance report.</p>	None
VI. If the Company has its own Sustainable Development Best Practice Principles established according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its				

Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies
	Yes	No	Summary	
implementation and the principles: The Company's "Corporate Social Responsibility Best Practice Principles," approved by the Company's Board of Directors in December 2015, have been renamed as the “Sustainable Development Best Practice Principles” along with the amendments to related provisions in November 2022, to cope with international development trend, realize the goal of sustainable development, and strengthen the Company's implementation of sustainable development. Pursuant to the guidelines, the company has conducted periodic review of relevant implementations and made corresponding improvements. There has been no discrepancy thus far.				
VII. Other vital information that would facilitate greater awareness of Namchow’s sustainability promotion include: “Community Management and grow locally” is the company’s core concept of society caring. In keeping with our founding philosophy of “giving back to society”, the Company actively planned and participated various charitable activities through the integration of government resources and platform resources. The company take the social participation as part of corporate culture with the activities of “Charity-helping the difficulties and poverty”, “Industry-improve together with the industry”, “Cross-strait-promoting in interaction between Taiwan and Mainland China” and others, for more information please refer to the ESG report prepared by the company. A summary of our social initiatives in 2024 is provided below: <u>Taiwan:</u> 1. Namchow Oils & Fats has sponsored various charitable events, including the “2024 Sending Warmth and Love Winter Charity Event,” “2024 Children’s Cooperation - Chinese New Year Gathering for Economically Disadvantaged New Immigrant Families,” and the Seed of Love Education Foundation. We also made donations in kind to the “Taoyuan City’s Trip of Love” event organized by the Chinese National Federation of Industries to bring more warmth and compassion to society. 2. The “Vivid Guandu Festival” is of great importance to the promotion of art and cultural education, local popularity, and regional revitalization in the Guandu region. The event not only served to enrich the local culture but also demonstrated the Namchow Group’s longstanding support for the Guandu region. To continue to assist with local development, Namchow Group has again provided NTD 750,000 in sponsorship to the Guandu Culture and Arts Foundation to promote the cultural and artistic development in Guandu. 3. The Namchow Group helped fund the Guandu Taoyuan Elementary School Baseball Team’s exchange visit to Kure City, Japan, in June 2024. The event helped cultivate students’ physical and mental health, diversified development and international horizons. <u>China:</u> 1. To celebrate Children's Day on June 1, the Namchow Han Pastry Seed Classroom organized cross-age extracurricular teaching activity in May 2024 that introduced students of all ages to the charms of traditional Han pastry culture through hands-on experience and cultural exploration. Through this event, students from kindergarten to university could all learn about the traditional Han pastry-making skills and culture through interactive experiences, further enhancing their understanding and embracing of Chinese culinary culture. 2. The 12th Cycling Angle Charity Dream Fulfillment Tour - Tour of Tianjin and Hebei was held from July 16 to July 19, 2024. Cycling angels from both sides of the Strait and university volunteers from 15 institutions in China came together to successfully complete the cycling challenges for the Tianjin and Hebei sections. The 61 km course passed through 7 locations of cultural, natural, and social interest for an in-depth experience of local history, people and culture. The Cycling Angel charity event helped boost mutual cross-strait understanding and friendship between youths through trans-cultural interaction and cooperation. This was more than just a physical and mental challenge. It was also a meeting of minds that will build even more bridges for future cross-strait cooperation and development. 3. For the Mid-Autumn Festival, Namchow Group upheld its corporate social responsibility by sponsoring the charity events for the elderly and children in Guangzhou, Tianjin and Shanghai. Warmth and well-wishes were delivered to local elders, autistic children, and special education institutions to make a tangible difference.				

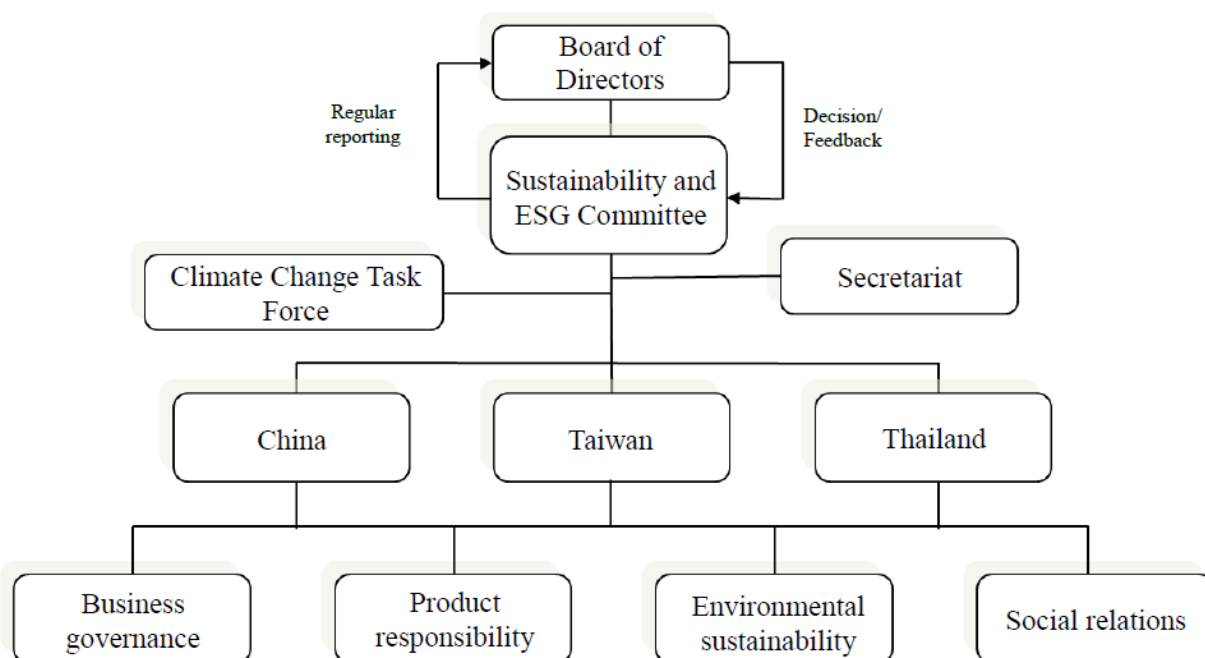
Actions	Implementation status (Note 1)			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for the discrepancies
	Yes	No	Summary	
<u>Thailand:</u> 1. A monthly merit charity event is held. Initiated by Factories, employees are invited to participate. The proceeds from the event are donated to nearby schools, hospitals and temples. 2. Continuous supports to medical care and education, monetary donations and instant noodle donations demonstrate care for the local communities, and promote sustainable development, as well as enhance the Company's positive image.				

Note 1: If “Yes” is checked, please specify in detail the vital policy/strategy/measure/status of implementation; If “No” is checked instead, please explain the nature of the discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reason for the discrepancy, along with the planning of relevant policies/strategies/measures that will be taken in the future. However, for Items 1 and 2, the TWSE/TPEX listed company shall describe its governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal formulation, review measures, etc. It additionally shall describe the company's risk management policies or strategies for operations-related environmental, social, and corporate governance issues, and their assessment status.

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

Note 3:

### Namchow Group Sustainability and ESG Committee





## Relevant Issues Concerned by Each Divisions, as follows:

Divisions	Relevant Issues Concerned
Corporate Governance Division	Information of Shareholders' Meeting and Board of Directors' Meeting; Compensations and Bonuses; Business Operation; Organization of Corporate Governance; Law Compliance etc.
Product Responsibility Division	Food Safety and Health; Traceability and Tracking of Products; Quality of Products/Food; Certification of Products/Food etc.
Environmental Sustainability Division	Use of Energy Sources; Energy Saving and Carbon Reduction; Pollution Control; Biodiversity; Issues on Genetic Modification etc.
Social Relations Division	Supply management; Allocation of Human Resources; Human Rights; Complaints; Interaction with Customers; Charity Event etc.

## 2024 ESG Highlights and Planning of the Namchow Group

<u>Implementation highlights</u>	<u>Work Plan for Following Year</u>
<ul style="list-style-type: none"> <li>✓ Greenhouse gas inventory and verification were carried out at each subsidiary in accordance with the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" with quarterly reports to the Board of Directors.</li> <li>✓ Taoyuan Factory and ChungLi Factory analyzed the relevant risk factors based on the TCFD climate risk identification results, and formulated their corresponding strategies and action plans. The potential impact of climate risks on financial performance were also assessed and forecasted to serve as an important basis for subsequent response strategies.</li> <li>✓ Continuously promoting charity events for caring the society.</li> <li>✓ Maintain diverse channel to communicate with stakeholders smoothly.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Greenhouse gas inventory and verification will continue to be carried out at each subsidiary in accordance with the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies", along with the aggressive implementation of energy-efficiency and carbon reduction projects at factories in each region. At the same time, the Company will apply for certification of related carbon reduction measures to strengthen the outcomes from the Company's sustainability practices.</li> <li>✓ The Company will continue to evaluate the potential financial impact of climate change in accordance with the Task Force on Climate-Related Disclosures (TCFD).</li> <li>✓ Continuously promoting charity events for caring the society.</li> <li>✓ Maintain diverse channel to communicate with stakeholders smoothly.</li> </ul>

## 2024 ESG Outcomes of the Namchow Group

### Environmental

Namchow Group has actively promoted a number of environmental and energy-saving measures with the following results:

#### Taoyuan Factory

- ◎Transformer integration: NTD 300,000 investment was completed in October 2024. Annual power consumption will decrease by 12,264 KWH per year, which is equivalent to 6.1 metric tons of carbon reduction and a saving of NTD 50,000 on power bills.
- ◎Cooling tower renewal: NTD 2 million investment completed in September 2024. Annual water consumption is expected to be reduced by 5000 cubic meters per year to significantly improve the efficiency of water resources.
- ◎Solar system installation: Installation of 224KW solar system on the warehouse rooftop is expected to be completed between November 2024 and July 2025. The NTD 8 million investment is expected to save 240,000 kWh of power per year, reduce carbon emissions by 119 tonnes, and obtain 240 renewable energy certificates.
- ◎Equipment upgrades: The flotation tank, sludge concentration tank and sludge press were upgraded with NTD 5 million in investments. The upgrades will effectively reduce the amount of organic sludge to 24 tonnes per month, or 288 tonnes a year, and deliver NTD 3.5 million in annual savings.
- ◎Carbon footprint verification: The Company has been verifying the carbon footprint of the Crystal Soap line since July 2024. Carbon label certification should be issued in the first half of 2025.

#### Zhongli Factory

- ◎Solar system installation: Installation of 320KW solar system on the warehouse rooftop is expected to be completed between November 2024 and July 2025. The NTD 18 million investment is expected to save 350,000 kWh of power per year, reduce carbon emissions by 173 tonnes, and obtain 350 renewable energy certificates.
- ◎Air compressor equipment replacement: Switching the compressors to high-efficiency IE4 motors is expected to save 21,060 KWH of power and reduce carbon emissions by 10.4 tonnes per year. Total investment was NTD 600,000.

#### Tainan Factory

- ◎Replacement of aeration discs: The aeration discs in the waste water activated sludge pool were replaced to improve the aeration



performance and oxygenation efficiency. The NTD 400,000 investment is expected to reduce annual power consumption by 12,000 kWh and carbon emissions by 6 tonnes.

- ©Compressor replacement for central air-conditioning system: Switched to eco-friendly R134 refrigerant to improve efficiency and cooling effect. NTD 2.36 million were invested to effectively reduce energy consumption.

#### Shanghai Factory

- ©Upgrade of the deodorization vacuum system: The upgrade was completed at a cost of RMB 6.5 million. It will reduce CO<sub>2</sub>e emissions by about 915 tonnes per year, while also increasing the safety and stability of the production process.

#### Tianjin Factory

- ©Installation of photovoltaic system: RMB 1 million investment will reduce emissions by approximately 212.23 tonnes CO<sub>2</sub>e per year. Construction was completed in February 2025.
- ©The steam condensate energy recovery project: RMB 360,000 investment will reduce emissions by approximately 456.72 tonnes CO<sub>2</sub>e per year. Installation was completed in December 2024.
- ©Replaced steam conduit insulation: RMB 513,000 investment will reduce emissions by approximately 121.79 tonnes CO<sub>2</sub>e per year. The installation was completed in December 2024.

#### Guangzhou Factory

- ©Upgrade of chiller machine: Two chillers were replaced by one chiller to improve operational efficiency and reduce costs. RMB 420,000 investment will reduce emissions by 5.79 tonnes CO<sub>2</sub>e per year.
- ©Energy-saving modification of the water pump: RMB 55,338 investment will reduce emissions by approximately 21.084 tonnes CO<sub>2</sub>e per year and improve pumping efficiency.

#### Thailand Plant

- ©Update of boiler stacks: In March 2024, THB 1.27 million was invested to update the stacks. All emissions now comply with the emission standards. SO<sub>x</sub> and Sulfate emissions were greatly reduced as well.
- ©Mangrove Planting: On August 11, 120 people took part in planting 1500 mangrove seedlings. This event promoted community engagement and raised environmental awareness.

### Social

- ©Namchow Group provided NTD 120,000 in sponsorship for the Taoyuan Film Festival in 2024 to support the vibrant development of Taiwan's film and TV culture. The sponsorship of the Taoyuan Film Festival not only demonstrates the commitment of the company to promoting artistic creativity and local culture exchanges, but also promotes the presentation of more outstanding films and the cultivation of film-making talent.
- ©On October 7, 2024, Namchow Food hosted an employee volunteering day to show support for migrant children in Shanghai. Through the companionship and sharing of employees, children can get to the baking industry and be inspired to dream about their future through hands-on experiences.. A total of 16 Namchow employees from ESG Office, No.1 Shanghai Factory, Human Resources Department, Administration Department, and Service Quality Center participated in this event to provide inter-departmental resources for this care initiative.
- ©NCT CULTURE training activities were held monthly at Namchow Thailand 2024 to advocate four aspects: environmental protection, energy-saving, food safety, and occupational safety to employees. Approximately 500 people participated in each training session. Employees were encouraged to contribute to energy-efficiency and environmental protection as while also promoting food and work safety to improve the image of the organization.
- ©A monthly giving of alms charity event was held at the Namchow Thailand factory. Employee donations were directed to local schools, hospitals and temples. THB 120,000 was invested in 2024.
- ©Namchow Thailand held the One District One Career activity, providing occupational consultation to the local community near the factory. In 2024, the Company offer courses on baked goods, and food production for 5 communities that attracted around 200 participants.
- ©Namchow Thailand held the One District One School activity, providing occupational consultation, disaster prevention and environmental protection education to middle and primary schools near the factory. Training courses were also offered to 6 middle and primary schools, attracting around 1,350 participants.
- ©Namchow Thailand cooperated with 18 universities to provide 31 students with internship opportunities (including the production line, human resources, general affairs and R&D units).
- ©We continued to conduct community management and care activities in each region.

### Corporate Governance

- ©The Board of Directors Performance Evaluation (self-assessment) for 2023 was declared and registered in Q1 2024.
- ©The Sustainability Report was announced and filed by end of August; the financial impact from difficulty of obtaining raw materials was explained in the chapter on Climate-Related Financial Disclosures (TCFD) to comply with the enhanced ESG information disclosure requirements for TWSE listed companies set by the competent authority.
- ©Greenhouse gas progress and plans of the parent company and consolidated subsidiaries were reported by the Company pursuant to the requirements of the competent authority on a quarterly basis and submitted to the Board of Directors.
- ©Namchow Holdings was ranked in the 36%-50% range (4th group) in the results of the 10th Corporate Governance Evaluation announced in 2024.

【For more information, please refer to the Sustainability Report】

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

### 1. Implementation of climate-related information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	In April 2015, the CSR Committee was established. The convener of the committee is the President of the Namchow Group, and there are four directors in the Committee. The Board of Directors is the highest supervisory and governing body of the Committee. There are Management Governance, Product responsibility, environmental sustainability and social relations four division, the members of each divisions are served by the associate or higher to be in charge of planning in policies and executing strategies. In August 2022, the Board of Directors approved the change of name to "Namchow Group Sustainability and ESG Committee" and the addition of "Climate Change Task Force." The Committee reports to the Board of Directors on climate change and energy management issues on a quarterly basis. In terms of climate change and energy management, through the Climate Change Task Force, the Company's energy consumption and carbon emissions are evaluated, and the climate change risks faced by the Company are reviewed; in response to material risks, relevant strategies are formulated to ensure that the Company can effectively respond to these challenges.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Based on the potential impact timeframes arising from climate risk and opportunities on the group, three timeframes, namely short-(within three years), mid- (three to five years) and long-term (more than five years) are defined, and 11 risks are identified. The risks are categorized as high-risk, mid-risk, and low-risk based on the materiality. The Company continues to adopt a rolling strategy to address various risks, to reduce climate risks and improve business and climate opportunities. Please refer to the Company's sustainability report for relevant information.
3. Describe the financial impact of extreme weather events and transformative actions.	Namchow Group continued to identify the climate risks in each region, assess their potential impact on the Company's operations, and formulate management and response plans based on the level of risk. The frequency and severity of physical risks in Taoyuan City, one of the main production sites in Taiwan, have increased due to frequent typhoons and droughts, which may affect the stability of facilities, supply chain and production operations. Changes in the long-term rainfall patterns for example may lead to production disruptions or water supply being disrupted by drought. In terms of transformation risks, the Company monitors climate policies (such as carbon fee policies), technology upgrades (such as renewable energy investments), and market preferences for low-carbon products. These factors will affect operating costs, product prices, and market competitiveness. Through scenario analysis, Namchow will formulate climate response strategies and action plans, and continue to optimize our evaluation model to better respond to constantly changing climate scenarios. Please refer to the Company's Sustainability Report for the related information.
4. Describe how climate risk identification, assessment, and management processes are	In terms of identification, assessment, and management of climate risks, Namchow identified a total of 11 climate-related risks by taking into account the TCFD guidelines and industry-specific

Item	Implementation status
integrated into the overall risk management system.	recommendations, research reports, industry characteristics, and benchmarking analysis, and by integrating the opinions of various Namchow departments. There are three types of transformation risks: regulations and policies, market, and business reputation; physical risks include long-term ones and extreme ones. Potential material risks are sorted by their potential impact, vulnerability and likelihood of occurrence. Actively promote the risk countermeasures in response to the main risk issues the Company is exposed to. Through regular rolling monitoring and review of risk changes, and grasping the business opportunities brought about by risks, the Company formulates the development strategy. In addition, the internal audit and internal control functions are combined to ensure that various operational risks related to the Company's operations are effectively managed and controlled.
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 described.	Two types of representative climate scenarios were used for analysis during scenario simulations, including "2°C carbon reduction scenario" and "4°C business as usual action scenario". These scenarios use international climate scenario models as the basis then combine them with the local data and industrial characteristics in Taiwan to conduct an in-depth evaluation on the physical and transformation risks that climate change may bring, as well as the potential climate opportunities. Please refer to the Company's Sustainability Report for the related information.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company has integrated the identified climate risks into the risk management mechanism to provide full disclosure of climate-related information and sustainability information. Short-, medium- and long-term transformation plans were also formulated to ensure that the organization can effectively respond to the challenges brought by climate change. The project includes: deepening the TCFD disclosure (for all regions); establishing the Company's low-carbon strategy blueprint; establishing SBTi reduction targets for renewable energy utilization and evaluation; establishing net zero targets and low-carbon product planning by phases; evaluating how to reduce food consumption Identification of supply chain carbon emissions, raw material management risks, and formulation of management policies and goals. Please refer to the Company's Sustainability Report for the related indicators and objectives.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing is not currently used as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be	To cope with the government's 2050 net zero carbon emissions goal, and based on the disclosure schedule of greenhouse gas inventory information of TWSE/TPEX-listed companies, climate-related goals, greenhouse gas emission scope, and planning schedules are formulated. Carbon offsets or Renewable Energy Certificates (RECs) are not yet used.

Item	Implementation status																				
specified.																					
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and specific action plans.	<p>Disclosure will be made in accordance with the GHG inventory information schedule of TWSE/TPEX listed companies. Namchow has initiated the greenhouse gas inventory and verification work and will report progress to the board on a quarterly basis to enhance control. Based on the results of the inventory and verification, as well as the assessment and management of climate-related risks, short-, mid- and long-term reduction targets and corresponding action plans will be formulated.</p> <p><u>Greenhouse gas emissions by the parent company in the last two years:</u> (data for Scope 1 and Scope 2 encompassed administrative and sales units in Taiwan)</p> <p style="text-align: right;">Unit: Tonnes CO2e</p> <table><tr><th>Year</th><th>Scope 1</th><th>Intensity (Tonnes CO2e /NTD Million)</th><th>Scope 2</th><th>Intensity (Tonnes CO2e /NTD Million)</th></tr><tr><td>2023</td><td>7.3419</td><td>0.0003</td><td>888.5250</td><td>0.0392</td></tr><tr><td>2024</td><td>27.8904</td><td>0.0012</td><td>931.8673</td><td>0.0393</td></tr><tr><td>Total</td><td>35.2323</td><td>0.0015</td><td>1820.3923</td><td>0.0785</td></tr></table> <p>The Company is expected to complete the third-party verification of the 2024 greenhouse gas emissions in Q4 of 2025.</p>	Year	Scope 1	Intensity (Tonnes CO2e /NTD Million)	Scope 2	Intensity (Tonnes CO2e /NTD Million)	2023	7.3419	0.0003	888.5250	0.0392	2024	27.8904	0.0012	931.8673	0.0393	Total	35.2323	0.0015	1820.3923	0.0785
Year	Scope 1	Intensity (Tonnes CO2e /NTD Million)	Scope 2	Intensity (Tonnes CO2e /NTD Million)																	
2023	7.3419	0.0003	888.5250	0.0392																	
2024	27.8904	0.0012	931.8673	0.0393																	
Total	35.2323	0.0015	1820.3923	0.0785																	

## 1-1 Greenhouse Gas Inventory and Assurance Status

### 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 most recent 2 fiscal years. Greenhouse gas emissions and emission intensity in the last two years in the last two years are shown in the table below:

Year	Scope 1	Intensity (Tonnes CO2e /NTD Million)	Scope 2	Intensity (Tonnes CO2e /NTD Million)	Scope 3 (Note 5)
2023	91,340.88	4.02	103,784.53	4.58	-
2024	109,189.03	4.60	111,038.35	4.68	171,512.72

\* The data encompassed manufacturing, administration, and sales units in Taiwan, China, Thailand, and the gastronomy business in China.

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: 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 may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

Note 5: In 2024, only NAMCHOW (Thailand) Co., Ltd. has finished inventorying Scope 3 GHG emissions (including categories 3, 4, 5, and 6; relevant emissions are detailed in the company's sustainability report), and plans to progressively implement the quantification of Scope 3 statistics and third-party assurance for each region.

### 1-1-2 Greenhouse Gas Assurance Information

- Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
- Status of assurance in 2024
  - ◎Scope of Assurance - Namchow Holdings Co., Ltd., Namchow Oil & Fat Co., Ltd. (Taoyuan Factory, Zhongli Factory), Lucky Royal Co., Ltd. (Office Building, Taoyuan Factory, Zhongli Factory, Tainan Factory), and NAMCHOW (Thailand) Co., Ltd.
  - ◎Assurance body: SGS Taiwan Ltd.
  - ◎Assurance Standards - GHG Protocol, ISO 14064-1
  - ◎Assurance Opinion -(1) The assurance opinion for greenhouse gas in Taiwan had not been acquired as of the date of the annual report. Related assurance should be conducted by the end of 2025 with the relevant information and progress disclosed in the Sustainability Report.
    - (2) Namchow (Thailand) Co., Ltd. assurance information: The SGS review was carried out in accordance with ISO 14064-1:2018 to provide limited assurance on the greenhouse gas data of Namchow (Thailand) Co., Ltd. The data was confirmed to be complete and transparent with no major errors, and an appropriate monitoring mechanism has been implemented.
- Status of assurance in 2023: Not applicable

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

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

- Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.: Implemented in accordance with the schedule stipulated in Paragraph 2, Article 10 of this regulation.

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

Assessed areas	Operational status (Note 1)			Departure from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and proposal				
(I) Has the Company formulated the ethical management policy approved by the board of directors, and in the regulations and external documents expressed the policies and practices of operating in good faith, and the commitment of the board of directors and senior management to actively implement business policies?	V		(I) In 2014, the board of directors of the Company formally adopted the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct." And then in 2017, the "Procedures for Ethical Management and Guidelines for Conduct" was formulated. In addition to disclosing the Company's ethical management policy in its internal regulations, company websites or other promotional channels, it shall also declare this on occasions such as product conferences and external events such as corporate briefings, so that suppliers, customers, and related institutions and personnel can clearly understand the philosophy and regulation of the Company in the pursuit of business integrity, establishing a corporate culture of ethical management.	None
(II) Has the company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?"	V		(II) In its "Ethical Corporate Management Best Practice Principles," the Company respectively adopts the precautionary measures for the conduct of the second paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies". This includes the prohibition of giving and receiving bribes, prohibition of illegal political contributions, improper charitable donations or sponsorships, unreasonable gifts, hospitality or other improper benefits.	None
(III) Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	V		(III) The company prohibits dishonest behaviors in the "Ethical Corporate Management Best Practice Principles." It also has operating procedures and conduct guidelines for honest operations, and clearly sets out preventive measures to prevent dishonesty.	None
II. Ethical Management Practice				
(I) Has the Company evaluated the ethical records of parties it does business with and stipulated ethical conduct clauses in business contracts?	V		(I) The Company conducts business activities in a fair manner, and before business correspondence begins, it considers the legitimacy and presence of dishonest behavior records or not of the agents, suppliers, customers, or other counterparts in business transactions and avoid doing business with those	None

Assessed areas	Operational status (Note 1)			Departure from Ethical Corporate Management Best Practice Principles for TWSE/GTS M Listed Companies and Reasons
	Yes	No	Summary	
			with prior records of dishonest behavior. In addition, the Prohibition of Bribery Clause has been added to the procurement contract and the engineering contract draft. It also specifies the terms of good faith in each important transaction contract.	
(II) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	V		<p>(II) 1. The Company's Human Resources Department is the dedicated unit to handle the revision, implementation, interpretation and consultation service, as well as documentation of reports regarding the Procedures for Ethical Management and Guidelines for Conduct; assisting the Board of Directors and the management to formulate and supervise the implementation of ethical corporate management policy and preventive plans to ensure the implementation of the Ethical Corporate Management Best Practice Principles; the implementation status was reported to the Board of Directors on November 12, 2024.</p> <p>2. The promotion of ethical corporate management in each region is as follows:</p> <p><u>Taiwan region</u></p> <p>◎ The Company has posted 1. Ethical Corporate Management Best Practice Principles, 2. Procedures for Ethical Management and Guidelines for Conduct, and 3. Sustainable Development Best Practice Principles in the internal and external network systems. These communicate the Company's principles of ethical management and our opposition to all forms of corruption, graft, and bribery.</p> <p>◎ All new employees have to sign the Employee Ethic Commitment during onboarding.</p> <p><u>China</u></p> <p>◎ All new employees are required to sign the Employee Handbook at onboarding. The contents include ethical requirements.</p> <p>◎ 100% of new recruits in the sales-related departments are required to sign the "Sales and Operation Personnel Code of Conduct".</p> <p>◎ The relevant policies and announcements are promoted during onboarding and on the OA platform to ensure that they are always available for employees to study and master.</p> <p><u>Thailand</u></p> <p>◎ The Thailand Factory organized Ethical Trading Initiative (ETI) training twice in November and December, 2024. Total attendance over two sessions was 180 (100 were for Thai employees; 80 were for foreign employees).</p>	None



Assessed areas	Operational status (Note 1)			Departure from Ethical Corporate Management Best Practice Principles for TWSE/GTS M Listed Companies and Reasons
	Yes	No	Summary	
(III) Has the Company established policies to prevent conflict of interests, provided appropriate channels for filing related complaints and implemented the policies accordingly?	V		<p>◎Employees are required to sign employment contracts and confidentiality agreements at onboarding. Employees are also required to undergo ethics training and sign confirmation documents.</p> <p>◎Ethical and confidential responsibilities are emphasized at monthly employee meetings.</p> <p>◎30 key suppliers have signed the Code of Conduct, accounting for 10% of total suppliers.</p> <p>(III) The Company has established its “Ethical Corporate Management Best Practice Principles,” “Code of Conduct,” and “Procedures for Ethical Management and Guidelines for Conduct” to make sure that the staff of the Company act in compliance with its moral standards and to let stakeholders know the moral standards that should be followed by the Company’s staff while carrying out tasks. In case of any violation of regulatory requirements or the Code of Moral Conduct found with the Company’s staff, it shall be reported to the manager, the internal audit head, the human resources department or other appropriate supervisors and sufficient information shall be provided so that the Company can handle it properly. The Company shall keep the identity of the informants and the content of report in strict confidence and spare no efforts to protect the personal safety of the informants.</p>	None
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		<p>(IV) The Company has established effective accounting and internal control systems for business activities at higher risk of dishonest behavior. There is no outstanding account or secretly retained account. The systems are discussed from time to time as well to make sure that their design and implementation continue to be valid. The internal audit staff of the Company shall periodically inspect compliance with the system indicated in the preceding paragraph and produce the Audit Report to be submitted to the Board of Directors.</p> <p>The internal audit unit evaluates the risk of dishonesty at the end of each year, draws up the related audit plan every other year and uses it to check compliance with the plan to prevent dishonesty.</p>	None



Assessed areas	Operational status (Note 1)			Departure from Ethical Corporate Management Best Practice Principles for TWSE/GTS M Listed Companies and Reasons
	Yes	No	Summary	
(V) Does the Company hold internal and external educational training on operational integrity regularly?	V		(V) In the management meeting, it promotes the ethical management policy and does not regularly conducts internal ethical management education and training. It invites well-known experts and scholars in the industry to teach topics related to ethical management. And, if necessary, it sends supervisors and related personnel to participate in external training on ethical management organized by the competent authorities and relevant agencies.	None
III. Implementation of Complaint Procedures				
(I) Does the Company provide incentives and means for employees to report malpractices? Does the company assign dedicated personnel to investigate reported malpractices?	V		(I) The internal whistleblower mail address (whistleblower@namchow.com.tw) and hotline (02-66193650) are established. Namchow Group encourages both internal and external individuals to report any unethical or improper behavior. Depending on the severity of the reported incident, employees may be rewarded in accordance with the Employee Rewards and Punishments Regulations. However, if internal personnel are found to have made false or malicious accusations, they may face disciplinary actions, including dismissal in severe cases.	None
(II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V		(II) The Company is staffed by the Human Resources Department as the designated unit, and if necessary, the legal unit or other relevant departments provide assistance. If the persons involved in the report are regular employees, report to the division/function head. If the persons involved are Directors or senior executives, report to an Independent Director or Audit Committee.  If it is confirmed that there is a violation of relevant laws and regulations, or the ethical corporate management policies and regulations of the Company, the reported party shall be required to immediately stop the relevant conduct and shall be subject to appropriate measures. When necessary, it shall be reported to the competent authority, transferred to the judicial for investigation, or be claimed against for damages through legal proceedings to protect the Company's reputation and rights.  The acceptance of a whistleblowing, the investigation process, and the results of the investigation shall be kept in writing and retained for five years, which can be retained in electronic means. Before the expiry of the retention period, in case of a lawsuit related to the content of the	None

Assessed areas	Operational status (Note 1)			Departure from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(III) Does the Company assure employees who reported on malpractices that they will not be prosecuted for making such reports?	V		report arises, the relevant information shall be retained until the end of the lawsuit.  (III) The personnel of the Company responsible for handling reports and complaints will keep the identity of the informants and the content of report in strict confidence and promise to protect the informants against improper treatment due to the report. However, the content of whistle-blowing shall not involve personal attacks or privacy matters.	None
IV. Strengthening Information Disclosure Has the Company, on its website and on the market observation post system, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?	V		1. The "Ethical Corporate Management Best Practice Principles," "Code of Conduct," and "Procedures for Ethical Management and Guidelines for Conduct" are disclosed on the Company website and declared to the MOPS. 2. The Company discloses the "Implementation of Ethical Corporate Management" on the Company's website every year.	None
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The Company established our own Ethical Corporate Management Best Practice Principles. A review found no difference between actual implementation and the established principles.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): On December 27, 2022, the Company made the third amendment to the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."				

Note: Regardless of the answer, "Yes" or "No," descriptions need to be provided in the summary column.

(VII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed

Namchow Group website <https://www.namchow.com.tw>

Market Observation Post System (MOPS)<https://mops.twse.com.tw/mops/web/index>

(VIII) The following disclosure shall be furnished on the state of implementation of the internal control system:

1. Internal Control Statement:

Please refer tot the MOPS website for more information

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

Single Company > Corporate Governance > Company Regulations / Internal Control > Internal Control Statement (Enter: Listed company /Annual 113/Company Code 1702)

2. When a CPA is authorized to review the internal control system, the Review Report prepared by the CPA shall be disclosed: None

(IX) Material resolutions of shareholders' meetings or board of directors meetings during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

#### Shareholders' Meeting:

1. The following resolutions were passed at the general shareholders' meeting on May 30, 2024

- (1) The 2023 Business Report and Financial Statement were recognized.

Implementation: Announcement and declaration of financial reports, among others, were completed on March 15, 2024.

- (2) The Company's 2023 earnings distribution table was recognized, with cash dividends of NTD 735,332,405 and NTD 2.5 per share.

Implementation: A resolution was passed by at the Board of Directors meeting on March 12, 2024, authorizing the Chairman to decide the Ex-dividends date and Payment Date. The Company set June 8 as the ex-dividends date and July 3 as cash dividend payment date. All have been disbursed.

- (3) New revisions to the Company's "Rules and Procedures of Shareholders' Meeting"

- (4) Subsidiary "Lucky Royal Co., Ltd." plans to apply for TWSE/TPEX listing in Taiwan.

- (5) Share transfer plan of the subsidiary Lucky Royal Co., Ltd. before application for listing on TWSE/TPEX.

- (6) Re-election of the directors for the term running from July 15, 2024, through to July 14, 2027. Election outcome: the new directors are Fei-Lung Chen (Representative of Hwa Zhin Co., Ltd.), Kan-Wen Lee (Representative of Lucky Royal Co., Ltd.), Cheng-Wen Chen (Representative of Hwa Zhin Co. Ltd.), Ming-Fen Chou (Representative of Lucky Royal Co., Ltd.), and Yi-Wen Chen (Representative of Namchow Holdings CO., Ltd. Employee Welfare Committee.). The new independent directors are Ting-Kuo Chen, Chun-Hsueh Chen, and Ming-Chih Wang.

#### Board of Directors:

1. Resolutions passed on March 12, 2024.

- (1) The 2024 general shareholders' meeting (physical) will be held at 9:00 am on May 30 (Thursday), 2024, in the Vision Room of Taipei Foundation of Finance on 6F-6 at No. 51, Hengyang Road, Taipei City.

- (2) The Company's 2023 directors' compensation and employee's compensation distribution ratio.

- (3) The Company's 2023 business report and parent company only and consolidated financial statements and submit to the shareholders' meeting for ratification.

- (4) The Company's 2023 earning distribution is submitted to the shareholders' meeting for ratification.

- (5) Shareholders' dividends to be distributed by the Company for 2023 will be paid out in cash dividends for NT\$2.5 per share.

- (6) Election of Board of Directors

- (7) The duration, number of openings, and processing sites for the nomination of candidates for (independent) directors.

- (8) Proposed list of director candidates to be submitted for approval by the board of directors.

- (9) To establish the acceptance of shareholders' proposals related to the 2024 regular shareholders' meeting.

- (10) Plan of the subsidiary Lucky Royal Co., Ltd. to apply for listing on TWSE/TPEX in Taiwan.

- (11) Share transfer plan of the subsidiary Lucky Royal Co., Ltd. before application for listing on TWSE/TPEX.

- (12) The Internal Control System Statement that both the design and implementation of the 2023 internal control system of the Company submitted by the Audit Office were valid was approved.
  - (13) Capital increase/decrease for subsidiary Chowho Enterprise.
  - (14) The 2024 Shareholders' Meeting Agenda of the Company.
  - (15) Retroactive ratification of proposal by the subsidiary Namchow Japan to renew its short-term loan facility of USD 10 million with DBS Bank with the Chairman as the guarantor on behalf of the Company.
  - (16) Subsidiary Namchow Japan proposed to renew its short-term loan facility of JPY 500 million with First Commercial Bank with the Chairman as the guarantor on behalf of the Company.
2. Resolutions passed on April 2, 2024.
- (1) Proposal for individual payment of directors' remuneration for 2023 as submitted by the Remuneration Committee.
  - (2) Proposal for individual payment of employees' remuneration for 2023 as submitted by the Remuneration Committee.
  - (3) Proposal on adjusting the individual remuneration of Company Chairman Fei-Lung Chen as submitted by the Remuneration Committee.
  - (4) Proposed cash capital increase of the subsidiary Qizhi Culture Co., Ltd.
3. Resolutions passed on May 14, 2024.
- (1) The Company's consolidated financial report for Q1, 2024
  - (2) Proposal on adjusting the individual remuneration of Ming-Fen Chou as the Representative of Juristic-Person Director Lucky Royal Co., Ltd., as submitted by the Remuneration Committee.
  - (3) Proposal on adjusting the individual remuneration of Company Risk Officer Mei-Hui Liao as submitted by the Remuneration Committee.
  - (4) Subsidiary Namchow Japan proposed to renew its short-term loan facility of JPY 1 billion with Taishin Bank with the Chairman as the guarantor on behalf of the Company.
4. Resolutions passed on July 18, 2024.
- (1) Election of the Company's Chairman and Vice Chairman
  - (2) Appointment of independent director Ting-Kuo Chen, independent director Chun-Hsueh Chen and Professor Hai-Ming Chen as members of the 6th Remuneration Committee.
  - (3) Proposal to organize the share release of the subsidiary "Lucky Royal Co., Ltd."
  - (4) Retroactive ratification of proposal by subsidiary Namchow Japan to renew its short-term loan facility of JPY 500 million with Taipei Fubon Bank with the Chairman as the guarantor on behalf of the Company.
  - (5) Subsidiary Namchow Japan proposed to renew its short-term loan facility of JPY 150 million with First Commercial Bank with the Chairman as the guarantor on behalf of the Company.
5. Resolutions passed on August 13, 2024
- (1) The Company's consolidated financial report for Q2, 2024
  - (2) Proposal for remuneration of independent directors as submitted by the Remuneration Committee.
  - (3) Proposal for remuneration of "Remuneration Committee" members as submitted by the Remuneration Committee.
  - (4) Proposal on directors and managerial officers participating in share subscriptions for specific persons during the share release by Company subsidiary "Lucky Royal Co., Ltd." submitted by the Remuneration Committee.

- (5) Proposal detailing individual values of mid-year bonus from 2024 for directors and managerial officers of the Company as submitted by the Remuneration Committee.
  - (6) Formulation of the Company's 2023 Sustainability Report.
  - (7) Subsidiary Namchow Japan proposed to renew its short-term loan facility of JPY 100 million with Mizuho Bank with the Chairman as the guarantor on behalf of the Company.
6. Resolutions passed on November 12, 2024
- (1) The Company's consolidated financial report for Q3, 2024
  - (2) Capital increase/decrease for subsidiary Namchow Japan.
  - (3) Capital increase by subsidiary Namchow Consultancy
  - (4) Amendment of the Company's "Rules and Procedures for Board of Directors' Meetings."
  - (5) Establishment of the Company's "Regulations Governing the Management of Sustainability Information."
  - (6) Amendment of the "Audit Committee Charter" and the "Sustainability Reporting and Verification Procedures."
7. Resolutions passed on December 19, 2024
- (1) When the company needs working capital in 2025, the chairman of the board of directors is authorized to represent the Company with financial institutions in contracting loans and other financial matters.
  - (2) For the working capital requirements of subsidiaries and other companies with business dealings with Namchow in 2025 (subsidiaries including reinvestments by subsidiaries), when the Company intends to act as an endorsement guarantor, it authorizes the chairman to represent the Company to handle matters connected with financial institutions.
  - (3) Proposal detailing individual values of year-end bonus of 2024 for directors and managers of the Company as submitted by the Remuneration Committee.
  - (4) Periodic assessment of the CPA's independence and competence.
  - (5) CPA professional fees of the Company in 2024.
  - (6) Amendment of the Company's list of pre-approved non-assurance services.
  - (7) The Audit Office formulated the Company's 2025 Audit Plan.
  - (8) Subsidiary Namchow Japan proposed to renew its short-term loan facility of JPY 450 million with Mega Bank with the Chairman as the guarantor on behalf of the Company.
  - (9) Subsidiary Namchow Japan proposed to renew its short-term loan facility of JPY 500 million with Chang Hwa Bank with the Chairman as the guarantor on behalf of the Company.
8. Resolutions passed on March 11, 2025
- (1) The 2025 general shareholders' meeting (physical) will be held at 9:00 am on June 3 (Tuesday), 2025, in the Vision Room of Taipei Foundation of Finance on 6F-6 at No. 51, Hengyang Road, Taipei City.
  - (2) The Company's 2024 directors' compensation and employee's compensation distribution ratio.
  - (3) The submission of the Company's 2024 business report, as well as parent company only and consolidated financial statements, to the shareholders' meeting for ratification.
  - (4) The Company's 2024 earning distribution proposal is submitted to the shareholders' meeting for ratification.
  - (5) Shareholders' dividends to be distributed by the Company for 2024 will be paid out in cash dividends at NT\$2.5 per share.

- (6) Acceptance of shareholders' proposals related to the 2025 general shareholders' meeting.
- (7) The Internal Control System Statement is presented by the Audit Office indicating the effective design and implementation of the 2024 internal control system.
- (8) Amendment of the Company's "Procedures for the Election of Directors" and request for ratification by the shareholders' meeting.
- (9) The 2025 Shareholders Meeting Agenda of the Company.
- (10) Retroactive ratification of proposal by the subsidiary Namchow Japan to renew its short-term loan facility of USD 10 million with DBS Bank with the Chairman as the guarantor on behalf of the Company.
- (11) Subsidiary Namchow Japan proposed to renew its short-term loan facility of JPY 500 million with First Commercial Bank with the Chairman as the guarantor on behalf of the Company.
- (12) Subsidiary Namchow Japan proposed to renew its short-term loan facility of JPY 500 million with Taipei Fubon Bank with the Chairman as the guarantor on behalf of the Company.
- (X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

#### IV. Information on the professional fees of the attesting CPAs

- (I) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

##### Public Expenditure on Certifying CPAs

Value: NTD Thousand

Name of accounting firm	Name of CPA	CPA inspection period	Audit public expenditure	Non-audit public expenditure	Total	Remark
KPMG	Chong-Shun Wu	2024.01~2024.12	3,700	1,153	4,853	Non-audit professional fee: professional fees including ESG report Assurance by the CPAs.
	Chun-Yi Chang	2024.01~2024.12				

Note: If any CPA or the accounting firm is replaced for the Company this year, the inspection periods shall be listed separately. In addition, the reason for the replacement shall be indicated in the remark column and information on audit and non-audit public expenditure shall be disclosed. For non-audit public expenditure, state the content of services rendered.

#### V. Information on Replacement of CPAs: None.

**VI. Where the company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.**

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

**(I) Changes in the stock options of directors, supervisors, managers, and heavyweight shareholders:**

Title (Note 1)	Name	2024		As of April 5 of the current year	
		Increase/decrease in the number of shares held	Increase/decrease in the number of shares pledged	Increase/decrease in the number of shares held	Increase/decrease in the number of shares pledged
Chairman	Hwa Zhin Co., Ltd. Representative: Fei-Lung Chen	0	0	0	0
Vice Chairman	Hwa Zhin Co., Ltd. Representative: Cheng-Wen Chen	0	0	0	0
Director	Hwa Zhin Co., Ltd. Representative: Yu-Wen Chen	0	0	0	0
Director	Lucky Royal Co., Ltd. Representative: Kan-Wen Lee	0	0	0	0
Director	Lucky Royal Co., Ltd. Representative: Ming-Fen Chou	0	0	0	0
Shareholder holding more than 10% of shares	Lucky Royal Co., Ltd.	0	0	0	0
Director	Namchow Holdings CO.,Ltd. Employee Welfare Committee Representative: Yi-Wen Chen	0	0	0	0
Independent Director	Ting-Kuo Chen	0	0	0	0
Independent Director	Chun-Hsueh Chen	0	0	0	0
Independent Director	Ming-Chin Wang(Date of inauguration: July 15, 2024)	0	0	0	0
General Manager	Kan-Wen Lee	0	0	0	0
Vice General Manager/Executive Vice President	Cheng-Wen Chen	0	0	0	0
executive deputy general manager	Lan-Hsin Chou	0	0	0	0
Vice General Manager	Lung-Wen Xue	0	0	0	0
Head of the Staff Department	Zhou-Jing Chen	0	0	0	0
Chief Risk Control Officer	Mei-Hui Liao	0	0	0	0
Assistant manager and head of the Accounting Department and Head of Corporate Governance	Shih-Wei Wang	(22,000)	0	0	0
Assistant Manager	Jui-Tzu Chu	0	0	0	0
Shareholder holding more than 10% of shares	Fei-Lung Chen	0	0	0	0
Shareholder holding more than 10% of shares	Yu-Wen Chen	14,537,995	18,903,000	0	0
Independent Director	Chin-Shih Lin (Date of dismissal: July 15, 2024)	0	0	0	0
Chief Financial Officer	Ching-Hui Chiu (Date of dismissal: July 1, 2024)	0	0	0	0

Note 1: Shareholders in possession of more than 10% of the company's shares shall be identified as major shareholder and listed separately.

Note 2: Shareholders whose counterparty for the transfer or pledge of stock options is a related party shall be listed in the table below.

**(II) Information on transfers of shareholding where the counterparty is a related party**

Name (Note 1)	Reason for stock option transfer (Note 2)	Date of Transaction	Trading counterpart	Relationship between the trading counter part and the company/director/supervisor/manager and shareholder with more than 10% of the company's shares	Quantity of shares	Transaction price
Yu-Wen Chen	inheritance	2024.01.19	Fei-Peng Chen	Father and Son	4,142,323	44.35
Yu-Wen Chen	inheritance	2024.01.23	Fei-Peng Chen	Father and Son	10,395,672	44.35

Note 1: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10 percent shareholding.

Note 2: Specify whether the shares are acquired or disposed of.

**(III) Information pledges of shareholding where the counterparty is a related party: None**



# VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

As of April 5, 2025.

No.	Name (Note 1)	Oneself		Current shares held by spouse and minors		Total shares held in someone else's name		The title or name and relationship among shareholders in the Top shareholding list who are related, spouse to each other, or relatives within the second degree of kinship (Note 3)		Remarks
		Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Name	Relationship	
1	Lucky Royal Co., Ltd. Representative: Ming-Fen Chou	46,041,259 9,000	15.65% 0.00%	0 0	0.00% 0.00%	0 0	0.00% 0.00%	None	None	None
2	Fei-Lung Chen	33,814,934	11.50%	2,803,413	0.95%	0	0.00%	Hsiao-Chuan Chen-Huang	Spouse	None
								Namchow Holdings CO.,Ltd . Employee Welfare Committee Representative: Yi-Wen Chen	Father and Daughter	None
3	Yu-Wen Chen	32,541,619	11.06%	0	0.00%	0	0.00%	Yong-Wen Chen	Brother and Sister	None
4	Bank SinoPac as Custodian for Reva Spring Ltd. Investment Account	12,456,165	4.23%	0	0.00%	0	0.00%	None	None	None
5	Yuguan Investment Consulting Limited. Representative: Yu-Wen Chen	10,744,992	3.65%	0	0.00%	0	0.00%	Yong-Wen Chen	Brother and Sister	None
		32,541,619	11.06%	0	0.00%	0	0.00%			
6	Yong-Wen Chen	5,056,257	1.72%	0	0.00%	0	0.00%	Yu-Wen Chen	Brother and Sister	None
7	Namchow Holdings CO.,Ltd . Employee Welfare Committee Representative: Yi-Wen Chen	4,908,960	1.67%	0	0.00%	0	0.00%	Fei-Lung Chen	Father and Daughter	None
		2,000,000	0.68%	686,635	0.23%	0	0.00%	Shiao-Chuan Chen-Huang	Mother and Daughter	None
8	Shiao-Chuan Chen-Huang	2,803,413	0.95%	33,814,934	11.50%	0	0.00%	Fei-Lung Chen	Spouse	None
								Namchow Holdings CO.,Ltd . Employee Welfare Committee Representative: Yi-Wen Chen	Mother and Daughter	None
9	Standard Chartered Bank Business Department Entrusted Custody of SPDR® Index Shares Fund Associated SPDR Emerging Markets ETF Investment Account	2,610,000	0.89%	0	0.00%	0	0.00%	None	None	None
10	Yi-Wen Chen	2,000,000	0.68%	686,635	0.23%	0	0.00%	Fei-Lung Chen	Father and Daughter	None
								Shiao-Chuan Chen-Huang	Mother and Daughter	None

Note 1: All of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately.

Note 2: The shareholding ratio (%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees.

Note 3: Disclose the relationships among the above-listed shareholders, including corporate/juristic person shareholders and natural person shareholders, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company.**

Unit: Share; %

Re-invested business (Note)	Company		Directors, supervisors, managers, and directly or indirectly controlled businesses		Comprehensive investment	
	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio	Quantity of shares	Shareholding ratio
Namchow (Thailand) Ltd.	9,244,995	100.00	4	0.00	9,244,999	100.00
Mostro (Thailand) Ltd.	100,000	100.00	-	-	100,000	100.00
Nacia International Corporation	1,250	100.00	-	-	1,250	100.00
Lucky Royal Co., Ltd.	48,657,185	69.51	6,864,914	9.81	55,522,099	79.32
Chowho Enterprise Co., Ltd.	2,899,994	100.00	4	0.00	2,899,998	100.00
Qizhi Culture Co., Ltd.	690,000	98.57	10,000	1.43	700,000	100.00
Namchow Japan Co., Ltd.	8	100.00	-	-	8	100.00
Namchow Consultancy Co., Ltd.	1,700,000	100.00			1,700,000	100.00
Namchow Oil & Fat Co., Ltd.	41,173,127	100.00	-	-	41,173,127	100.00
Huciang Industry Co., Ltd.	70,000,000	100.00	-	-	70,000,000	100.00

Note: The long-term investments of the Company adopting the equity method

### III. Fundraising

#### I. Capital and Shares

##### (I) Source of capital stock

Year/ Month	Issue price	Authorized capital		Paid-in capital stock		Remarks		
		Quantity of shares	amount	Quantity of shares	amount	Source of share capital	Capital increased by assets other than cash	Others
1998 August	10	400,000,000 shares	NTD 4 billion	294,132,962 shares	NTD 2,941,329,620	Capital increase with capital reserve	-	Approval date and document number for the capital increase: FSC (I) No. 0930131932 dated July 19, 2004

Type of share	Authorized capital			Remarks
	Number of shares issued	Shares yet to be issued	Total	
Common stock	294,132,962 shares	105,867,038 shares	400,000,000 shares	Listed stock

Related information of the general declaration system: Not applicable

##### (II) Names of major shareholders: Shareholders holding 5% or more of total shares or in the Top 10 stock option holding ratio list

Name of major shareholder/shares held	Shares held	Shareholding ratio
Lucky Royal Co., Ltd.	46,041,259	15.65%
Fei-Lung Chen	33,814,934	11.50%
Yu-Wen Chen	32,541,619	11.06%
Bank SinoPac as Custodian for Reva Spring Ltd. Investment Account	12,456,165	4.23%
Yuguang Investment Consulting Limited	10,744,992	3.65%
Yong-Wen Chen	5,056,257	1.72%
Namchow Holdings CO.,Ltd . Employee Welfare Committee	4,908,960	1.67%
Shiao-Chuan Chen-Huang	2,803,413	0.95%
Standard Chartered Bank Business Department Entrusted Custody of SPDR® Index Shares Fund Associated SPDR Emerging Markets ETF Investment Account	2,610,000	0.89%
Yi-Wen Chen	2,000,000	0.68%

(III) Company's dividend policy and implementation status

1. Dividend policy

The Company's dividend policy is based on its current and future development plans, taking into consideration the investment environment, demand for capital, and domestic and international competition as well as shareholders' benefits. Each year, no less than 30% of earnings available for distribution are appropriated to be the dividend bonus for shareholders. While dividend bonus is to be distributed to shareholders, they may be done in cash and (or) stock. Cash dividends may not be below 10% of the total value of dividends.

2. Intended distribution of dividends through the current shareholders meeting: Cash dividends are intended to be distributed as per the decision made by the Board of Directors on March 11, 2025; that is, NTD 2.5 per share will be distributed.

(IV) Impacts of free share assignment intended through the current shareholders meeting on the Company's operational performance and earnings per share: None.

(V) Remuneration for employees and directors

1. Percentages or ranges of remunerations for employees and directors under the Articles of Incorporation:

Article 31 of the Articles of Incorporation: In cases of profits for the year, the company shall set aside no less than 1% to be the remunerations for employees and no more than 5% to be those for board directors. If there are accumulated losses, however, the value to make up for the losses should be set aside first. The remuneration to employees may be paid in stock or cash, and the employees of subsidiaries meeting specific condition are also entitled to the payment.

Article 31-1 of the Articles of Incorporation: In the event that the annual audit renders earnings, the company shall pay taxes according to law and cover accumulated losses before setting aside 10% to be the legal reserve; if the legal reserve has reached the company's paid-in capital size, however, it is allowed not to set aside further earnings. From the remainder, the special reserve shall be set aside or reversed as required by law and any further remainder after that shall be brought forth in the shareholders' meeting based on the Earnings Distribution Proposal prepared by the Board of Directors along with accumulated retained earnings for a decision on assignment of dividend bonus to shareholders.

2. Basis for estimating the amount of remunerations for employees and directors, basis for calculating the number of shares to be distributed as employee remunerations, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

The Company based its estimation of remunerations for employees and directors for 2024 on the pre-tax income before remunerations for employees, directors, and supervisors are calculated for the year and estimated as advised by the Articles of Incorporation and the Compensation Committee and according to the ratio approved as a decision of the Board of Directors. If the actually distributed value differs from the estimated value, it is considered as changes in accounting estimates and will be listed as gains or losses of the year where the value is actually distributed.

3. Remuneration proposals passed by the Board of Directors:

(1) Remunerations distributed to employees or directors in cash or in stock:

For 2024, the Company decided according to the Company's Articles of Incorporation and by the Board of Directors that 4.5% of the pre-tax income before the remuneration of directors and employees is to be set aside as directors' compensation and 1% as employee's compensation. The value of remunerations for directors set aside this year totals NTD 51,988 thousand and that for employees amounts to NTD 11,553 thousand. If the actually distributed value differs from the original estimated value, the difference will be listed as losses for the current term of 2025.

(2) Employee remunerations distributed in stock and their ratio in the after-tax income indicated in the Entity Financial Statement of the current term and their ratio in the overall remunerations assigned to employees: Not applicable.

4. Actual distribution of remunerations for employees and directors for the previous year:

(1) Remunerations for employees: NTD 12,190 thousand.

(2) Remunerations for directors: NTD 54,856 thousand.

There is no difference from the original intended distribution decided by the Board of Directors.

(VI) Buyback of the Company stock: None.

## II. Corporate Bonds:

Type of corporate bond		First secured corporate bonds of 2021
Date issued		August 11, 2021
Denomination		NTD 10 million
Location of issuance and transaction		Taipei Exchange
Issuing price		At full denomination
Total		NTD 5 billion only
Interest rate		5-year annual interest rate 0.47% 7-year annual interest rate 0.53%
Duration		5 years Maturity: August 11, 2026 7 years Maturity: August 11, 2028
Guarantor		First Commercial Bank
Trustee		E. Sun Commercial Bank Trust Division
Underwriter		E. Sun Commercial Bank
Attorney		Hui-Chi Kuo
CPA		Po- Shu Huang, Chung-Shun Wu
Payback method		Lump-sum repayment of principal at maturity
No re-payment of principal (as of 03/28/2025)		NTD 5 billion
Terms of redemption or application for repayment		None
Restrictions		None
Name of credit rating institution, date of rating and corporate bond rating outcome		Taiwan Ratings Date rated: September 21, 2020 Rating outcome: First Commercial Bank twAA+
Additional rights	Value of common stock, global depositary receipts or other securities already converted (exchanged or subscribed) as of the date the Annual Report is printed	None
	Issuance and conversion (exchange or subscription) guidelines	None
Possible impacts of guidelines and criteria for the issuance and conversion, exchange, or subscription of shares and possible dilution of stock options and impacts on existing shareholder rights		None
Name of the custodian for the exchange object		None

## III. Special Shares, Global Depositary Receipt, Employee Stock Option Certificate, Restricted Employee Shares and M&A or Acceptance of Transferred Shares of Another Company for Issuance of New Shares: None

## IV. Implementation of Capital Utilization Plan: None

## IV. Overview of Operations

### I. Scope of business

#### 1. Main activities and their ratios in operations

Business activities	Main products	Proportion of the Group's consolidates revenues (%)
A.Manufacturing and sale of home products	Crystal Soap series, personal hygiene series	2
B.Manufacturing and distribution of bakery products	Baking oil, frozen dough	67
C.Manufacturing and sale of flour-based foods	Frozen Noodles, instant noodles	6
D.Manufacturing and sale of ice cream products	Duroyal ice cream, Kabisuo ice cream	9
E. Manufacturing and sale of rice-based foods	Aseptic cooked rice and leisure foods such as rice crackers	12
F. Food & beverage business	Food & beverage services such as Paulaner, Dian Shui Lou, Honbaryu, and Le vol du petit prince.	4

#### 2. New products planned to be developed

- (1) Home Product: To protect consumers from bacteria and viruses, we plan to develop multi-functional antibacterial cleaning products to protect the health of the public in all aspects.
- (2) Baking Oil: The Company continues to develop healthy and functional products, and provide diverse oils required for baking to satisfy customers' needs for different types of pastries.
- (3) Frozen Dough: Continuing to develop assuring, tasty, and unique products.
- (4) Frozen Noodles: Development of tasty, nutritious and high-quality products.
- (5) New flavors of instant noodles continue to be researched and developed.
- (6) Ice cream: To cope with the demographics structure under the low birth rate, and the consumption trend of instant entertainment and health-conscious after the pandemic, it continuously develops products of high quality, differentiated, and with a barrier of entrance.
- (7) Aseptic Cooked Rice: Production of healthy and high-quality products
- (8) Rice crackers: Namchow will continue to develop products that meet health demands and are suitable for respective age groups, such as babies, teenagers and old people.
- (9) Dining: Ingredient traceability is valued and seasonal cuisines are introduced with the best use of local quality ingredients and sufficient utilization of local food ingredients to continuously innovating dishes and gifts.

### 3. Amount spent in research and development in the latest year by the Company

Year	2023	2024	2025 (estimated)
Total (NTD thousand)	458,140	547,421	484,417

## II. Overview of Industry, Market and Production/Distribution

### Namchow Taiwan

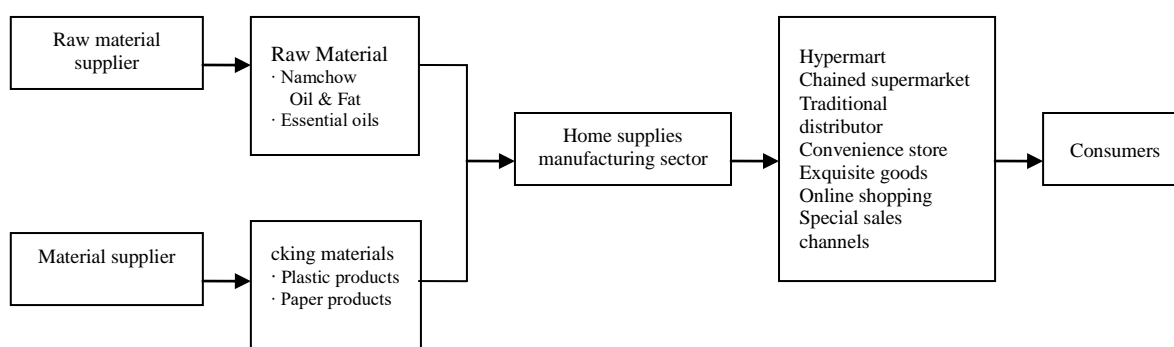
#### Home Products in Taiwan

#### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

##### (1) Overview of the industry and developments

The constantly improving living standards and rising awareness of environmental protection have made consumers constantly pay attention to cleaning products that are highly biodegradable and will not hurt the ecological environment. The Namchow crystal soap series is made of natural oils and fats, with simple composition and free of additives; it is highly recognized by general consumers.

##### (2) Links between the upstream, midstream and downstream segments of the industry



##### (3) Product development trends and competition

- The rise of natural and environmentally-friendly cleaning agents: Higher living standards and growing environmental awareness mean that consumers are now interested in cleaning products that are highly biodegradable and not harmful to the ecological environment
- Multi-purpose products gaining prominence: In addition to the cleaning power of cleaning products, consumers are also interested in additional features. Auxiliary functions such as anti-bacterial, anti-mold, anti-dust mite, soft fiber protection, odor removal, hypoallergenic, and stain removal are all very popular with consumers.
- Safety and assurance first for detergents: Many detergents come into contact with people's skin. As such, their ingredients, safety, certification by professional testing organizations and brand creditability are becoming priority concerns for consumers before they make a purchase.
- Popularity of anti-bacteria products: Due to the impact of pandemic, the importance of personal hygiene and clean home environments became a priority for consumers. Functional products marketed as being anti-bacteria, anti-virus, and gentle on skin have continued to generate strong sales.

##### (4) Technologies or products successfully developed

Namchow Crystal Soap launched the “6-in-1 Enzyme Collar Wash” in 2024 Q3. The unique soap + six-in-one enzyme formula with micro-cleaning foam breaks down different types of



stains including oil, protein, starch, sweat, blood, and food. Stains are removed without the need for heavy scrubbing or damaging the cloth fibers.

The “Collar Wash” can not only be used on collars and cuffs. It boasts exceptional cleaning power against textiles that are prone to staining and odor build-up such as children’s clothing, sports gear, uniforms, pillow covers, and socks. Its professional cleaning power solves consumers’ longstanding problem with stubborn stains. Clothes can now be restored to their original pristine condition so they can be worn with renewed confidence and assurance!

(5) Future research and development plans

To respond to the changes in the market demand and developing more diverse core products, the company extend and innovate them from the existing production line. For example, products connect to the local agricultural characteristic, with the professions and technics from other field, fulfilling the demand of changing rapid customer demand by the collaboration of different industries.

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

Short-term business development plans

- Corporate resources will be integrated to make the best use of the Company's advantage in products and R&D. We will focus on R&D and services relating to consumer products, and supply the general public with natural, healthy, unique niche market products in order to create composite value and improve profits.

Long-term business development plans

- Corporate resources will be integrated to focus on the R&D of innovative applications, improve product differentiation, create new products, and to start new product lines and niches. In addition to unique recipes, innovations in technology, products and management model will be leveraged to master the keys to success, dominate future markets, and ensure the continued competitiveness of the Company.

2. Overview of Marketing and Production/Distribution

(1) Sale of major commodities:

- The main sales products are crystal soap series: bar soap, liquid soap, powder, tableware cleaning liquids, and antibacterial series cleaning products such as allogeneic soap and hand washing series.

Official website: <https://www.crystalsoap.com.tw/>

Namchow Crystal Soap Facebook Fanpage: <https://zh-tw.facebook.com/NC.Crystalsoap>

- Sold to: domestic market.
- Distribution Pattern: B to B, B to C.
- Distribution channels: Hypermarts, supermarkets, pharmacies, convenience stores, distributors, retailers, online shopping, and special sales channels, etc.

(2) Future supply and demand and growth on the market:

As the national income in Taiwan increases, awareness of environmental protection rises, and the organic and natural fad emerges, consumers start to evaluate corporate social responsibilities while pursuing natural products. Using soap products that are made of natural oils and fats, are environmentally friendly and soft to the skin is proof of an environmentally friendly and healthy attitude and persistence. This is also what drives the

steady growths of Namchow crystal soap series of products.

Consumers' concern for household and cleaning products is no longer focused solely on cleaning strength, but more towards the safety of ingredients that make up the product. In addition, they are more and more concerned about the impacts of household detergents and personal hygiene supplies on the environment and human body; the emphasis on natural and highly biodegradable cleaners hence takes prominence.

Future development trends of the detergent industry:

- The coming of the Soap Age: Growing environmental awareness is generating a push to reduce plastic and petrochemical pollution. Soap products that offer high biodegradability and don't harm the ecological environment are now preferred by consumers.
- Multi-purpose products gaining prominence: In addition to the cleaning power of cleaning products, consumers are also interested in additional features. Auxiliary functions such as anti-bacterial, anti-mold, anti-dust mite, soft fiber protection, odor removal, hypoallergenic, and stain removal are all very popular with consumers.
- Safety is now the top priority for detergents: Because many cleaning products come into direct contact with the human body, the brand, ingredients, and safety of cleaning products have gradually become top consumer considerations in their purchasing decisions.
- Popularity of anti-bacterial and anti-microbial products: In recent years, PM2.5 air pollution, avian influenza, enterovirus, norovirus, new influenza and Coronavirus meant that the importance of personal hygiene and clean home environments became a priority for consumers. Functional products marketed as being anti-bacteria, anti-virus, and gentle on skin have continued to generate strong sales.

With the introduction of the Namchow Crystal Soap series of products, the image of Namchow in the hearts of consumers is no longer just a bar of hand wash soap; it is now a natural and healthy cleaning brand with natural composition that falls in line with the modern lifestyle. This brand spirit in amidst environmental protection awareness and LOHAS and healthy trends, is prevailing. The awareness of environmental protection by the consumers increased, Namchow Crystal Soap series product becoming an essential natural cleanser product in every households.

The Company launched the "Six-in-One Enzyme Collar Washer" in 2024 to make dealing with common stubborn stains in everyday life easy. In response to changes in washing methods, Namchow Crystal has developed different types of products and has taken care to address different user groups comprehensively. This approach has been well received among consumers.

- (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

Competitive niche and favorable factors for development prospects

- Growing health and environmental awareness meant continued public interest in ESG sustainable cleaning products.
- Unique products of the crystal brand of Namchow supported by powerful assets are widely loved by consumers.
- Successful development of the grapefruit seed series of products helps extend the life span of crystal soap products and add to the value of the brand.
- The products are known for their unique natural fragrance and natural anti-bacterial

sources to appeal to distribution channels in all respects.

- Continue to promote the scented soap series and antibacterial series of laundry liquid soap, with a complete and rich product line, reach out to more new users, and expand sales and market share.

#### Unfavorable factors for development prospects

- Fluctuating and rising costs of raw materials and oils on the international market.
- Increasing costs of distribution channels on a daily basis.
- Consumer habit of switching among different products because they want to try something new.
- Constant introduction of new high-end products to the natural market for competitive brands.

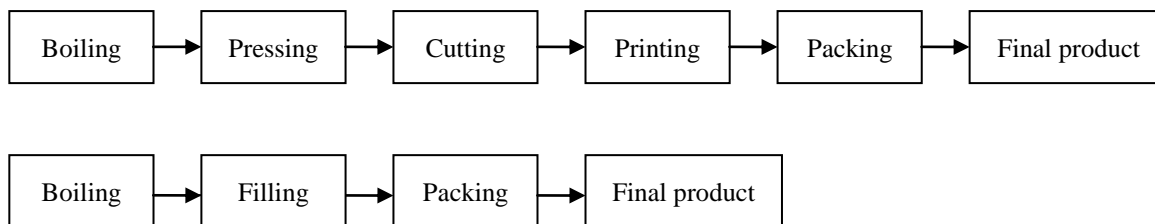
#### Countermeasures

- Continued communication on the appeal on being natural, soft to the skin, and environmentally friendly so that consumers fully sense their value. Quality of the existing crystal soap series of products has been constantly improved and messages about products being natural and environmentally-friendly of the new generation are communicated so that consumers of the new generation know and understand the benefits brought about by the soap itself. The defined brand positioning has helped the crystal soap series become a natural, optimal, and environmentally-friendly cleaning product that demonstrates love toward family and care for the Earth.
- Continued promotion of the antiseptic series that spans over household cleaning and personal cleaning fields so that consumers obviously feel the benefits of products that work 99.99% in inhibiting bacteria supported by the SGS test.
- Continued development of products that meet consumer needs and create consumer demand, as well as the introduction of high value-added products to satisfy the everyday cleaning needs of consumers.
- Continued reinforcement of the existing intensive distribution network, with product penetration and coverage as the biggest goal of distribution, to precisely enable each household to have access to the crystal soap series of products at any time.
- Collaboration with environmental protection-oriented institutions/groups to communicate the idea of natural protection to the general public for a synergistic effect.
- Optimize product formulas and production processes, introduce biodegradable ingredients, reduce plastic packaging, and reduce carbon emissions to reduce the impact on the ecology.
- Proactive research and development of various new products within the context of applying natural oils and fats; the products include household and personal hygiene to precisely promote the ideas of love for family and care for the Earth and to fulfill the responsibilities as protector of the social environment.

#### (4) Purposes and production processes of main products

- Product purpose: Cleaning of clothes, dishes, skin, and the environment, etc.

### Production process



### (5) Supply of main raw materials

The main raw ingredient of soap is oil and fat; it can be butter, coconut oil, palm oil, and canola oil, which are bulky raw materials on the international market. Because of the climate and international supply and demand, prices on the international market fluctuate. Selling prices on the market need to be planned in advance to reflect the cost and to avoid undermined profits as a result of the fluctuations. In marketing, we continue to pass on natural, skin-friendly, and environmental protection ideas. In this way, we let the public understand the benefits that soap brings to life, and actively promote the concept of "green life, starting with soap."

### Baking Oil in Taiwan

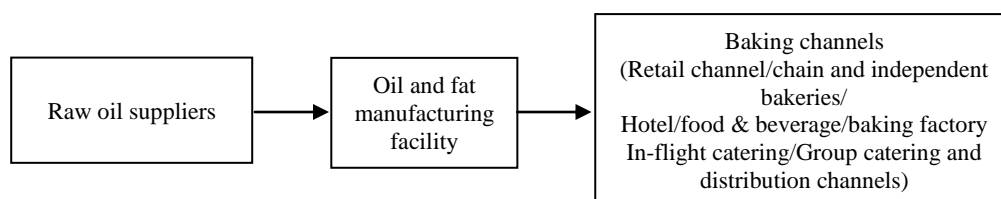
#### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

##### (1) Overview of the industry and developments

The Oil & Fat Business is a core part of the Namchow Group. For more than half a century, we provided professional service, outstanding technology, and tailored products to the Taiwanese baking industry through consultative selling co-creating business opportunities and prosperity with baking businesses. In the post-pandemic era, consumer trends in baking became focused on "health", "safety," "deliciousness," and "convenience."

Namchow Oil & Fat began promoting special oils & fats for Han pastry to preserve the Chinese cultural heritage. In keeping with consumer expectations and health trends, we introduced the NEBOS range of clean, enhanced baking fats. A number of quality European dairy products were also introduced in 2024 to boost product diversity.

##### (2) Links between the upstream, midstream and downstream segments of the industry



##### (3) Product development trends and competition

Namchow's oil and fat products are designed to cater for the needs of customers looking to develop any type of cakes and desserts. We are the first choice for baking fats used in the baking industry. In recent years, we also developed and applied advanced production technologies to launch different lines of baking fats that meet customer needs. We also introduced cream products from high-quality overseas dairy suppliers to help customers develop a variety of products.

Current trends in baked goods reflect intensifying competition. Traditional bakeries, convenience stores, large supermarket trains, and online stores have all joined the fight. The

cost of food ingredients, human resources, and store rental is increasing, and the shortage of labor is becoming more acute as well. Competition has never been more intense.

Namchow Oils & Fats seeks to become the most trusted partner to the baking industry and is continuing to improve our quality. For example: In 2017, the Company introduced a new range of special oils for Han pastry that introduced modern chemistry concepts into this traditional field. In 2019, the company launched a new line of next-generation “Clean Label” clean, enhanced baking fats (NEBOS). In 2020, the global pandemic led to instability and disruptions in the international raw material supply chain. Namchow Oil & Fat leveraged its local manufacturing advantages to supply customers with substitutes for natural cream. We also introduced all-new soy-based flavored baking fats to the other hand, it also launched a new soy milk-flavored baking fats to satisfy the growing demand from vegan and health food markets.

As competition continued to intensify in the market over the past two years, we developed oils for mechanized product and partnered with machinery manufacturers to develop products compatible with mechanical production without compromising on taste. This provided the market with more options for competition and partially solved the problem of labor shortages. In 2024, Namchow introduced quality European dairy products including Millac cream/whipped cream products and Freshville fermented cream products. These brought an even more diverse range of quality oil and fat products to the market and customers. Due to the growing population of people with vegetarian and health requirements, the Company will now invest in the development of 100% vegetable oil and fat products.

#### (4) Technologies or products successfully developed

The Company now has diverse and fat products available. These can be categorized by their application into mixing oils, wrapping oils, stuffing oils, cake oils, Han pastry oils, deep-fry oils, special purpose oils, functional oils, and imported oils. In addition to those produced in-house by Namchow, we also import butter, cream, and whipped cream from Europe to continue expanding our range of services.

#### (5) Future research and development plans

- Namchow will continue to invest in the R&D of the "NEBOS" range of clean enhanced oils and fats.
- Due to the growing population of people with vegetarian and health requirements, the Company will now invest in the development of 100% vegetable oil and fat products. We continued to invest in future growth by developing delicious products targeted at different consumer groups and market requirements.

#### (6) Long- and short-term business development plans

##### Short-term business development plans

- The NEBOS series complies with the 8 additive-free principles (does not contain: preservatives, artificial spices, artificial coloring, artificial sweeteners, bleaching agents, color fasteners, bonding agents, or raising agents that contain aluminum). This will help the baking industry align itself with international trends. NEBOS 2.0 will be developed in the future. We are encouraging the use of quality products by the baking industry and continuing to push for greater health.

##### Long-term business development plans

- The Company will continue our self-management system for oil and fat products, boost product development and production technology, expand differentiation with competitor products, and consolidate our position as a leading brand in baking fats and oils in Taiwan. We will also continue to introduce high-quality imported products to help domestic

vendors increase the added value of their baking products. For exporters, we will help them sell high-quality baked products that comply with the food regulations and standards at the destination, expand export opportunities, and continue to stimulate the overall development of the baking industry.

## 2. Overview of Marketing and Production/Distribution

### (1) Sale of major commodities:

- Major products sold:: All types of oils and fats for baking. The Company boasts excellent customization capabilities and is a leading brand in the baking oils and fats market in Taiwan.
- Sold to: Taiwan.
- Distribution channel: The Company's oils & fats business has more than 3,000 channels in Taiwan and products are sold nation-wide. We use the direct channel model where customers are the end users of Namchow oil and fat products. Sales formats include: retail channels, chain and independent bakeries, hotels, restaurants, baked goods factories, souvenir shops, and airline catering.
- Sales channels: Direct sales.
- Market share: The estimated market share is about 30%.

### (2) Future supply and demand and growth on the market:

As the market becomes more competitive, the baking industry is being encouraged to take the initiative to refine its products, which is conducive to the Company's development in the mid-to-high-end market. Namchow provides professional oils with a quality difference that supports product upgrades. The introduction of natural butter has opened up a huge new growth opportunity. The increase in the vegetarian and foreign-born populations means the vegetarian and 100% plant-based oil and fat markets will have unlimited potential as well. Namchow is capable of developing special oil products that satisfy the needs of specific ethnic groups.

### (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

#### Competitive niche and favorable factors for development prospects

- The Company is highly capable of keeping track of popular trends on domestic and international markets. We are an established brand and industry leader with high market share.
- Rigorous inspections are enforced by the Group's Food Safety Office and testing centers to ensure the hygiene, safety, and high quality of Namchow oil & fats.
- After half a century of in-depth research, Namchow's Oils & Fats R&D Center has developed strong R&D capabilities, advanced technology, and professional customization services to quickly respond to market demands and satisfy the oil and fat needs of different customer types.
- The direct sales system provides rapid feedback on market intelligence and dynamics and helps to establish mutual-trust and reciprocal strategic partnerships with customers.

#### Unfavorable factors for development prospects

- The international situation has made the supply of raw materials unstable. The shortage of milk and the livestock disease caused by extreme weather will all cause costs to fluctuate and lead to higher costs.

- Variables such as climate change and geopolitical conflict have led to transportation delays and higher costs. The direct impact on cost and product shelf life upon delivery all create a more challenging operational environment.

#### Countermeasures

- A professional service team provides all-round services before, during, and after the sale to differentiate us from the competition.
- Expand the scope of application and distribution of oils and fats to food & beverage and large chain distribution channels. We also plan to add special channels such as distributors.
- The Company monitors international market conditions and supply at origins, maintains close communication with the original manufacturers, maintains a highly flexible supply, while also paying constant attention to customer operations and needs to ensure the continuity of the supply chain for imported products.

#### (4) Purposes and production processes of main products

- Purpose of product: Baking, catering and food processing
- Production process: Raw oil→refining→deodorization→mixing→freezing and kneading→filling and packaging→maturing→warehousing

#### (5) Supply of main raw materials

The most important raw materials for oils and fats are palm oil, coconut oil, soybean oil, butter, and rapeseed oil, all of which are bulky raw materials on the international market. Supply and demand are all under our control. Cost control is however difficult as international politics induce fluctuations in global commodity prices. Nevertheless, we still closely monitor the latest prices and information. Procurement is timed to maximize returns and effectively manage the purchasing costs and inventory of raw oils.

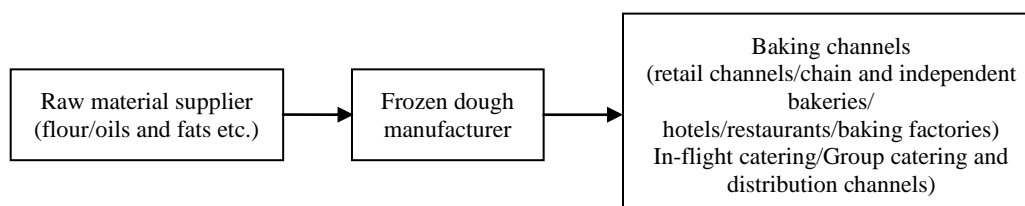
#### Frozen Dough in Taiwan

#### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

##### (1) Overview of the industry and developments

The baking and gastronomy business segments continued to face rising prices of raw materials and severe labor shortages in 2024, making frozen dough from Namchow is the best solution. Namchow has a wealth of experience and advanced R&D capabilities to take advantage of the convenience, timely supply, delicious, safe, and stable quality of frozen dough to provide products that meet market needs. In response to changing times and consumers' diversified pursuit of new products, frozen dough has great development potential now and in the future.

##### (2) Links between the upstream, midstream and downstream segments of the industry



### (3) Product development trends and competition

The domestic baking market continues to grow, and large retail channels are also investing in integrated in-house production. The chain baking industry continues to be dominated by the big players so the independent baking industry is facing fierce competition. On the other hand, the catering industry has increased demand for frozen dough due to the baking industry's transition towards the food & beverage industry.

Competition: The market scale of frozen dough has been expanding and attracting more businesses to invest in the industry. The market is extremely competitive, and businesses need competitive advantages in terms of product quality, pricing, and innovation. Large-scale food manufacturers, baking ingredient suppliers, and chained bakeries are all continuing to invest in production. Businesses are now competing on production technology, product development, and channel deployment. The market for frozen dough has huge development potential but also faces fierce competition.

Namchow has accumulated extensive professional knowledge and R&D capabilities in frozen dough after 34 years in the business. The Company's boasts a wide variety of diverse and innovative products. Specialty products that meet market needs are constantly being introduced in response to the latest trends to help customers create business opportunities.

### (4) Technologies or products successfully developed

Namchow's frozen dough products are divided into 8 categories: Danish, puff, Chinese, Chinese noodles, hard, toast, pastas, and other frozen dough products. With the consumers' understanding of the shopping habits, Namchow has been introducing basic dough applications, online popular products, community baking series, baked goods, Chinese desserts, and baked goods, among other products, to continue to innovate and develop new momentum for the baking industry.

### (5) Future research and development plans

- Community bakeries have remained the first choice for consumers to purchase bakery products in recent years. Namchow has a wide variety of frozen dough; in addition to classic products, it will also strive to develop various popular products. With the simple and fast operation, and quality-assurance, frozen dough products can help community bakeries respond to sales needs more efficiently and improve their competitiveness at the same time.
- In response to growing consumer demand expectations on frozen products, Namchow Frozen Dough has joined hands with diverse retail channels to promote products that are suitable for family use. Large exhibitions and events are also used to increase product awareness among consumers so that consumers can enjoy the taste of delicious, freshly baked products at any time.
- In response to government and consumer emphasis on topics such as food and beverage hygiene, food safety, health and nutrition, Namchow Frozen Dough is continue to embrace the international trend of using fewer or no additives in baked products, choosing baking ingredients that conform to reduced/no additive standards, and partnering with upstream, midstream and downstream vendors to launch even more baking ingredients that are aligned with this international trend to help develop baked products with fewer or no additives.



## (6) Long- and short-term business development plans

### Short-term business development plans

- Namchow Frozen Dough has targeted consumer preferences by introducing value-added applications for basic dough, the trendy product line, community baking lines, baked light food line and so on. It has also targeted different customers with popular and viral gift product lines that inject new momentum into the baking industry, and boost bakery profits through high added value.

### Long-term business development plans

- Faced with the challenges of fluctuating material costs and manpower shortage, the baking industry is now focusing even more on resource integration and productivity improvement. By introducing high-quality professional semi-baked products such as frozen dough, existing resources can be used more effectively; The attributes and advantages offered by Namchow Frozen Dough is exactly the solution they are looking for. Namchow Frozen Dough will be suitable for different types of baking operations, such as assisting hypermarkets in expanding their operations and enriching product lines, assisting supermarkets and convenience stores in improve their sales per square meter, helping bakeries supply a variety of high-quality products, help hotels and restaurants control costs and improve profitability, help hybrid chain stores reduce the workload associated with bread production and sales, establish business partnerships with business operators (customers), provide business partners with services such as new product development, application of baking technology, and business management needs. Namchow can then become the loyal strategic partner of the bakery business owners (customers).

## 2. Overview of Marketing and Production/Distribution

### (1) Sale of major commodities:

- Major products sold: The Company currently has 8 categories consisting of nearly 300 options of frozen dough products; the number of categories and options are leading other frozen dough brands in Taiwan.
- Sold to: Taiwan. Export: North America, Australia, Japan and other regions.
- Distribution channel: Namchow has about 3,000 distribution channels throughout Taiwan for frozen dough, including hypermarts, supermarkets, convenience stores, chain/independent bakeries, hotels, restaurants, cafes, baking factories, gift shops, airline catering, restaurant bakery channels and distributors.
- Sales channels: Direct sales.
- Market share: It is estimated our frozen dough products have attained leading status in the market.

### (2) Future supply and demand and growth on the market:

- The increased cost of manpower and talent shortage have made baking businesses more dependent on solutions and professional services provided by baking material manufacturers. Namchow, known for its diversified choices of products and steady production quality, has increasing demand coming from the market for frozen dough and hence is entitled to absolute leading competitive advantages.
- The "one-stop shopping" business model of hypermarkets provides consumers with more diverse services in fresh and cooked food products. The Company has established good business relationships with bakery partners, and works closely together to continue to

supply baked goods that meet the needs of hypermarkets.

- Convenience stores strive to differentiate from each other in their bread lines. Whether it is packaged bread or freshly baked bread at the store, Chinese desserts, or Western desserts, the Company has been able to successfully help convenience store operators introduce the frozen dough packages and generate profits.
  - Large-scale chain supermarkets of Taiwan or regional types are actively introducing freshly baked goods. The enriched experience of the Company in the management, technology required of, and training staff for frozen dough businesses has enabled it to help multiple practitioners (customers) with successful introduction and maximize the scope of service.
  - Composite chained food and beverage stores have been very popular for the past few years. While customers are trying to expand their presence quickly, it is particularly important that they keep track of the manufacturing and quality of products. The frozen dough supplied by the Company exercises extreme benefits in this regard as it successfully assists in overcoming the problems of mass manufacturing sales and stable quality.
  - In addition to large tourist hotels, small motels and bed-and-breakfasts have sought to boost their competitiveness and repeat customer rate by adopting our frozen dough products. Our products can not only help them differentiate their food & beverage services under the same production conditions but can adjusted on demand to suit other meals being supplied to effectively control operating costs and increase margins.
  - Community-based independent bakeries were able to use the introduction of Namchow Frozen Dough to provide a wider range of bakery products and satisfy changing consumer needs throughout the day. They can also develop more interesting products and improve their baking quality more quickly. Increased product variety and the introduction of trending products help to build consumer loyalty.
  - Family baking experiences are getting popular. There are more and more distribution channels on line and they are getting diversified each day. More baking lovers are encouraged to devote themselves to small-scale production and distribution. Namchow frozen dough is simple and convenient to operate and can be easily introduced. It will become an optimum choice for households and baking studios. In addition, Namchow Frozen Dough will continue the partnerships with different channels, so that more consumers can also purchase professional-grade frozen dough products with unique features and convenient operation.
  - By expanding the use of frozen dough for menus in restaurant and baking channels, labor and time costs can be reduced. Business opportunities from large businesses, school meals, and online group buys can also be increased.
- (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

#### Competitive niche and favorable factors for development prospects

- Baking information is abundant and up to date with international developments: Consumers can quickly access all the latest baking information through digital networks or traditional media, forming a tangible incentive for baking innovation. The trend also makes customers more reliant on the Company to constantly introduce new frozen dough products and share new domestic/foreign baking news. The Namchow Group baking journal covers the domestic and foreign baking market trends, baking technology, food safety, business management and other new knowledge. These help the baking industry

keep a finger on the pulse of the market and create business opportunities.

- Higher consumer and government expectations on food safety and hygiene: Growing consumer awareness means bakers must choose products and suppliers with high health and safety standards and conditions. The voluntary introduction of HACCP, ISO, FSSC and other food safety and hygiene systems all give the Company's Frozen Dough Business a competitive advantage. A digital management system for traceability has also been introduced for Namchow Frozen Dough to establish a more comprehensive food safety control network.
- The baking and catering industries are facing labor shortages and dispatching difficulties: Labor shortage has always been an issue for baking businesses in Taiwan. The difficulty in allocating human resources, the limited manpower available, heavy workload and high pressure have made the Company's frozen dough product the optimal solution for bakeries short on staff.

#### Unfavorable factors for development prospects

- Rising raw material, labor and storage costs caused by geopolitics and climate change are putting the entire baking market under pressure.

#### Countermeasures

- The Company will redouble our investment in the development of high value-added products that cater to market demand, and provide consultation services to the industry to increase service value and product profitability.

#### (4) Purposes and production processes of main products

- Frozen dough: Frozen semi-finished products in the bread category. Bread product designs are produced as frozen dough for customers or commercial use. Customers simply thaw, ferment, and bake to end up with fresh, hot bread.
- Pre-baked: Frozen finished products in the bread category. They are produced and baked then flash frozen in the edible state. To eat, simply thaw or reheat.

#### (5) Supply of main raw materials

The main raw materials of frozen dough are flour, oils and fats, yeast, chicken eggs, sugar, and different kinds of filling. Flour needs to be supplied by domestic flour manufacturers. As an oil and fat producer, the Company has developed oils and fats tailored to the characteristics of frozen dough that give us a key business advantage.

#### Frozen Noodles in Taiwan

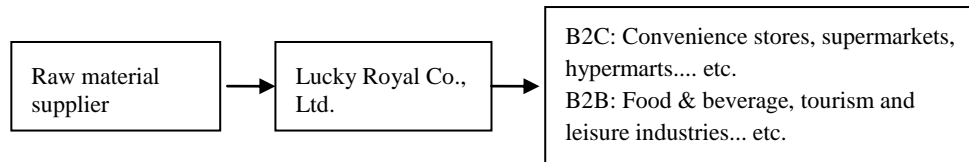
#### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

##### (1) Overview of the industry and developments

Frozen noodles are popular among the developed countries such as Europe, the United States and Japan. They are now driving further advances and innovations in food technology. Noodles are popular in Taiwan as well and the local industry is now worth more than NTD 10 billion a year. Due to the five-day work week and growing health awareness in Taiwan, frozen noodles will be needed in the market; Thanks to our fully integrated R&D, production, sales and service, as well as advanced frozen noodle production equipment/technology, Namchow Sanuki has passed many exacting international food safety certifications and top global gastronomy medals. These included the highest level of quality certification under the Safe Quality Food (SQF) standard, and Halal certification: MUI, BPJPH, THIDA Reduced use of food additives in products: We obtained both Ciyue clean

label certifications, the Asia Pacific Anti-Additive (A.A.) Development Promotion Association's highest level 100% non-additive verification, Gold Award from Monde Appraisal of World Quality for five consecutive years, and iTQi International Flavor and Quality Evaluation Award-Three Star Award for five consecutive years. Our strict food safety controls and upgrading of noodle industry standards has set an example for the industry and opened up new opportunities.

(2) Links between the upstream, midstream and downstream segments of the industry



(3) Product development trends and competition

Namchow Sanuki Frozen Noodles spent NTD 600 million to introduce world-class high-tech fully-automated frozen noodle production equipment. Made from premium Australian wheat and flash frozen at -18 degrees, the frozen product can be placed directly in boiling water and reheated in just 30 ~ 50 seconds. It is delicious, quick, convenient, and generates zero waste. Consistent quality, hygiene and safety, as well as standardized operation improves table turnover rate. This solution overcomes the food & beverage industry's problems with labor shortages and long customer wait times for cooking noodles. It provides the best solution for the food & beverage industry.

The frozen noodles turn consumer preconceptions on their heads. Consumer packaging was introduced to improve consumer accessibility. Product differentiation include not having to be thawed before cooking, delicious taste, and convenience. It is now sold in chain hypermarts, supermarkets, and grocery supermarkets. Namchow Sanuki has been expanding its sampling campaign at shopping malls for a long time. By having consumers taste the frozen noodles for themselves, Namchow Sanuki is able to communicate directly with consumers and teach them about the importance of proper preparation and culinary diversification. At least 2 million consumers have participated in this event each year and learned about the value of Namchow Sanuki frozen noodles.

(4) Technologies or products successfully developed

- Japanese noodles: Udon, ramen, soba, and yuzu.
- Chinese noodles: Northern China sliced noodles, northern China ramen, Henan cooked noodles, homemade noodles, Chinese noodles, coo dai noodles, stew noodles, egg noodles.
- Pasta: Spaghetti, spinach fettucine, pumpkin-flavored spaghetti, squid pasta.
- Rice noodles: Flat rice noodles, kway teow, pho.

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

Frozen Noodles are fast, delicious, convenient, and provide the best solution for food businesses and consumers. Over the years, we have actively developed restaurant customers and supermarket channels in overseas markets such as the United States, Dubai, Australia, Hong Kong, and Indonesia. We are committed to promoting frozen noodles to the world, aim to become a world-class frozen noodles brand. The Company will continue to maintain our roots in Taiwan even as we sell to global markets.

## 2. Overview of Marketing and Production/Distribution

### (1) Market share

Namchow Sanuki Frozen Noodles is the No.1 preferred brand in the industry. A dual-pronged B2B and B2C strategy was employed to develop the domestic restaurant market over many years. There are more than 20,000 customers throughout Taiwan, including five-star hotels such as Regent, Hyatt, Royal, and Fleur de Chine; well-known large chain restaurants such as Very Thai Noodles, Sundongbao, Sushirou, Duan Chun Chen, Napoli Pizza, YOYOI, Tonkatsu, Leofoo Village, Janfusun, Mitsui Shopping Mall, LALAPORT shopping center, Sky Bakery and frozen retort pouch product distributors, among others.

Consumer packaging sales channels include chain hypermarts, PX Mart, grocers, and convenience stores. Every year, consumer tasting events are held to promote the noodles and reach more than 2 million people. Through the word-of-mouth of these consumers and customers, Namchow Sanuki Frozen Noodles has become leading brand preferred by businesses.

### (2) Sale of main products:

- Main products:

Japanese noodles: Udon, ramen, soba, and yuzu.

Chinese noodles: Northern China sliced noodles, Northern China pulled noodles, Henan cooked noodles, homemade noodles, Chinese noodles, coo dai noodles, stew noodles, egg noodles.

Pasta: Spaghetti, spinach fettucine, pumpkin-flavored spaghetti, squid pasta.

Rice noodles: Flat rice noodles, kway teow, pho.

- Sales region: Domestic sales - Taiwan

Export - Europe, America, Australia, Canada, Switzerland, Arabia, Hong Kong.

- Distribution Pattern: B to B, B to C.

- Distribution channel:

B2B: Five-star hotels, high-end Japanese cuisine, composite/themed chain restaurants, shopping centers, food courts, airports/highway rest areas, traffic arteries, scenic areas, schools/institutions, group and airline catering, Chinese restaurants, fast food restaurants, chain steak houses, bed & breakfasts, online shopping etc.

B2C: Including national hypermarts such as Carrefour, RT-Mart, and A-Mart; supermarkets such as PX Mart, Simple Mart, SOGO, Shin Kong Mitsukoshi, Mia C'bon, and CITYSUPER; convenience stores such as 7-Eleven, FamilyMart and other physical channels.

### (3) Future supply and demand and growth on the market:

As the NTD 800 billion restaurant and take-out market continues to grow each year, Namchow Sanuki Frozen Noodles has become an established brand in the domestic catering channel market, satisfied to its unique product advantages and frozen noodle technology, Namchow has become the industry's leading noodle supplier. The competitive niche of frozen noodles lies in the supply of innovative and differential commodities and high value-added products that fall in line with the diversified lifestyles of modern people and satisfy the pluralistic needs of dining service providers in creating a favorable customer relationship. Frozen noodles offer the perfect solution as the service sector flourishes and the quality of

life for Taiwanese people continues to improve every day.

- (4) Competitive niche, and favorable and unfavorable factors for development prospects and countermeasures:

Competitive niche and favorable factors for development prospects

- Long-term focus is on product innovation to create higher added value through the development of noodles with different specialties.
- We will continue to develop and target trending customers to expand our market penetration.
- Rigorous selection of safe, high-quality and consistent raw materials/processes while enforcing strict quality control, safety and hygiene.
- Comprehensive warehousing and logistics system to control the quality and safety of noodles.

Unfavorable factors for development prospects

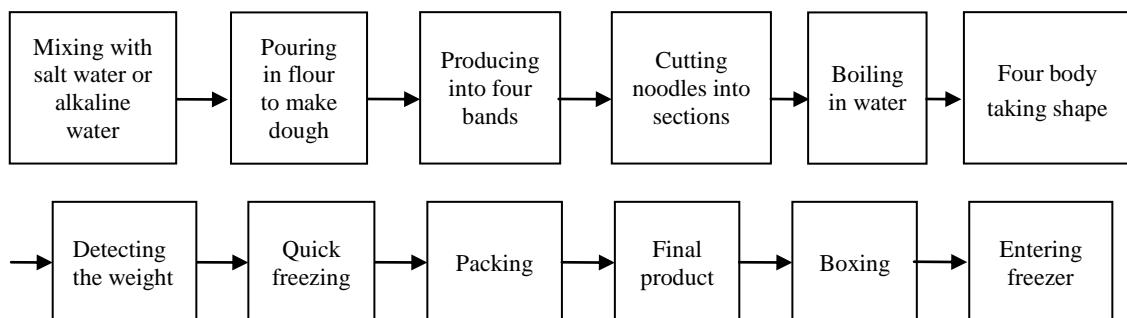
- Uncertainties in the macro environment, such as the pandemic and global conflict, may lead to changes in consumption patterns or disruption of raw material supply chains.

Countermeasures

- The operation and development of emerging channels are emphasized equally to cope with the change of consumption patterns.
- Strengthen the resilience of the raw material supply chain, seek a wide range of suppliers, and regularly evaluate suppliers' operational capabilities, quality, safety, among other things.

- (5) Purposes and production processes of main products

- The noodles are kept frozen at -18°C throughout the entire process. As the noodles are already cooked they do not need to be thawed before use. Simply reheat in boiling water to separate the noodles and they are ready to eat. The noodles are tasty, convenient, fast, safe, and zero waste. It serves as a total solution for increasing table turnover during meal times.
- Production process



- (6) Supply of main raw materials

The main ingredients of Udon are flour, acetic starch, and salt.

- Flour: The flour is imported by Namchow from Australia. Flour has been able to be purchased at appropriate time points reflective of the international factor, changes in prices and the production and distribution plan to keep reasonable inventory.
- Acetate starch is provided by domestic distributors: High quality, safe sources, consistent

supply, and reasonable prices.

- Salt: Salt products supplied by Taiwan Salt Company are of good quality. Supply is consistent and prices are reasonable.

### Ice Cream in Taiwan

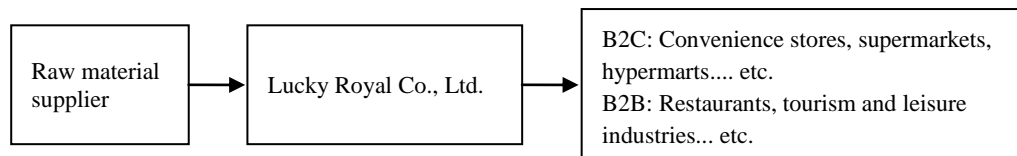
#### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

##### (1) Overview of the industry and developments

As Taiwanese living standards improve, the market for ice cream is dominated by mid- and high-end products. Growing food safety awareness means consumers are paying more attention to the traceability, with a particular emphasis of hygiene, safety, and high-quality ingredients. In addition, desserts add joy to life. Consumers are willing to pay more for ice creams with differentiated features and added value.

Duroyal is positioned as the leading mass market brand for the mid-to-high end segment. Duroyal focuses on B2B and B2C self-brand ice cream products and co-brand ice cream products. It also supplies customized ODM and OEM services. The brand has continued to boost its influence every year. It promotes brand image of youth and vitality, and uses a variety of high-quality ingredients and innovative flavors to supply consumers with distinctive premium ice cream products.

##### (2) Links between the upstream, midstream and downstream segments of the industry



##### (3) Product development trends and competition

Lucky Royal targets the affordable, high-end ice cream markets in Taiwan through two brands: Duroyal and Kabisuo. The product line includes hard-type ice cream and soft-type ice cream. Each year, we continue to invest in brand and market development in Taiwan. Our best-sellers include Crunch Pie Ice Cream Bar, Duroyal Cone, Duroyal Ice Cream, Duroyal Mochi, Duroyal Green Mango Popsicle, etc. All of our products are best-selling household names. Our distribution channels include B2B and B2C channels such as convenience stores, supermarkets, hypermarts, commercial soft-serve ice cream, ice cream and gelato. Our customers include more than 40,000 sales locations in Taiwan including restaurant channels and scenic areas. Our products are also exported to Hong Kong, Switzerland, the United Kingdom, South Africa, Australia, Canada, the United States, Brunei and other parts of the world.

Since 2013, our Soft Ice Cream business has cooperated with convenience stores to set new trends and become the new darling of the market. More than 100 flavors have been successfully launched, and it is also the first choice of Soft ice cream products by many restaurants.

Lucky Royal Co., Ltd. owns the most professional, advanced and automated soft ice cream and cone factory. Soft ice cream products are fragrant, light and silky in taste, highly formed and easy to handle. The exclusive recipe for ice cream cones produced a crispy texture that melts at the same time as soft-serve ice cream in the mouth for the perfect experience. Advanced production equipment for ice cream cones utilizes precision control of flame and timing to ensure crispy texture and even colors. Products are, hygienic, and of consistent quality. In 2024, the Company followed up on the best-selling Crunch Pie - Chocolate with

Rose-Salted Caramel by launching a sister product, Caramel Salted Egg Yolk. The sweet and salty ice cream products delivered eye-catching sales. The Company is continuing to cultivate the frozen yogurt market by launching health-oriented blueberry yogurt ice cream bar and cone products that have proven popular with consumers.

(4) Technologies or products successfully developed in the last five fiscal years

Private label:

- Duroyal Crunch Pie -- Strawberry and Cheese
- Duroyal Cone -- Strawberry and Cheese
- Yogurt series -- Strawberry and Apple Yogurt ice cream, Blueberry Yogurt ice cream, Blueberry Yogurt ice cream cone, and Blueberry Yogurt ice cream tub.
- Tub Ice Cream -- Caramel Salted Egg Yolk, Salted Egg Yolk Mochi
- Mochi Ice Cream Upgrade -- Matcha Strawberry
- Ice Cream Puffs -- "Milk puffs" were manufactured by a Japanese manufacturer for Duroyal.

ODM :

- Developed the first-ever ice cream bar product for an internationally-renowned top chocolate brand. This collaboration has now entered its 6th year.
- Partnered with convenience stores on soft ice cream products. The collaboration is in its 10th year and successfully launched more than 100 flavors
- Developed the Strawberry Cheese Daifuku for a world-renowned fast food chain brand. This cooperation has entered its 8th year.
- Developed ice cream cups for aviation distribution channels for a well-known domestic tea brand

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

Short-term business development plans

- The Company is committed to developing the local market in Taiwan. New products are developed each year in response to market demand and consumer trends to increase sales and revitalize our brand image. Continue to invest in branded TV/digital media advertising and product promotion, build on both B2B and B2C channels, and open up more potential markets.

Long-term business development plans

- We will continue to develop new markets and engage in brand investment in the Taiwanese market. We will also continue to cultivate B2B and B2C channels to open up potential markets. In addition to aggressively developing global export markets, the Company will also focus on searching for global partners. We will continue to look for products related to our existing product lines to offer more solutions for customers. Invest in new equipment and construct high entry barriers. Talent training and learning organization. Improvement, upgrade and strengthening of the organization. Deepen the core competitiveness of the enterprise, construct an innovative operation model, and achieve sustainable operation.



## 2. Overview of Marketing and Production/Distribution

### (1) Market share

Our technology has a high entry barrier and we own branded assets. Each year, we launch new products based on market demand and consumer trends, invest in TV commercials, and invest over a thousand tastings, sports marketing, and events every year to expand brand influence and inject youthful vitality into the brand. High-level marketing, R&D, production, and business functions are integrated with each other to create maximum benefits for the Company. Flexible use of the competitive advantages of diversified business models and in-depth cooperation with suppliers and partners to select strategic retailers in the B to C retail market customers, continue to expand B to B channels and the export market, and the market share is increasing year by year.

### (2) Sale of main products:

- Major products sold include

#### Duroyal Ice Cream

- A variety of hard ice cream products are sold through retail channels: Ice cream bars, ice cream cones, ice cream tubs, popsicles, ice cream desserts.
- Hard and soft-serve ice cream for commercial channels: The products are supplied to restaurant channel customers for making ice cream desserts, soft-serves and mixed drinks. These include commercial ice creams, Duroyal ice cream and cones.

#### Kabisuo Royal Russian Ice Cream

- Retail Distribution: Ice Cream
- Commercial Channel: Ice Cream

#### OEM, ODM

- Retail: The products are meant as sweet desserts.
- Commercial channel: The products are meant as raw materials for intermediary channel customers in the food & beverage industry for ice cream, desserts, drink mixing ingredients, and soft-serve.

- Sales region: Mainly for the Taiwanese market.
- Distribution Pattern: B to B, B to C.
- Distribution channel: Product distribution channels include convenience stores, supermarkets, hypermarts, and restaurant channels.

### (3) Future supply and demand and growth on the market:

- Domestic consumption of ice creams is declining due to temperature and climate. Frozen products have become an important everyday dessert category.
- The continued growth in Taiwan's national income, the improvement of education standards, and the consumer trend of refined lifestyle are all conducive to positioning the Duroyal brand with the widest coverage for the middle class. We will make the best use of our excellent R&D and production capabilities to develop more high-value-added and differentiated products.
- Duroyal's brand power will help to find new partners and develop new opportunities in the global market.
- The sales growth of Duroyal's core products has been increasing year by year, showing that the loyal and invisible consumers are increasing.

- Duroyal Ice Cream is continuing to create value and revenue for customers in B2B and B2C Channels.

(4) Competitive niche, and favorable and unfavorable factors for development prospects and countermeasures:

Competitive niche and favorable factors for development prospects

- Long-term focus on product innovation means all products are now differentiated and have entry barriers.
- Persistent investment in brand advertising to revitalize the brand.
- Rigorous selection of safe, high-quality and consistent raw materials as well as strict production processes and quality control.
- Comprehensive warehousing and logistics system to maintain ice cream displays and quality.
- The ice cream industry features highly automated production processes and we have already achieved economics of scale in production.

Unfavorable factors for development prospects

- Uncertainties in the macro environment, such as the pandemic and global conflict, may lead to changes in consumption patterns or disruption of raw material supply chains.

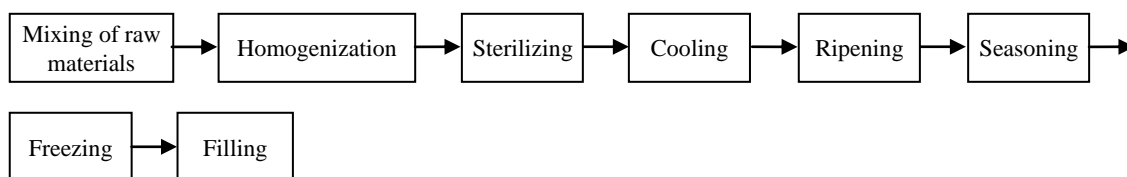
Countermeasures

- The operation and development of emerging channels are emphasized equally to cope with the change of consumption patterns.
- Strengthen the resilience of the raw material supply chain, seek a wide range of suppliers, and regularly evaluate suppliers' operational capabilities, quality, safety, among other things.

(5) Purposes and production processes of main products

- Ice cream is a highly technical field of food technology. Product development at Duroyal starts from exploring consumers' preferences, backed by "differentiated" innovative technologies, and meets the needs of customers and consumers for various ice products.

Production process



(6) Supply of main raw materials

The main raw materials of ice cream products are skimmed milk powder, clarified butter, oils and fats, and premium sugar.

- Skimmed milk powder, clarified butter: Lucky Royal Co., Ltd. is to import dairy products from Australia & New Zealand where cows are let to roam the prairie in the nature. The required quantities are to be purchased whenever it is considered appropriate according to the international market price and there has to be the safety stock.
- Oils and fats: Namchow oils and fats are used because they are of optimal quality and come from safe sources. The supply is steady and prices are reasonable.
- Special sugar: The special sugar from the Taiwan Sugar Corporation is used. Taiwan Sugar is known for its scientific sugar production methods and quality products. The supply is steady and prices are reasonable.

## Dining in Taiwan

### ➤ Dian Shui Lou Jiang-Zhe Cuisine Restaurant

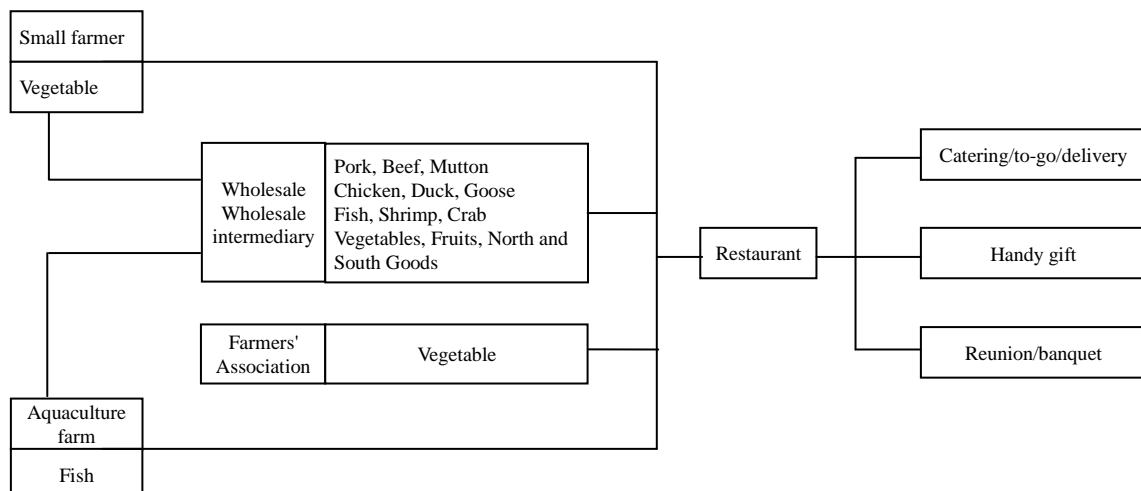
#### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

##### (1) Overview of the industry and developments

Dian Shui Lou has been using local and seasonal fresh ingredients for more than 10 years to serve more than 200 classic Jiangsu and Zhejiang cuisines of consistent quality. It has built up a base of loyal gourmets. Limited edition meals are also introduced every season, along with festival-themed menu items. Even frequent guests will therefore find something new every time they dine. Dian Shui Lou pays attention to its table beverages and selects high-quality Chinese teas (such as: Lishan tea, Oriental Beauty tea, Oolong tea, Jinxuan tea...) as well as Paulaner fresh-brewed lager and black beers as accompaniments for meals. A cup of coffee after a meal is a common habit today. Coffee is however rarely offered at Chinese restaurants. Dian Shui Lou strives to satisfy the needs of its guests in all aspects, so that their meals can be relaxed and happy. They have won the praise of many guests by asking about a complimentary coffee after meals. Starting in 2023, we began collaborating with Ho café, which has more than 20 years of experience in professionally roasting coffee beans. An exclusive Royal espresso blend was developed to take the quality of service to the next level.

In terms of food safety, tiered management and supervision are adopted to safeguard the health of consumers. Specialists from the Namchow Group Food Safety Office supervise and provide guidance on voluntary health and safety management. There are also dedicated food safety personnel at Dian Shui Lou to ensure food safety at all times. Professional knowledge is imparted to working colleagues to ensure that food safety tasks are thoroughly implemented. A learning organization underpins Namchow Group's sustainable operations. The Dian Shui Lou team also follows this learning culture. Everyone is constantly learning and growing, giving them a sense of accomplishment. The head chefs, store managers, and key cadre at each store are almost all trained from the entry-level and promoted from within to create a high degree of team stability. In addition, Dian Shui Lou makes good use of various computer systems (such as: inline online reservation system, Ocard membership system) to improve management efficiency.

##### (2) Links between the upstream, midstream and downstream segments of the industry



### (3) Product development trends and competition

Chefs are difficult to cultivate in the Chinese restaurant industry. It often takes more than 10 years of time and effort to produce a fully qualified chef. All of Dian Shui Lou's kitchen and waiting cadre were trained and promoted from within. Dian Shui Lou currently has six branches in Taiwan. Each store continues to develop its own characteristics and customer base due to difference in their shopping districts.

### (4) Technologies or products successfully developed

"Innovation, differentiation, pursuit of excellence and doing it right the first time" are the Company's core philosophy. We aim to cultivate a comfortable dining environment. In terms of cuisines, fresh and unique local ingredients are used to prepare each intriguing and affectionate entree in a skilled and experienced way. Whether it is the authentic classic flavors or the continued invention of innovative cuisine, all have successfully conquered the taste buds of gourmets, such as: Drunken Crab, Marinated Beef Tongue, Flame-roasted Duck, Seven-colored Steamed Buns with Natural Vegetable and Fruit Sauce, Osmanthus Candied Lotus, Ning-style Carrot Cake, etc.

### (5) Long- and short-term business development plans

Cultivate more professional talents and establish a learning organization. All kitchen and waiting staff cadre are trained using the master-and-apprentice model to cultivate professional skills and management capabilities. Training starts from the entry-level and we promote from within. We will continue to use local and seasonal fresh ingredients, and introduce seasonal and classic menus every season to promote Chinese culinary culture.

## 2. Overview of Marketing and Production/Distribution

### (1) Sales (provision) or main products (services):

- Main sales (service) region: Taipei City, New Taipei City, and Taoyuan City
- Dian Shui Lou locations: (in order of opening) Nanjing Store, Fuxing Store, Huaining Store, Nankan Store, Linkou Store, and Dazhi Store.

### (2) Future supply and demand and growth on the market:

Namchow operates its restaurant business with a focus on innovation and differentiation. Its restaurants have long been known for serving authentic and classic dishes using local, seasonal ingredients with a unique, creative spin. In addition, limited edition seasonal dishes, themed dishes are also introduced at various times. Examples include: Wild native Asian clams from Guandu, Fresh Oyster selection from Dongshi, Chiayi. It has won numerous awards over the years and is trusted by business guests. It is the first choice for government agencies and groups, family gatherings, and a must-try for tourists in Taiwan.

The six stores of Dian Shui Lou have developed their own special variations on the standard menu based on the nature of their shopping district and customer base. For example, the Dazhi store not only serves authentic Jiangsu and Zhejiang cuisine/desserts. Master and dessert chefs from the Chao Jiang Yang restaurant were transplanted to Dian Shui Lou where the original team now continues to serve up its popular Ghaozhou-Guangzhou cuisine and Cantonese desserts. Fuxing store and Linkou store offer a variety of seasonal specialties to satisfy the crowds of diners, so that customers can enjoy delicious meals in the shortest time possible.

In addition, the restaurants provide delivery and catering services by professional five-star chefs. Although food delivery platforms are booming, Dian Shui Lou does not entrust any platform to deliver its food. Food is delivered personally from the restaurant to the customer's home by our own staff to ensure it arrives right away and that we can introduce

each dish in person. We provide service with quality and human warmth. The catering service is handled by dedicated personnel who plan banquet services and customized menus so that customers can enjoy classic famous dishes freshly cooked by professional chefs and the attentive service of the restaurant at home. In addition, Dian Shui Lou also offers mini-catering for businesses and organizations hosting events and conferences, thereby enabling participants to enjoy the delectable refreshments during breaks. The service effectively reduces the time that participants would otherwise spend on going elsewhere to eat and thus makes the meeting/conference more efficient.

Dian Shui Lou has continued to grow every year. The Fuxing Store in particular spent two months in 2024 to undergo a full renovation. The new bright and stylish ambiance has won praise from all parties. It has since attracted new business customers and hipsters as well.

- (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

Competitive niche and favorable factors for development prospects

- The restaurant shoulders the mission of promoting traditional Chinese cuisine. To achieve this goal, the chefs would incorporate traditional Shaoxing wine in various dishes or use it as part of seasonings whenever possible. The restaurant would also promote relevant dietary and culinary cultures during festive celebrations. For example, on Lantern Festival, the restaurant would serve the festival's signature dish of fried sweet dumpling in order to inform patrons on the difference between yuanxiao and tangyuan.
- Provide a complete product line ranging from snacks to table dishes for everything from banquets or drinks that leaves the host and guests satisfied.
- Committed to cultivating kitchen and waiting staff cadre who are all-rounders. Skills and experiences are passed down and shared through the master-and-apprentice system. The internal promotion system offers continuous opportunities for learning and growth.

Unfavorable factors for development prospects

- The economic impact of rising inflation and interest rates means actual income is not keeping up with higher commodity prices. This has affected the number of people eating out and their food budgets.
- Depletion of marine resources, abnormal climate, and compliance with the government's labor safety policy have all the cost of purchasing and labor.
- There is a general shortage of workers in the food & beverage industry. The difficulty of training and professional development may lead to skill gaps and lost techniques.

Countermeasures

- Skills are passed on through a master-and-apprentice system. Opportunities for learning and growth are provided to ensure the stability of team members.
- Emphasize food safety and serve high-quality meals to increase customer loyalty.
- Attentive service, premium ingredients, and varied menus help meet the demand of consumers, increase the number of customers, and consolidate the customer base.

- (4) Purposes of main products

Provide authentic, hygienic, safe and delicious cuisine; customize services to meet the different dining requirements of consumers; pass on Chinese culinary culture and create a wonderful dining experience.

## (5) Supply of main raw materials

- All raw materials are certified as qualified with strict controls on hygiene and safety. In addition, food traceability, supplier management, and key food ingredients are subject to on-site inspections by professionals from the Food Safety Office to ensure safety and hygiene during cultivation and butchering.
- We work directly with local farmers' associations and small farmers to ensure that local, seasonal, and fresh ingredients are used.

## ➤ BLN Restaurants & Caterings

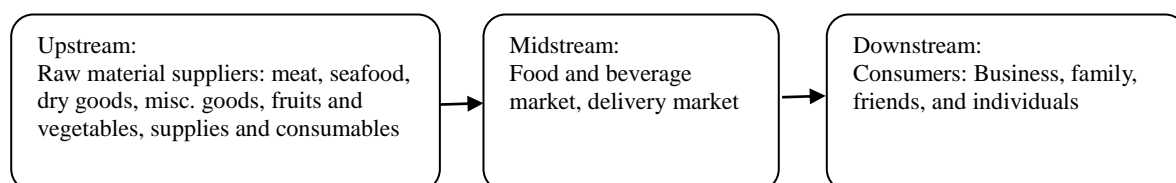
### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

#### (1) Overview of the industry and developments

The catering market will be driven by multiple factors in 2024: rising global health awareness; growing emphasis on food safety and transparent supply chain management; need for businesses to focus on ESG (environmental, social and governance) responsibilities including reducing food waste, using environmentally friendly packaging, and reducing carbon footprints. Rising commodity and labor costs have presented food and beverage businesses with serious challenges. They must adjust their procurement strategies and look for local suppliers to reduce dependence on imports. At the same time, the delivery and take-away market has continued to expand. Cloud kitchens and real-time delivery have become the focus of competition.

Technological innovation is promoting the development of smart catering (e-payment, self-service food ordering, AI data analysis, food delivery robot) to further improve service efficiency. Recently, consumers prefer warm community-based restaurants that respect local culture and characteristics. Restaurant operators need to establish in-depth connections with the community to strengthen brand loyalty. Rapidly changing consumption trends and fierce competition mean businesses must strike a balance between innovation, price competition, and profit. The rise of social media platforms means the use of social media marketing has also become an important strategy for brand promotion. Overall, the food & beverage industry will develop in a more intelligent, personalized and community-oriented direction. Operators must pay close attention to market trends and adjust strategies on the fly to deal with the rapidly changing environment.

#### (2) Links between the upstream, midstream and downstream segments of the industry



#### (3) Product development trends and competition

Given the increasingly fierce competition in the global restaurant market, Taiwan's food & beverage industry is faced with rapidly changing market demands. Paulaner Restaurant is committed to providing consumers with delicious and healthy meals. It also adheres to high requirements for ingredients. All ingredients are traceable and managed in accordance with food production SOP to ensure that each dish meets strict quality and safety standards. Compliance with food safety regulations and all government food safety requirements is not only our commitment to customers but also the core of our business operations. To further ensure food safety, the Group has established a food safety office and a food safety research and inspection center to conduct regular inspections of restaurant ingredients to ensure that

the ingredients provided by suppliers are safe. Food quality is managed from the source and strict food safety standards are followed at all times.

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

As the delivery and takeaway market continues to expand, the Company will actively adjust our business strategy to seize the opportunity of online ordering and provide convenient online ordering services. Although the consumption habits of consumers in the post-pandemic era are gradually returning to normal, delivery and take-away are still an important part of the current restaurant market. To ensure the efficiency and quality of meal deliveries, restaurants take orders and deliver food on their own to satisfy customers' dual requirements for food safety and quality, and to ensure the safety and hygiene of products ordered by customers. With respect to the digital transformation of the food & beverage industry, digital technologies such as the smart POS system and e-payment have been introduced to enhance the consumption experience of customers and improve operational efficiency. Through data analysis, restaurants can forecast market demand then adjust menu and service strategies in real time to precisely respond to market changes and improve revenue performance. A people-centric approach is also emphasized by the restaurant. A strong emphasis is placed on the management and training of human resources. Efforts are made to improve the professional ability and job satisfaction of employees to ensure high productivity and to provide customers with an outstanding dining experience.

2. Overview of Marketing and Production/Distribution

(1) Sales (provision) or main products (services):

- Main sales (service) region: Taipei City and Taoyuan City
- Paulaner Locations: Guandu Store, Taoyuan Store

(2) Future supply and demand and growth on the market:

To strengthen the connection with the community, Paulaner opened the first community-based restaurant-bakery hybrid food & beverage store in the Guandu MRT Station shopping district in December 2020. Paulaner supports local farms and their products, and uses NEBOS oils and fats with Clean Label certification from Namchow to reduce its carbon footprint. Active community engagement helped build a brand image for accessibility and connection with the community. Paulaner restaurants are also combining exotic cuisines with local specialties to come up with unique, innovative menus that combine international flavors with local features. Localized menus not only attract local customers, but also drew the attention of international tourists and helped make the restaurants stand out in a highly competitive market.

In addition, Paulaner actively uses social media platforms to manage customer relations and increase brand visibility. Through digital means such as short videos and social media posts, the restaurant has built closer ties with customers that further enhance customer loyalty and brand influence. These measures did not just expand the brand's market influence. They also allowed the restaurants to stay on an even footing and respond to market challenges despite labor shortages and rising costs.

Paulaner restaurants successfully responded to the challenges of the post-pandemic era through its keen insight of market trends and precise understanding of consumer needs. Paulaner restaurant actively enhanced its brand competitiveness through digital technology, community management, food safety, and other strategies, putting it at the forefront of innovation and sustainable development in the food & beverage industry.

- (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

Competitive niche and favorable factors for development prospects

- Excellent brand image. Recipient of "Excellence" award in food and beverage hygiene management every year.
- Providing differentiated, localized and specialty classic cuisine.
- Introduced beer brewing technology from Paulaner restaurants in Germany to brew and supply the freshest and best-tasting beer in Taiwan.
- Introduction of ESG and combining it with the Group's resources to make the most of the Group's advantages.
- A combination of Group's industry-leading and safety certified products including frozen dough, frozen noodles, baking oils, deep-dry oils, NEBOS Clean Label oils & fats, Duroyal ice cream, Paulaner freshly brewed beer and other resources are leveraged to promote and to create innovative neighborhood hybrid restaurant.
- Integration of tourism industry and tourism factory resources.
- In addition to enhancing pick-up, take-away, and self-operated home delivery services at the restaurant during the pandemic, the restaurant also provided frozen products for consumers to enjoy at home.
- Capitalized on stay-at-home opportunities by providing diverse Namchow products: Namchow Crystal Soap products, Little Cook Slow-Meal Noodles, and Thai-styled precooked food developed by Namchow Thailand and so forth.
- Supported the "Net Zero" and international trends to create a green enterprise. Gogoro electric scooters are used to actively support the push towards net zero and sustainable development in Taiwan.
- Take an active interest in community development, participate in and support the Guandu Arts Festival every year, while conducting neighborhood visits to emphasize the importance of good community relations and local bonding.

Unfavorable factors for development prospects

- Costs of fuel and electricity, food ingredients, and personnel have increased.
- Commodity prices are rising due to inflation while consumers' disposable incomes have plummeted, resulting in a drastic decline in frequency and value of consumption.
- Serious labor shortages in the food & beverage industry.
- Competition on price within the food & beverage industry.

- (4) Purposes of main products

- Supplied for meal preparation in restaurants.

- (5) Supply of main raw materials

- Self-made beer: With the German wine-maker based on site, quality of fresh-brewed beer is carefully controlled.
- The main raw materials for the restaurant are all products that have been certified by the government as CAS, GMP, FGMP, HACCP, ISO22000 and ISO9001.
- Use of products from groups that have implemented product traceability and have passed



GMP, FGMP, HACCP, ISO22000 and ISO9001 . For example, Namchow's "Clean Label" NEBOS oils and fats are used to make bread, cakes and meals. Clean means less additives aimed at “supplying health.”

- Cooperated with local farmers' associations to promote local seasonal ingredients. For example, we purchase the Taishou No. 9 rice directly from the Farmers' Association in Erlin, while the Guandu store uses the preserved duck eggs, salted duck eggs, and duck eggs produced by the 54-year-old "Sheng Fahao" egg store in Guandu.

Namchow Taiwan brands and business locations:

	Brand	Location
本場流 專業麵店	<b>Honbaryu Restaurant</b> Namchow began the local production and sale of Japanese frozen noodles to Taiwan in 1998. Honbaryu was opened for demonstration purpose. Udon, Chinese ramen, and other noodles are served in the store. There are also special set meals and rice options to satisfy the dining needs of consumers who demand exquisiteness, delicious taste, fast service, and convenience. <a href="https://www.facebook.com/honbaryu/">(https://www.facebook.com/honbaryu/)</a>	Taoyuan Store
 PAULANER TAIPEI 寶萊納啤酒餐廳	<b>Paulaner Fresh-brewed Beer Restaurant</b> Fresh-brewed German beer and self-made German pork knuckle, sausage, chop meal, and pizza, among other delicious entrees are served in the store. <a href="https://www.facebook.com/taipeipaulaner"> (https://www.facebook.com/taipeipaulaner)</a>	Taoyuan Store Guandu Store
 Dian Shui Lou	<b>Dian Shui Lou Jiangzhe Cuisine</b> The architecture of the restaurant is imbued with Zhejiang influences with Zhejiang-style landscaping evident everywhere. These have become a signature of Dian Shui Lou. Local cuisines from Jiangsu and Zhejiang are served in the store and are customized to suit the needs of consumers reflective of the characteristics of the shopping district the restaurant is located in. <a href="https://www.dianshuilou.com.tw/">(https://www.dianshuilou.com.tw/)</a>	1.Nanjing Store 2.Fuxing Store 3.Huaining Store 4.Nankan Store 5.Linkou Store 6.Dazhi Store
 Le vol du petit prince	<b>Le vol du petit prince French Restaurant</b> Located inside the National Taipei University of the Arts, the restaurant serving safety and delicious French cuisines, providing custom-made meals and provide more diverse options for our consumers <a href="https://www.facebook.com/小王子的飛行旅程">https://www.facebook.com/小王子的飛行旅程</a>	Guandu Store

## Namchow China Businesses

### Baking Oil in Mainland China

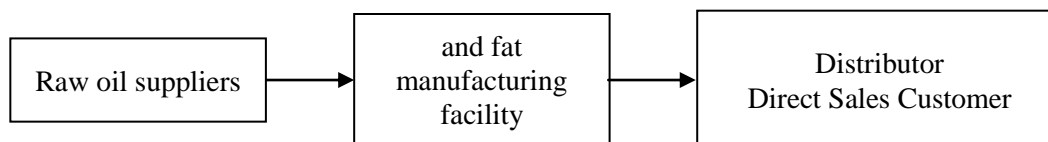
1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

#### (1) Overview of the industry and developments

The baked goods industry in Mainland China started relatively late, and was first introduced from Hong Kong and Taiwan in the 1980s. In recent years, with the growth of per capita

consumption level, the adjustment of the residents' dining consumption structure, and the diverse eating habits of the younger generations, the market scale of the baking industry continues to grow. Bread, cakes, and pastries have gradually become an important part of consumers' diets as not only as staple food but also leisure snacks, foods for festivals, and even fashionable lifestyles, becoming the key components of consumers' diet structures. Consumers now expect more from product quality and consumption experience, which drives the diversified and high-end development of the baking industry. These in turn contributes to higher volumes and prices in the baking industry.

(2) Links between the upstream, midstream and downstream segments of the industry



(3) Product development trends and competition

Baking oils and fats, light cream and fillings are the most fundamental materials of production for baking products. Namchow is an upstream supplier that deals mainly with mid- and downstream customers including baking product processing businesses and bakeries that produce products on site. In recent years, the vigorous development of the baking industry in China has also spurred the rapid development of the upstream baking ingredients industry. Apart raw material suppliers that have already achieved economies of scale, the sector is also populated with a significant number of small and medium enterprises. As a result, competition in this sector remains fairly scattered, homogenized and intense.

With the improvement of income levels and changes of consumption concepts, consumers pay more attention to the quality and taste of baked products, which also affects the selection of raw materials by downstream baking enterprises, promoting the market share of medium and high-end baking oils and fats to increase; additionally, as the acceptance of bakery products by Chinese residents continues to increase, the market for bakery products is rapidly expanding from tier-1 and tier-2 cities to tier-3, tier-4, and tier-5 cities, and even villages and towns. In the future, baking ingredient enterprises with broader sales and marketing networks, diversified channels and business development capabilities will enjoy a greater competitive advantage.

(4) Technologies or products successfully developed

Distribution and production of premium baking oils and fats and related products, along with light cream, milk, dairy products, fillings and so forth. Oils and fats products: mixing oils, wrapping oils, liquid oils, filling, oils and fats for Chinese pastry, SFI oil products, and fresh milk products.

(5) Future research and development plans

Product power is core to the Company. In the future, the Company will continue to consolidate its leading position in products. In response to the diversification of the baking channels, the product matrix will be enriched to meet diversified needs. We will also focus on product innovation based on market trends, and maintain product differentiation and competitiveness through product line segmentation, category extension, and customization services.

## (6) Long- and short-term business development plans

### Short-term business development plans

- Improve automated production efficiency to meet diversified market demand: Launch pre-baked products; continue to increase investment in Guangzhou, Shanghai, and Tianjin production sites; expand production capacity for frozen dough, pre-baked, cold-processed pastries, and domestic dairy products. The Chongqing production site will serve as a diversified base that integrates production, logistics, R&D, customer service, and culture for the Company to cover the central and western parts of China, as well as reach the Southeast and Central Asian markets.
- Focus on market changes and accelerate new product introduction: The Company has launched a variety of new products in response to the market trend towards nutritious and healthy baking ingredients, the growing demand for substitution of localized ingredients in the baking industry, the entry of traditional dairy enterprises into the 100% dairy cream market, and the upgrade of plant-based creams. The company also introduced Freshville butter sheets from Belgium to further enrich the Company's dairy product matrix. We will pay more attention to the development and innovation of high-quality baking ingredients to meet the increasingly diversified needs of the market.
- Optimize resource allocation and provide refined services: The sales organization structure will be adjusted in line with the Company's strategic development to improve the efficiency of the sales organization. At the same time, the Company continues to strengthen the development of the sales team to enhance the Company's coverage of the entire baking market.
- Cultivating markets in 3rd and 5th tier cities and expanding distribution channels: The Company has made great efforts to develop distribution channels. We are cultivating channels in 3rd, 4th and 5th tier cities and expanding the proportion of distributor sales.
- Strengthen the functions of the customer service department and further improve the service capabilities for end customers: The Company will enhance its service capabilities for end customers and improve the overall service quality in order to boost customer sales.
- Actively participate in industry exhibitions and progressive brand building: By participating in industry competitions such as "Chinese Pastry", we shall consolidate and expand our brand awareness and influence in the industry. We will also actively explore cross-category and cross-disciplinary cooperation to create higher brand value. Strengthen interactions between customers and the Company through the WeChat Official Account, Mini Programs, Channels and other platforms, and strengthen the consumer awareness of the Company.

### Long-term business development plans

- Continue to develop overseas markets and vigorously development of global business: A number of key tasks have been carried out in the Southeast Asian market, and initial results have been produced. Both Namchow Hong Kong and Namchow Bangkok have continued to grow in terms of revenue. Namchow Bangkok has now started to produce pre-made bakery products locally and is able to satisfy customer demands more quickly and flexibly. Progress has been made on exports of baking fats, whipped cream, and pre-made bakery products. We will continue to participate in large-scale international industry exhibitions overseas to increase the overseas exposure of the brand. In the future, the Company will make the Southeast Asian market its starting point for the expansion of our global portfolio.

- Fulfill the Carbon Peaking and Carbon Neutrality Goals, implement green manufacturing and strengthen ESG work: Namchow has long been committed to green and low-carbon transformation for "promoting the high-end, intelligent, and green development of the manufacturing industry." A Green Low-Carbon Committee has been established for the systematic planning and promotion of green manufacturing. Real-time monitoring, data analysis, and optimization energy consumption throughout the entire production process has significantly improved energy efficiency. Through the active practice of ESG, we provide investors with more transparent and reliable information, present the Company's values to all of society, and ultimately promote the Company's long-term sustainable development.
- Continue to proactively implement corporate social responsibility: "Putting people first" is one of the Company's long-held values. Even as we strive to practice sound business management, the Company also devotes itself to social welfare in a manner that reflects Namchow's firm belief in giving back to society. In the future, the Company will continue to carry out a number of social welfare projects to fulfill its corporate social responsibility. In keeping with our mission of "promoting traditional Chinese culture, preserving traditional Chinese baking heritage", the Company launched the "Han Pastry Renaissance" by establishing "Qiao Bin Jia Craftsman Culture Centers" in Shanghai and Guangzhou. In the future, we will build a Tianjin site and establish the "Han Pastry Cadre Classroom" to cultivate the next generation of Han pastry culture.

## 2. Overview of Marketing and Production/Distribution

### (1) Sale of major commodities:

- Major commodities in distribution: specialized production of baking oils and fats, along with light creams, imported dairy products, frozen dough and fillings under five major product categories that cover more than 200 products. The company has profound experience in production and distribution management. Thanks to its impressive list of brand names and product diversification, the company is aptly equipped to work with customers that focus on different crafts and demands. The Company currently operates four factories in Tianjin, Guangzhou and Shanghai. With advanced R&D capabilities, premium quality management and comprehensive after-sales services, Namchow has successfully established its benchmark image in the baking oil and fat industry, serving customers from all major cities.

Official website: [https : //www.ncbakery.com](https://www.ncbakery.com)

- Sold to: Mainland China.
- Sales model and channels: Direct sales and distribution models. Our direct sales channel is targeted at chain customers with greater brand presence and the food industry. The Company provides such customers with real-time research and development of new bakery products, technical support, personnel training, store operation and management consulting and other additional services to establish long-term and stable cooperative relations; for small and medium-sized customers who are in third and fourth tier cities with poor logistics, the distributor model utilizes distributors' extensive network and influence to expand the market coverage and further enhance the Namchow brand in the baking market. Namchow's sales to distributors are all outright sales. Distributors are regularly graded on their sales volume and behavior. To serve more bakeries, Namchow Food opened its flagship store on Tmall and launched its online retail business. In the future, we will also strive to develop new channels to improve the Company's overall sales.

(2) Future supply and demand and growth on the market:

The baked goods industry in China has grown rapidly in recent years. Changing dietary habits of the residents and the significant improvement of living standards has seen a gradual increase in baking consumption per capita. However, there is still a large gap compared with developed countries and regions so there is room for further improvement. There are currently a large number of small and medium-sized enterprises in the baked food industry, and the quality of baked goods is mixed. Growing consumer expectations on product quality and consumption experience will continue to drive the growth of the baking industry. According to Euromonitor, the compound annual growth rate of the baking industry in China was about 2.1% between 2019 to 2024, which was slower than before. China's pastry market reached CNY 285.3 billion in 2024, and the market is expected to reach CNY 302.6 billion by 2029 so there is still tremendous growth potential.

Overseas expansion is one of the main goals of Namchow's future operations. The Company has officially expanded into overseas markets, and successfully sold baking fats, light cream, and prepared bakery products to Singapore, Thailand, Malaysia, Vietnam, Indonesia and other Southeast Asian countries. A small volume of frozen dough products have been exported to Japan and Canada as well. Although the proportion of overseas sales is still relatively low, continued investment of the Company's resources should see greater growth from overseas businesses. In the future, Southeast Asia will serve as our spring board for establishing a high quality, high standard trading channel that will help the Company unlock our sales potential, and boost Namchow's brand exposure and market share overseas.

(3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

Competitive niche and favorable factors for development prospects

- Namchow is committed to the development of the baking oil industry. Our commitment to integrity and quality is reflected in our brand power.
- The Company's R&D technology has always been at the forefront of the industry, and many products use technology that revolutionize the domestic market.
- The company welcomes outstanding technical talents to bolster its R&D capabilities and is continuing to enhance product differentiation.
- Offer comprehensive consulting services, and establish long-term partnerships with customers based on trust.
- To fulfil our high standards on product quality, we have obtained ISO certification, FSSC22000, HACCP and halal certification at home and abroad. We have also obtained NSF pandemic prevention certification, integrity system certification, RSPO global palm oil sustainable development certification and other certifications.
- We have obtaining the national CNAS laboratory accreditation that provides assurance on quality control, food safety, and quality testing capabilities.
- Product diversity and personalization. Our comprehensive product lines and consistent quality makes us a leader in the industry.

Unfavorable factors for development prospects

- The market environment is changing rapidly and well-known international companies have begun entering the competition.
- The price for major raw materials fluctuates greatly, affecting the gross profit margin and operating profits of products.

- For external sales through distributors, improper management of distributors may hamper product sales and chaos in market order.
- Fluctuations in foreign exchange rates have affected purchase prices for foreign raw materials and products.

#### Countermeasures

- The Company shall continue to implement stringent standards for food safety and provide high quality products to accommodate consumers' needs.
- The Company shall cultivate baking markets in third and fourth tier cities along the high-speed railway to expand market share.
- We will leverage our strong R&D capabilities to strengthen product lines and respond to the trend towards market diversification.
- Changes in consumption trends make pre-made bakery products popular.
- Operate online store in respond to the rise of home baking and cooking to expand our customer base.

#### (4) Purposes and production processes of main products

- We supply products used in the baking, restaurant, and beverage industries for making all kinds of baked products including bread, cakes, Western and Chinese pastries; and catering-related products such as milk frothing, thick milk, and cheese.
- Production process: The specific production process of baking fats varies depending on the type of product, but it generally includes basic steps such as raw material selection, pretreatment, mixing, heating, cooling, packaging, and quality control.

#### (5) Supply of main raw materials

The most important raw materials for oils and fats are palm oil, coconut oil, soybean oil, butter, and rapeseed oil, all of which are bulky raw materials on the international market, whose supply and demand at the source are under close control by related units to make sure that they are imported by schedule. Main raw materials for oils and fats are highly affected by the abnormal global climate; there is minimal control over them. However, the Company is able to keep abreast of the latest market information and make timely purchases, so that the purchase cost and inventory of raw materials and oils and fats can be effectively and reasonably controlled.

#### Frozen Dough in Mainland China

#### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

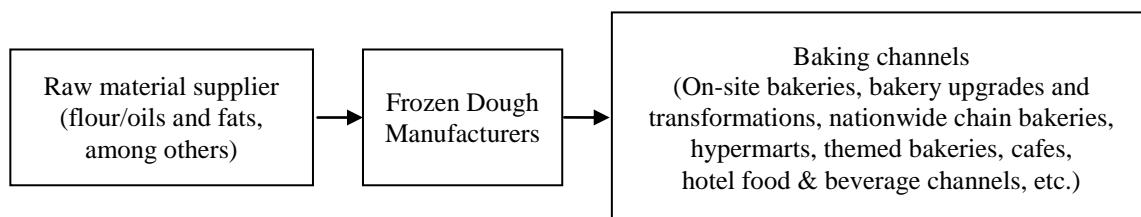
##### (1) Overview of the industry and developments

With the rapid upgrade of the consumer market in China and great maturity in consumers' usage behavior of baked goods, "freshly baked" is no longer sufficient for consumers. The main driving forces are consumption upgrade and the preference of young people for baked goods. Demand from breakfast, afternoon tea and casual snacks in particular has increased. There is now a trend towards greater sophistication and variety in the quality and volume of baked goods. In order to improve product quality and reduce labor costs, restaurants prefer "pre-made baked goods" that are quick to serve, simple, and easy to use. Pre-made baked products have become the blue ocean of the baking industry.

Namchow is leveraging its comprehensive expertise in raw materials and production techniques to align itself with market demand and expand baking product offerings. We are

expanding beyond chain bakeries to target consumer stores such as cafes, tea shops, restaurants, membership discount stores, supermarkets, convenience stores, and home baking. As labor costs, technology, and capital requirements continue to grow, the demand for pre-made baking products will continue to rise.

(2) Links between the upstream, midstream and downstream segments of the industry



(3) Product development trends and competition

For many years, Namchow has insisted on providing customers with quality products. From the strict selection of raw materials and food ingredients to the continuous improvement of production technology, more than 100 frozen dough items have been developed so far. Be it basic dough or shaped dough produced through complicated processes, Namchow has strived to invest in their development and production to meet the demands of the market and customers. To meet the need of different types of customers, it provides them with diversified products. Together with customers in all walks of life, we purchase all necessary products at one time and are creating a complete series of bakery products.

(4) Technologies or products successfully developed

There are nearly a hundred frozen dough products available at present. They are divided into the following market and consumer-based categories: Pineapple bun, Danish, croissant, puff, yudane bread, Chinese desserts, soft European, Danish loaf, Mastercraft dough, Western desserts, and bagel products. Responding to different customer requirements, the frozen dough products have been developed from basic frozen dough to frozen bread, in many forms. The supply of products meeting the customers' needs may depend on the baking environment, equipment and human resources of end customers.

(5) Future research and development plans

- Items will be differentiated on the basis of existing products to get closer to the market evolutions: Products will be designed so that they will have various stuffings, unique stuffings and exciting styles and flavors. Products will be arranged to satisfy the requirements and tastes of consumers.
- Research and development of new products will focus on Chinese cuisine: With the rapid development of the concept of “Chinese pastry renaissance”, dim sum with flavors unique to every region will be developed to pass on the features of traditional cake stores and drive the development of gift market.
- Accelerating the development and application scenes of pre-baked products: The coffee and tea beverage industry is still in a period of rapid development with consumers born after the 1980s and 2000s as its main consumers. Mainstream markets now emphasis on diversity, appearance, socializing, and function. The key to expansion in this market is products that can be served quickly and efficiently. Considering that the hypermarket, supermarket and some catering business are without professional bakers, we develop more convenient pre-bakery products in addition to the diversity, creativity, and fast delivery of the bakery products.

## (6) Long- and short-term business development plans

### Short-term business development plans

- Expand the depth and range of bakeries, upgrade and transform bakery operations, and establish the foundation for long-term development: Focus on the image of "freshly baked" and demonstrate the advantages and value of pre-made baked products. Adopt the expansion strategy of one store per one city and replicate business model to all parts of the country. We are also working with customers to plan cold chain equipment and product lines for more in-depth cooperation and development
- Seize the retail bakery business opportunity: For customers who prioritize efficiency per square meter, we provide convenient pre-made bakery products. At the same time, the Company will target the shelves for freshly baked goods at boutique supermarkets and new retailers to accelerate our expansion and acquisition of new customer sources.
- Develop customers in the coffee, tea, restaurant and hotel industries: Cooperate with medium and large leading chain brands to jointly develop products in line with brand positioning. Establish benchmark for cooperation to stimulate market effects.
- Global market strategy: To promote Namchow's bakery products to the world, we will target the emerging blue ocean markets along the "Belt and Road". Even as strengthen our domestic production and supply chain, we have begun positioning ourselves in Southeast Asia and set up a Bangkok office in Thailand to expand international business.

### Long-term business development plans

- The introduction and use of pre-made dough is an inevitable trend in the diversified baking market. Many bakery operators are eager to invest in frozen dough factories to produce their own products. Namchow's operations in China has long targeted small and medium-sized chain customers. Introduction by leading chain customers was prioritized to establish working business models so accelerate small and medium customers' understanding and use of pre-made baking. Retail hypermarts, hotels, restaurants, and coffee & tea businesses have always been a key business segments for Namchow's mid-to long-term development. Competition has intensified as large chain coffee & tea brands enter the bakery business. Control of leading brands is essential to be a player in the market. Namchow tailors products to meet the needs of customers. For the development of new forms of business, we progressively build the trust of customers in new channels and create a win-win situation for the industry.

## 2. Overview of Marketing and Production/Distribution

### (1) Sale of major commodities:

- Main products sold: The main products sold include the Pineapple Bun series, Danish series, Croissant series, Puff pastry series, Yudane Bread series, Dessert series, Soft European series, Danish Loaf series, and Mastercraft Dough series. The Bagel series is a new range exclusively sold through Namchow China.
- Sales region: China, Northeast Asia, North America, Oceania, Middle-East.
- Distribution form: B2B.
- Distribution channel: Chain on-site bakeries, upgraded and transformed bakeries, new-style Chinese pastry stores, hypermarts, coffee, tea beverage & bakeries franchise, hotel food & beverage channels, etc.



(2) Future supply and demand and growth on the market:

- As the market for bakeries continues to grow and trans-industry enterprises continue to enter the market, chain on-site bakeries are now coming under constant pressure making product power is now the key to expansion: According to the data available on [www.askci.com](http://www.askci.com) and on [www.chinabaogao.com](http://www.chinabaogao.com), the overall growth rate of the food industry in China is not as high as before, and is maintaining parity overall GDP per-capita in China. The baking market is continuing to grow but development is becoming polarized. Constantly climbing overheads including raw materials, manpower, rent, utilities, coal, and so on is creating even greater challenges for bakery operators. Brands with a robust foundation will be able to grow quickly while brand-name bakeries with poor constitution will be removed from the market.
- It takes 4 to 7 years overseas to train a qualified baker. Not many young people want to work in the baking industry and has caused a shortage of bakers. The frozen dough process is now therefore quite widespread in many countries and regions. The global market value of frozen dough is expected to exceed USD 27 billion in 2025 (including USD 8.35 billion in North America, USD 7.73 billion in Europe, USD 6.93 billion in Asia, USD 2.4 billion in Latin America, and USD 2.14 billion in the Middle East and Africa). In addition to the development of China's frozen dough market, we will also target the Western Chinese-speaking and Muslim markets.
- Production model are transitioning from traditional manual production to industrialized production: As the baking industry continues its rapid growth, so have regional and local chain bakeries. The shortage in manpower has also become more and more common. Meanwhile, labor costs are surging. The labor-intensive traditional production model can no longer keep up with rapid corporate developments. Corporate production model began industrializing with constant investments in large factories and equipment. The huge investments in industrialized equipment not only posed challenges in terms of funding but also in software and management issues such as talent training, quality stability, refrigerated delivery to retail shops and the transition of store business models. These are the challenges that have to be dealt with when businesses are being industrialized.
- Trend towards freshly baked products and rising terminal baking price: Freshly baked bread is particularly popular among consumers. Bread in traditional packaging is gradually dying out. This means that bakeries or cafes with freshly baked products are gaining the upper hand compared to stores based fully around central kitchens in recent years. Freshly baked products is now the consensus among an increasing number of bakery operators. The improved income and lifestyle of consumers have made consumers more concerned about the tastiness and quality of baked products. The increased operating cost for baking retailers contributes to the constantly climbing terminal prices for bakeries. Baking businesses in China recognized the consumption trend towards freshly baked products and attempted to make the transition. They failed to implement high-frequency baking and frozen dough for all products however so the quality at many bakeries did not add actual value. In other words, the operating model for pre-made dough and the diversification of freshly baked products still require education in order to improve.
- Increased demand from consumers and governments for healthy and safe foods: Because of the increasing awareness among consumers, customers must choose products and suppliers with high health and safety criteria and requirements. Transparency of and control over the composition has been one of the requirements of customers for their suppliers for the past few years.

Namchow sensitively captured the industrialization trend of the baking industry in Mainland China and the challenges and opportunities for the businesses during industrialization and became the first to invest in prepared dough factories in Mainland China that help smoothen the industrialization process of baking businesses; it will continue to lead in the market by introducing diversified products and working together with baking practitioners to push growths in the baking industry.

- (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

#### Competitive niche and favorable factors for development prospects

- Internationally certification (ISO9001, ISO22000) for assurance of consistent quality.
- We obtained certification from the Islamic Association of Tianjin Binhai New Area and the international Halal certification (SHC HALAL Shandong Halal certification, MUI Indonesia HALAL certification), to be fully prepared for the global the Muslim market of 1.9 billion people.
- Rich experience in producing frozen dough, controlling and getting insights of the baking market, and outstanding research, development, and production capabilities.
- Omnipresent services from back office to the front stage to provide customers with comprehensive solutions. There is an in-depth understanding of the customer's operational model and cold chain status. Tailored professional consultation-based marketing is reflective of the conditions of different customers and the different business development stages, which not only brings about demand for commodities for customers but also provide customers with training on how to promote products, retail services, and help customers increase their baking competitive advantages for mutual growths.

#### Unfavorable factors for development prospects

- Overhead including the cost of raw materials, manpower, and rent surged to make the situation worse in the baking market.

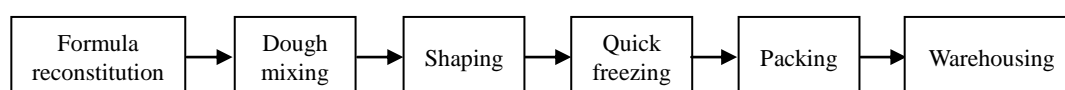
#### Countermeasures

- Customers are provided with the needs to develop new products and apply the baking technique to become a loyal partner of customers while they run bakeries.
- Assistance is provided to customers while they maximize operational and management aspects and enrich product lines.

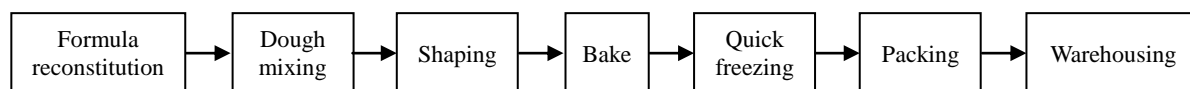
- (4) Purposes and production processes of main products

- Frozen dough: frozen semi-finished products that fall in the bread category. With the designed bread made into frozen dough, customers (store owners) only have to thaw, ferment, and bake it and fresh-roast bread or desserts are ready to serve (to the consumers).
- Pre-baked: The frozen finished products of bread. Bread products are made to be ready to eat. The baked products are flash frozen for storage, and then reheated or thawed when needed.

Production process of frozen dough:



Pre-baked bread production:



#### (5) Supply of main raw materials

The main raw materials for frozen dough are oils and fats, wheat flour, yeast, sugar, eggs, and various fillings. In light of the underlying thresholds and restrictions in the acquisition of raw materials in Mainland China, Namchow sets higher requirements and is more cautious with the raw materials it obtains in order to have consistent high quality. It only chooses QS certified suppliers.

- Oils and fats: The Company supplies oils and fats tailored the production of frozen dough and that can be used in food processing. Unique oils and fats can be tailor made to product features and production requirements.
- Wheat flour: Imported and domestic quality wheat is used to produce the special wheat powder that is suitable for frozen dough. At least two suppliers of wheat powder are used to ensure a steady source of raw materials and quality of products.
- White sugar: Quality white sugar is used to ensure food sanitation and safety.
- Eggs: The eggs are from quality suppliers with a HACCP process and meeting food sanitation and safety requirements.
- Various stuffings: Quality stuffings suppliers meeting national specifications are chosen. Quality stuffings are mixed and produced. At the same time, we combine the company's comprehensive raw material resources to develop our own unique fillings and apply them to various products.

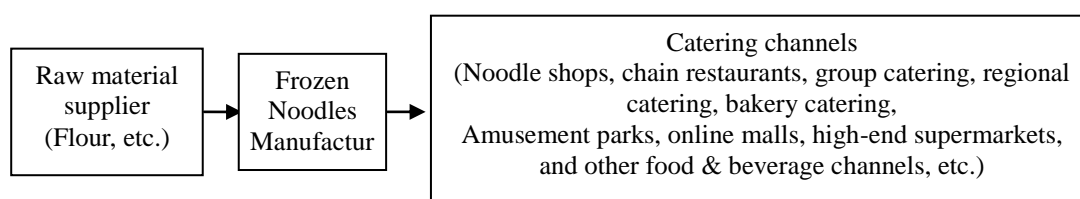
#### Frozen Noodles in Mainland China

#### 1. Overview of the industry, technology, and R&D, as well as long- and short-term business development plans

##### (1) Overview of the industry and developments

The Chinese domestic economy rebounded quickly and people's living standards are steadily returning to normal. The pace in life has picked up as well raising people's expectations on their diet. Consumers require higher standards for food hygiene and safety, seeking healthy, tasty, and high-quality food. For dining service providers, they must not only satisfy consumers' requirements for food safety but also further enhance the operation efficiency in order to satisfy consumers' needs. Namchow intervened in the current business model and needs of the food & beverage market at the right time. By leveraging our rich experience with professional noodle production and extensive resources, we are committed to providing the market and consumers with specialty noodles that are safe and satisfy their requirements. We will also engage in continued co-development with food & beverage operators.

##### (2) Links between the upstream, midstream and downstream segments of the industry



### (3) Product development trends and competition

As consumers have increased dietary requirements, dining businesses have also come to realize that only fresh, delicious, and quick food with continuous innovation is the most satisfying for consumers. As such, the traditional hand noodles are gradually dying out and being replaced by refrigerated or frozen noodles that are as fresh as they are made on the spot. In order to meet the needs of today's food & beverage market, many noodle brands are actively transitioning to produce pre-cooked noodles to break free of traditional constraints. This naturally led to the development of pre-cooked noodles that are easy to operate with. Namchow Frozen Noodles is also constantly researching and developing new frozen noodles; more than 20 products are now available to better satisfy the needs of different channels and food & beverage business models.

### (4) Technologies or products successfully developed

There are many types of frozen noodle products now available. These can be divided into the following market and consumer: Chinese noodles (including Butterfly Noodles, Chinese hand-pulled noodles, sliced noodles, noodle sticks, etc.) ; Japanese noodles (including Udon, Daizen ramen, soba noodles, etc.); and Western noodles (including spaghetti and specialty pasta)

### (5) Future research and development plans

Developing professional and good authentic features in all respects. Various types of noodles using regional special ingredients as raw materials have been introduced; claims for healthy, safe, differentiated and beautiful.

### (6) Long- and short-term business development plans

#### Short-term business development plans

- We will focus on Shanghai and expand into food & beverage customers in eastern China. Target customers include: food & beverage channels, retail OEM processing and cooked food, amusement parks, professional noodle shops, high-end supermarkets, and online e-commerce, etc. We will establish and expand successful business models in order to identify more potential target customers in the food & beverage industry. At the same time, international trade shows and Namchow resources will be leveraged to expand the export market. We know that the Halal demographic accounts for one-quarter of the global population. Indonesia, India and other countries are home to the largest Halal populations in the world. We will take advantage of tariffs to prioritize Southeast Asian markets such as Indonesia, Singapore and Malaysia, and actively participate in International food shows with an emphasis on developing overseas business opportunities in RCEP countries and expanding the overseas market for frozen noodles.

#### Long-term business development plans

- The application of frozen noodles in the food & beverage market has become a trend. Aggressive expansion of chain restaurant brands means the corresponding demand for frozen noodles is growing everyday as well. Once a successful business model is established in the short term, we will focus on a phased strategic roll-out that targets leading chain customers to build up word of mouth in the market. We will then expand to other key first- and second-tier cities with regional economic development. As the business evolves, the frozen noodles production site established in Shanghai will also be expanded in line with the long-term business strategy. Our goal is become a leading national manufacturer with the most comprehensive coverage.

## 2. Overview of Marketing and Production/Distribution

### (1) Sale of major commodities:

- Main products sold: Chinese noodles and Japanese noodles. Udon and Farfalle form mainstream market segments.
- Sales region: China, Indonesia, Korea.
- Distribution Pattern: B to B, B to C.
- Distribution channel: Food & beverage, closed, export, e-commerce.

### (2) Future supply and demand and growth on the market:

- As the market for noodles continues to grow, brand power is the key to expansion: The constantly climbing overhead, including raw materials, manpower, rent, utilities, and coal, among others, is posing sterner challenges for the managers. Steady quality, recognized texture, and realization of brand value have become the primary management principles in the dining industry. This is also where differentiation begins to create industrial value.
- Production model transits from traditional artificial production to industrialized production: The quick rise in the cost of manpower has made the traditional mainly manpower-based production model no longer adaptable to the rapid corporate development. Meanwhile, there are many software and management issues to be addressed, such as talent training.
- Increased demand from consumers and governments for healthy and safe foods: Because of the increasing awareness among consumers, customers must choose products and suppliers with high health and safety criteria and requirements.
- Convenience is trend: The popularity of deliveries over the past two years has contributed to the growths in dining businesses. Therefore, faster meals and more stable shipping quality are the main elements of market development.

We are aware of the development trends in the Chinese food & beverage industry, as well as the challenges and opportunities for businesses during the process. We will continue to invest in frozen noodles factories in China and continues to guide the market to introduce diversified products. We will supply businesses and consumers with even more safe and tasty products to jointly promote growth in the food & beverage industry.

### (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

#### Competitive niche and favorable factors for development prospects

- The frozen noodles factories have obtained the international quality system certifications (ISO9001/ISO22000) and a number of international food safety system certifications (HACCP/SQF/FSSC22000) for consistent quality and assurance.
- With more than 20 years of experience in manufacturing noodles, we have an in-depth understanding of the food & beverage market. We also boast extraordinary R&D and manufacturing capabilities.
- Total services to provide customers with total solutions. Professional consultation-oriented marketing is provided to customers reflective of their different conditions and business development stage to help them improve their competitive advantages.

#### Unfavorable factors for development prospects

- Overhead including the cost of raw materials and manpower and the stricter food and safety laws and regulations each day are posing sterner challenges for food manufacturers.
- Competing products have also begun to emerge in response to the increasing market potential.

#### Countermeasures

- We will continue to create differentiation value by supplying customers with new products, new value-based management concepts, and product solutions.
- We will help customers expand their business management and enrich their business offerings through our extensive product lines.

#### (4) Purposes and production processes of main products

Supply food & beverage products that satisfy the diverse needs of various food & beverage business models. Noodles are manufactured using advanced imported equipment that duplicate the hand-made process. The noodles are quickly frozen after being cooked to lock in their deliciousness.

### Gastronomy Business in Mainland China

#### 1. Industry overview, technology and R&D overview

##### (1) Overview of the industry and developments

In 2024, weak demand and external changes in the Chinese economy led to the government adopting a number of policy measures to stimulate recovery. Despite the decline in the industrial sector, the service sector remained resilient, and infrastructure investment underpinned the economy. Real estate and consumption gradually recovered. Export growth was supported by emerging markets (Middle East, Latin America, Russia, and ASEAN countries), but the global economic environment remained uncertain. There will continue to be downward pressures on the economy.

##### (2) Product development trends and competition

The poor economic environment in 2024 will have multiple impacts on the catering industry: The food & beverage market is saturated, and competition is cut-throat; Consumers have less disposable income, impacting on the frequency of dining out and spending power. In addition, fluctuations in the price of agricultural products, rising meat prices, and changes in the prices of basic ingredients such as edible oil have led to higher raw material procurement costs; the food & beverage industry has an ongoing labor shortage, increasing the cost of employee recruitment and retention. BLN Restaurants & Caterings weathered the storm in 2024 even as it invested in the construction of the Paulaner and BAKTRO mit laib & seeler, which opened their doors on September 27, 2024.




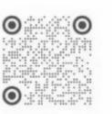


##### (3) Long- and short-term business development plans


Consolidate existing brand advantages and continue to increase investment in brand development and construction. Craft specialty products and services that will further enhance our brand influence and secure a loyal customer base. At the same time, as young consumers have gradually become the main force in the consumer market, the Company will actively develop young customers and continue to inject fresh energy into the brand.

## 2. Overview of Marketing and Production/Distribution

### (1) Sales region of main products:

- Food & beverage services for consumers.
- Location: Shanghai, China.
- Brands and business locations:

	Brand	Location
	<p align="center"><b>BLN Restaurants &amp; Caterings</b></p> <p>BLN Restaurants &amp; Caterings. was established in 1996, to present all aspects of the traditional Bavarian lifestyle to the public. It created a new dining trend in Shanghai while maintaining the traditional Bavarian style. BLN Restaurants &amp; Caterings has three stores located on Binjiang Avenue in Pudong New District; on Pier No. 1 Platform in Maritime Park on the North Bund in Hongkou District; and BAKTRO mit laib &amp; seeler in Xuhui District.</p> <p>Paulaner Binjiang Branch opened for business on May 21, 2003. The restaurant is ideally located next to the Lujiazui Financial District in Pudong along the Huangpu River, and offers a panoramic view of the historic Bund.</p> <p>The Paulaner North Bund branch, which opened in April 2020, offers unparalleled views of the Bund and the towering Lujiazui buildings at the same time.</p> <p>On September 27, 2024, BLN Restaurants &amp; Caterings opened a new store in the West Bund Dream Center, a fashionable shopping district on the Binjiang riverside, surrounded by art galleries, concert halls, sports venues and office towers. The outdoor area of the restaurant offers unobstructed view of the Pujiang River. BLN Restaurants &amp; Caterings is an ideal place for hosting business banquets, family feasts, or get-togethers between friends to enjoy great food and drink.</p> <p>BLN Restaurants &amp; Caterings serves authentic traditional Bavarian and international cuisines. There is of also Paulaner Beer, brewed fresh by German brewers locally. The restaurant also offers German cultural experiences, all types of banquet services, branding events, and catering services to satisfy the needs of different customers.</p> <p align="center">微信/小红书/微博/大众点评</p> <div align="center">     </div> <p align="center"> <small>微信小程序 WeChat Mini-Program    微信公众号 WeChat Account    小红书号 PaulanerSH    微博号</small> </p>	<ol style="list-style-type: none"> <li>1. Binjiang Store</li> <li>2. Shanghai North Bund store</li> <li>3. Xuhui West Bund Dream Center</li> <li>4. National Convention and Exhibition Center Store</li> <li>5. Expo Centre Store</li> </ol>
	<p align="center"><b>Baktro Bakery Bistro</b></p> <p>BAKTRO Bakery Restaurant skillfully combines the art of traditional baking with the dynamism of world cuisines. BAKTRO has two stores in Shanghai, both located by the Huangpu River. The contemporary interior designs create a</p>	<ol style="list-style-type: none"> <li>1. Shanghai North Bund store</li> <li>2. Xuhui West Bund Dream Center</li> </ol>

	Brand	Location
	<p>quiet and relaxing atmosphere in the hustle and bustle of the city. BAKTRO is the ideal choice for meeting friends, colleagues or family.</p> <p>BAKTRO selects fresh ingredients from various regions to produce a rich variety of freshly baked bread, cakes and classic German baking to satisfy the taste preferences of modern urbanites and the taste buds of food lovers. Brunch, lunch and dinner menus are inspired by cuisines from the Mediterranean, Asia and around the world. Delicious food is paired with curated wines or skillfully mixed cocktails to complement each other. BAKTRO strives to deliver outstanding quality in every presentation.</p> <p>BAKTRO is committed to bringing you healthy, diverse, and freshly prepared delicacies. It is constantly exploring new flavors and textures to continue providing you with a surprising and pleasant dining experience.</p> <p>WeChat/Little Red Book</p>  <p>微信公众号 WeChat Account      小红书号 BAKTRO 烘焙体验馆</p>	

(2) Future supply and demand and growth in the market:

BLN Restaurants & Caterings. is a food, beverage and cultural enterprise established by Taiwan's Namchow Group in 1996 in Xuhui District, Shanghai, nearly 30 years ago. The Company is committed to the development, realization, inheritance and management of the food integrated with culture; it is a well-known food & beverage enterprise that has maintained steady growth. Its restaurants combine the humanities and history to embody the essence of international culture and creativity. The food & beverage business operations are currently divided into two major brands; PAULANER and BAKTRO Bakery Bistro; these aim to develop a sustainable development model that embraces diversity, systems, and profitability. There are currently 3 Paulander branded restaurants, 2 Paulaner branded exhibition stores, and 2 BAKTRO branded bakery bistros; the Paulaner Restaurant West Bund Dream Center store and BAKTRO West Bund Dream Center store started operations on September 27, 2024.

Food & beverage market trends in 2025 include:

- Consumption trends: Extreme price/performance ratio continues to be the favor of the month; emotional value is becoming more important; the demand for healthy nutrition is strengthening.
- Experiential and themed management.
- Chinese-foreign fusion and original cuisine.
- Balance of quality and specialty.
- Healthy dining and balanced nutrition.
- Greater segmentation of markets and personalized services. Different populations have different consumption needs. For example, business customers value ambience and



appearances; family customers focus on dining space, environment, and menu variety; young people value rare, unusual, and distinctive elements that can be photographed and shared on the social media; seniors expect more in terms of nutrition, health, and digestibility; sub-communities such as cartoon enthusiasts and pet owners also have unique needs.

- Brand synergy strategy; meet consumers' diverse needs for products (e.g. Paulaner + BAKTRO)

Starting in 2024, the Chinese government has begun to issue consumer vouchers to effectively stimulate consumption. The government is continuing to disburse dining vouchers in 2025 and have actually boosted the giveaways. These dining coupons directly reduce the financial burden on consumers, increase the consumption conversion rate, and encourage the public to dine out more. Its main purpose is to help with the recovery of the food & beverage market. It also generates more customer traffic for restaurants and have played a positive role in promoting the development of the catering industry. However, despite the positive impact of consumer coupons, in the current market environment means that the market competition is becoming increasingly fierce. It is difficult to build long-term and stable customer loyalty through promotional activities such as consumer coupons alone. To realize long-term development, restaurants still need to work hard to improve the quality of dishes, optimize service standards, and create a unique brand culture.

In a climate of declining consumption, consumer expectations on quality and experience are actually rising instead of falling. The Paulaner brand has nearly 30 years of experience in Shanghai and has accumulated strong brand recognition, which is undoubtedly a significant advantage. This is why BLN Restaurants & Caterings needs to be even more diligent and down-to-earth when it comes to enhancing its core competitiveness.

- (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

#### Competitive niche and favorable factors for development prospects

- Well-known brand image.
- Restaurants are located in the most scenic parts of Shanghai. (Lujiazui Riverside, North Bund and Xuhui West Bund Dream Center)
- Provide Paulaner fresh-brewed beer and Bavarian food culture experience
- Baktro Bakery Bistro
- Customized banquet/catering services.
- Integration of Group resources and making the best of the Group advantages.

#### Unfavorable factors for development prospects

- The cost of ingredients, rent, human resources, and management are all skyrocketing.
- Fierce competition on the Western-style dining market.
- Changing dining habits and proliferation of professional food & beverage delivery service apps.
- Larger restaurants are more difficult to maintain.

#### Countermeasures

- Continue to create the exclusive value in the food & beverage market.
- Integration of Group resources and making the best of the Group advantages.

- Take advantage of online social media resources to increase operating efficiency and competitiveness.
- Develop the market for private or corporate catering.
- Adopt quality pre-packaged/semi-finished products when appropriate to save on manpower and increase profits
- Managers working and pulling together to accomplish the mission.

#### (4) Supply of main raw materials

- Providing freshly made meals and catering service.
- Providing subordinate restaurants with consistent semi-finished products applying the central kitchen idea to reduce costs and expenditures.

### **Namchow Thailand Business**

#### 1. Industry overview, technology and R&D overview

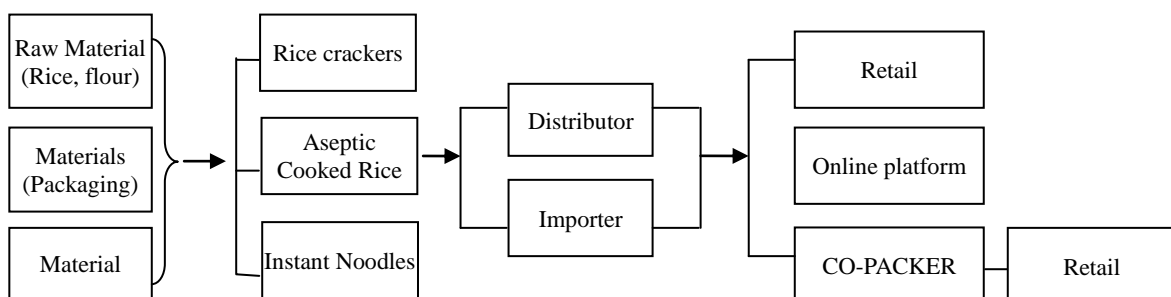
##### (1) Overview of the industry and developments

Namchow Thailand is a food manufacturer. Main products initially consisted of noodles and rice crackers. A variety of rice snacks, retort pouches, aseptic cooked rice, and crispy French toast were later developed. The ratio of self-owned brands and OEMs products was 13:87. Processing for frozen dough (FD) and pre-baked (RB) products from Namchow were added to its services from 2023 onwards. In 2024, the Company focus on the development and market positioning of seasoned rice and functional rice, to provide healthy Ready to Eat rice products for people with diabetes, kidney disease and the elderly.

##### (2) New products planned for development

After 35 years of pioneering development, Namchow Thailand's factories are now at full capacity. In 2018, we planned to invest THB 5 billion on new construction over five years. After the pandemic, we immediately invested in the construction of the 4th and 5th production lines to expand our operations in the global, ASEAN and local Thai markets. In addition to expanding existing product lines and developing new packaged foods with potential, we have laid the foundation for our centenary plan. In addition to developing the core oils & fats and frozen dough businesses in 2023, Namchow began developing extrusion baby rice crackers and popped rice crackers in 2024. Samples have been delivered and new products are expected to be launched before the end of the year. The Company is also actively developing foods suitable for senior citizens with an emphasis on health to satisfying the needs of consumers.

##### (3) Links between the upstream, midstream and downstream segments of the industry



#### (4) Product development trends and competition

Due to the changes in market distribution channels, in addition to physical channels, online sales have risen rapidly as well. In Thailand alone, the domestic online market sales have multiplied, and it is expected that 2024 to be even more explosive. In China, the company has ventured into the arena of international e-commerce distribution back in 2020, and relevant operations are steadily growing. Even as competitors constantly launch new products, we have established an online sales platform in the ASEAN market to seize new sales opportunities. Namchow (Thailand) has also established long-term partnerships with upstream and downstream partners and sales channels. Building a win-win outcome based on mutual trust and benefit is fundamental to our relationship with customers.

#### (5) Investment or development projects:

- Phase 2 of the solar power program plans to add 1.08MW and the third phase plans to add 1.05MW. 3.41MW of green power will be generated next year
- Addition of non-Halal factories; addition of frozen dough production line
- The production line of toasted rice cracker crisps is now in operation. It is also combined pre-baked products to increase product options.

#### (6) Future research and development plans

Rice-based recreational foods are gluten free and non-GMO to make them able to meet modern consumers' demand for staying healthy. They have started to gain prominence and become more and more acceptable as a mainstream product in the western markets, as suitable products can be developed for babies, women, men and old people. Namchow Thailand will establish the research center of rice cracker, to accelerate the development of rice cracker products.

In addition, we will continue to focus on carbon reduction, plastic reduction, sustainable development, and social responsibility practices to ensure compliance with Thai and international regulations, while enhancing corporate competitiveness. Key projects include the preparation of ESG report, acquisition of ISO 14064-1 corporate carbon inventory certification, assessment of industrial low-carbon fuel transformation, expansion of renewable energy application to reduce emissions, promotion of plastic reduction and sustainable packaging solutions, as well as the promotion of local development through community engagement projects to further enhance the environment and our influence.

#### (7) Long- and short-term business development plans

Having taken stock of Namchow Group's products and business ability, we now plan to combine the products and operating abilities of Namchow Taiwan, China and Thailand to introduce Namchow China's frozen noodles, frozen dough, ice cream and other products to Thailand, and Namchow Thailand's rice crackers and instant noodles local markets through trilateral trade between Namchow Taiwan and China. Namchow (Thailand) has introduced Duroyal frozen noodles to Thailand for B2B and B2C sales. Progress is already being made.

Since January 1, 2016, the "0" tariff policy has been enforced in the ASEAN 10 + 3 countries. There are no longer tariff barriers for goods moving between China and Thailand. Namchow Thailand is working with Namchow China to develop baby rice crackers, casual rice crackers and instant noodles under its own brand name in the Chinese market. In 2024, we will combine cross-strait products for cross-marketing and expand the ASEAN market. Rice cracker production line with increased output and lower manpower requirements, capable of producing multiple types of products will start mass production in 2025.

## 2. Overview of Marketing and Production/Distribution

### (1) Sale of major commodities:

The market share of products supplied by Namchow Thailand in the major markets is as follows:

- Instant cup and bowl noodles in Australia: 60%
- Rice crackers in Australia: 30%
- Australian Aseptic Cooked Rice Business: 40%
- Rice snack (except Arare) in Europe: over 85%
- Rice crackers in the Chinese market of North America: over 50%
- Mainstream baby rice crackers of North America: 70%
- Mainstream rice crackers in the U.S. market: 30%
- Rice crackers in Singapore and Malaysia markets: over 40%

### (2) Future supply and demand and growth on the market:

Since 2015, the Company has been actively developing the "ASEAN Operation Center" for the ASEAN market. The Center aims to expand the ASEAN and neighboring markets for private labels. ASEAN's population of 6 million as well as almost 100 million people nearby parts of China forms a huge market with tremendous potential. The Company entered the Myanmar market in 2014. Rice crackers and instant noodles are now available in supermarkets in Myanmar. Meanwhile, thin rice crackers and baby rice crackers entered the market in China. In 2016, Namchow (Thailand) entered the markets of Cambodia and Laos. We are making ASEAN our base for global expansion. Distribution bases will be set up in Indonesia and Vietnam in 2024 to expand business in South America and Africa.

### (3) Competitive niche and favorable and unfavorable factors for development prospects and countermeasures:

#### Competitive niche and favorable factors for development prospects

- 60% of Namchow Thailand's products are various rice crackers. Thailand is a big rice producer, and high-quality jasmine rice is the most popular. Being close to the source helps to secure our raw material and price advantage.
- With more than 30 years of experience in Thailand, Namchow has mastered key production technologies and has become a professional manufacturer of rice products.
- Customers' trust in quality and the joint development of various new products for decades have established a solid win-win cooperation model.

#### Unfavorable factors for development prospects

- In 2022, the Russia-Ukraine War led to higher energy and food (e.g. flour) prices.
- In 2023, Houthi attacks on merchant shipping in the Red Sea caused shipping rates to soar and affected the delivery of goods by sea freight.
- Inflation continued to worsen in major industrialized countries in 2024, which may affect global economic growth and reduce market demand.
- The Trump administration's tariff policy may increase the pressure on exports to the US.

### Countermeasures

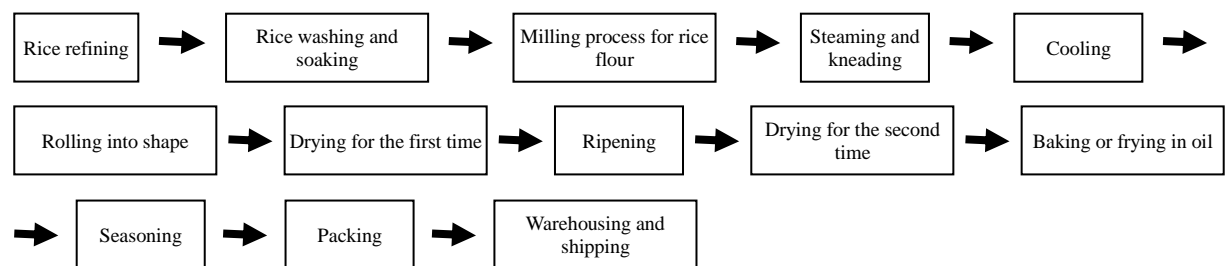
- Namchow Thailand is strengthening the development of new products with market partners to maintain continued growth of sales and profits.
- Increase sources of raw materials; work with customers to reduce costs and overcome difficulties.
- Reduce the risk of concentration and evaluate the possibility of setting up overseas factories.

#### (4) Purposes and production processes of main products

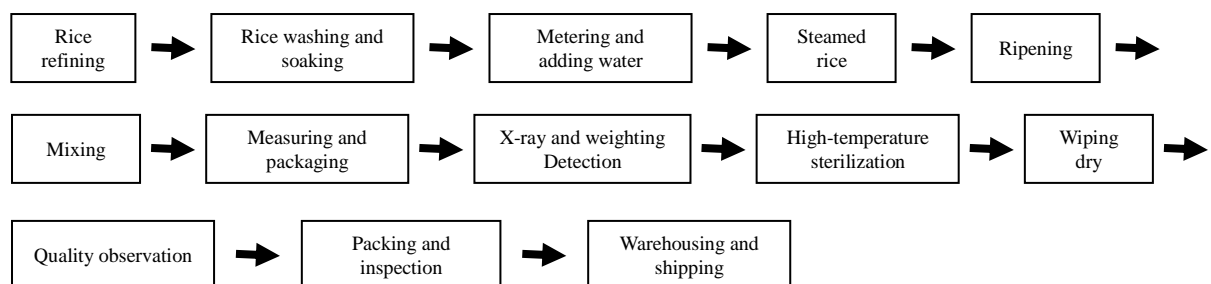
The main products are rice crackers, instant noodles, rice, instant rice porridge, and crispy bread, which are sold to distributors or agents for the domestic or export markets.

Production process:

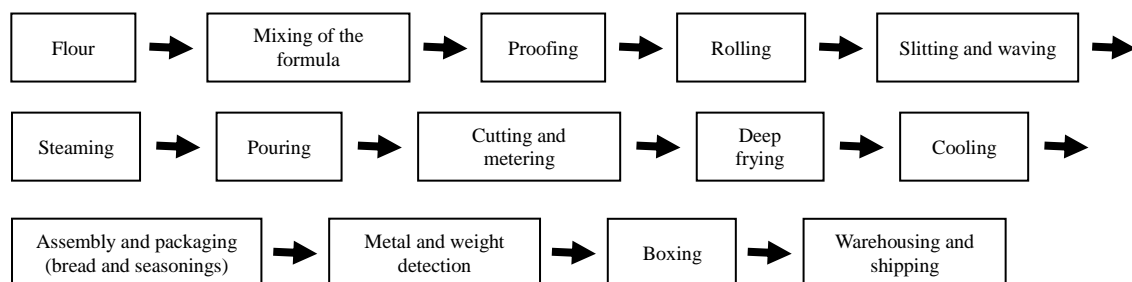
##### ① Rice crackers



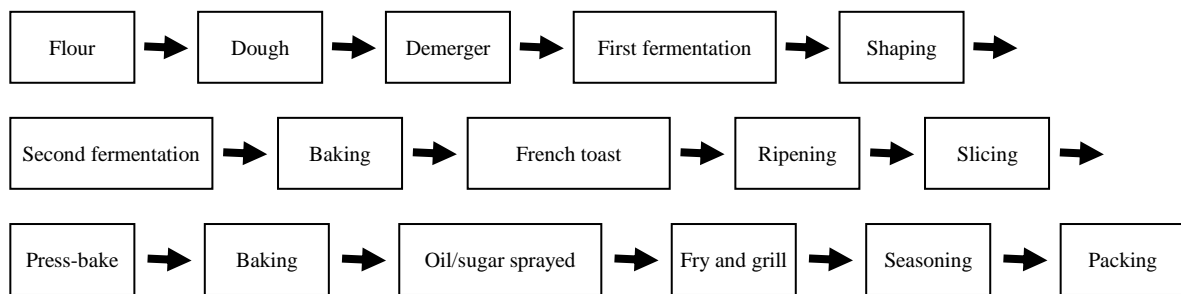
##### ② Aseptic Cooked Rice



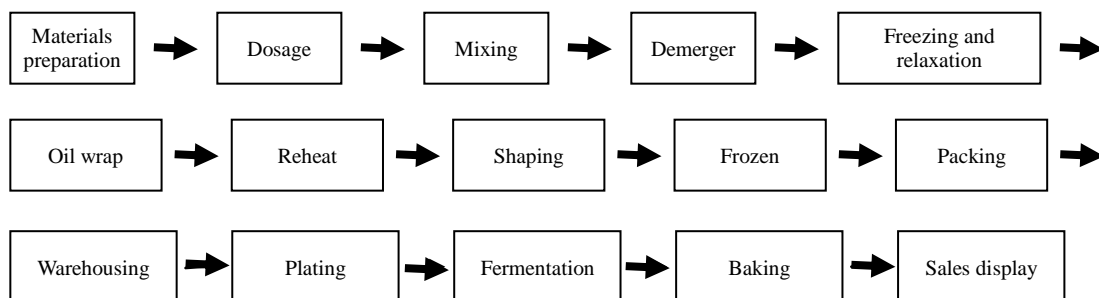
##### ③ Instant Noodles



#### ④ Crispy French toast



#### ⑤ Frozen Dough



#### (5) Supply of main raw materials

Thailand is rich in agricultural resources, which can be used as raw materials for the development of the food industry. Related packaging materials and materials also meet the international standards and to be supplied sufficiently. There is also a comprehensive tax rebate package for imported raw materials to enhance import and export competitiveness.

The main raw materials are as follows:

- **Rice:** The rice used for rice crackers, and rice for the aseptic cooked rice are quality Jasmine rice from Thailand and other special rice to ensure quality and consistent supply. Contracts are entered into with suppliers to create a long-term partnership.
- **Flour:** The international market price of wheat and harvest seasons for wheat-growing regions around the world must be tracked for flour. The exchange rate has to be considered and a global purchasing strategy is applied to obtain flour supplies.
- **Palm oil:** Existing suppliers and palm fruit harvest season are used or centralized purchasing over multiple stages. This ensures that we can obtain quality oil products at good prices and comply with RSPO sustainable development standards (currently at 52% usage).
- **Sunflower seed oil:** The European market has switched from palm oil to sunflower seed oil due to concerns over environmental protection and food safety.
- **Other:** Raw materials such as sugar, salt, and monosodium glutamate (MSG) are sourced locally. The relatively small quantities involved mean there are no sourcing issues, and the overall impact of price changes is small as well.

Names of customers with 10% or more purchases or sales and the value of purchases or sales in the past two years and their ratios - please describe the reason for the increase or decrease.

1. Data of major suppliers in the past two years

Unit: NTD thousands

Item	2024				2023			
	Name	Value	Ratio in net purchases throughout the year [ % ]	Relationship with the issuer	Name	Value	Ratio in net purchases throughout the year [ % ]	Relationship with the issuer
1	Lakeland Dairy Sales Ltd.	2,158,149	16	None	Lakeland Dairy Sales Ltd.	2,303,868	19	None
2	Others	11,153,238	84	-	Others	10,107,389	81	-
3	Net purchases	13,311,387	100	-	Net purchases	12,411,257	100	-

2. Data of major sales customers in the past two years

Unit: NTD thousands

Item	2024				2023			
	Name	Value	Ratio in net sales throughout the year [ % ]	Relationship with the issuer	Name	Value	Ratio in net sales throughout the year (%)	Relationship with the issuer
1	Customers without reaching 10% or more of the total value of sales in any of these two years.							
2	Others	23,738,315	100	-	Others	22,680,006	100	-
3	Net sales	23,738,315	100	-	Net sales	22,680,006	100	-

Reason for the increase or decrease:

Purchases: The increase in purchased amount in 2024 compared to 2023 was due to the increase in revenue in 2024.

Sales: The growth of sales in 2024 was mainly due to the record high revenue of the production business, especially due to revenue growth in China, Thailand and Taiwan.

### III. Information of Employees

Information of employees in the past two years and up to the date of printing of the Annual Report

Year		2023	2024	As of March 28, 2025
Number of employees	Domestic	1,278	1,283	1,280
	International	3,751	4,008	4,064
	Total	5,029	5,291	5,344
Mean age		40.47	40.56	40.66
Mean seniority in service		8.36	7.98	7.96
Degree Distribution Ratio	PhD	0.04%	0.06%	0.07%
	Master	5.33%	5.32%	5.42%
	College and University Graduate	38.00%	39.01%	38.70%
	Senior high/vocational high school graduate	33.62%	31.33%	31.58%
	Below senior high/vocational high	23.01%	24.28%	24.22%



#### IV. Information on Environmental Protection Expenditure:

##### (I) Environmental protection information on Taiwan factories

###### Taoyuan Factory

On October 16, 2024, the Environmental Protection Bureau conducted a plant inspection and found that the hydrogenation tank and the air pollutants collection pipeline from the decolorization tank were damaged. It was determined that the collection method was not properly sealed, a fine of NTD 100,000 was imposed in accordance with Paragraph 2, Article 24 of the Air Pollution Control Act.

The damaged pipeline was the steam pipeline outside the jacketed pipe for the oils and fats hydrogenation process, not the inner oil transportation pipeline. The leaked gas was water vapor and not the pollution source, so there was no pollutant leak or unsealed collection. Our factory filed an appeal with the EPB that was overruled.

###### Improvement measures:

1. On October 16, 2024, the damaged pipelines were immediately patched by welding, and passed a re-inspection by the Environmental Protection Bureau on November 28.
2. Assign personnel to maintain the pipelines.
3. The pipelines were marked so that inspectors can clearly see the substances being transported in the pipelines to avoid any misunderstanding.

##### (II) Expenses on environmental protection of companies and factories in Mainland China

###### 1. Company: Tianjin Namchow Food Co., Ltd.

No.	Item	Amount invested in 2024 (RMB)
1	Environmental protection	3,000.00
2	Environmental monitoring	153,702.12
3	Environmental impact assessment/acceptance inspection fees	97,000.00
4	Contingency plan preparation expense	36,000.00
5	Hazardous waste treatment	67,119.59
6	Regulatory treatment of solid waste (sludge disposal)	659,618.20
7	Treatment of daily trash	126,240.00
8	ISO14001 system renewal audit fee	9,275.00
9	Enterprise intelligent sewage control system project (power consumption under working conditions)	9,900.00
10	Sludge Compactor Replacement Project in the Sewage Plant	345,000.00
11	Project for adding total nitrogen to the online monitoring system of sewage station	118,000.00
12	Operating and Maintenance Expenses for online monitoring system for sewage from production	127,000.00
<b>Total</b>		<b>1,751,854.91</b>

2. Company: Tianjin Yoshi Yoshi Co., Ltd.

No.	Item	Amount invested in 2024 (RMB)
1	Environmental monitoring	80,349.06
2	Contingency plan preparation expense	72,000.00
3	Environmental impact assessment/acceptance inspection fees	129,000.00
4	Statutory disposal of solid waste (pollutant absorption)	51,899.40
5	Hazardous waste treatment	17,176.11
6	ISO14001 system consulting and certification fees	6,492.50
7	Maintenance and Operating Expense from COD monitoring facility from sewage of domestic sewage	45,000.00
<b>Total</b>		<b>401,917.07</b>

3. Company: Guangzhou Namchow Food Co., Ltd.

No.	Item	Amount invested in 2024 (RMB)
1	Regulatory service	3,980
2	Environmental monitoring	82,038
3	Operation and maintenance of wastewater treatment facilities	2,144,103
4	Treatment of daily trash	65,095
5	Public sewage treatment	307,917
6	Certification fees for ISO14001 & ISO45001 & energy management system	43,978
7	Hazardous sewage treatment	26,604
8	Other	584,943
<b>Total</b>		<b>3,258,659</b>

4. Company: Guangzhou Yoshi Yoshi Co., Ltd.

No.	Item	Amount invested in 2024 (RMB)
1	Waste liquids treatment	137,158
2	Certification fees for ISO14001 & ISO45001 & energy management system	22,599
3	Hazardous waste treatment	5,660
4	Treatment of daily trash	49,057
5	Environmental monitoring	16,038
6	Other	40,221
<b>Total</b>		<b>270,732</b>

5. Company: Shanghai Namchow Food Co., Ltd.

No.	Item	Amount invested in 2024 (RMB)
1	Environmental protection equipment maintenance costs, renovation, and maintenance	1,258,964.00
2	Hazardous sewage treatment	61,103.51
3	Environmental protection tax	398.41
4	Garbage disposal	379,429.60
5	Chemical Compound for Sewage (reagent, acid and alkali)	140,900.90
6	Inspection fee (exhaust gas, sewage)	60,171.70
7	Service Fees for Environmental Protection (Service Fees for Sewage Technics, Environmental Impact Assessment of Planning and Maintenance fees for Environmental Protection Facilities)	147,858.30
8	Sewage Treatment Fees	496,744.97
9	Electricity consumption of sewage treatment plant	290,831.00
<b>Total</b>		<b>2,836,402.39</b>

6. Company: Shanghai Qiaohao Food Co., Ltd.

No.	Item	Amount invested in 2024 (RMB)
1	Expenses for handling the kitchen waste, and the expenses for cleaning the grease trap	47,100
2	Charge of daily trash disposal	45,885
3	Landscaping and maintenance	25,500
4	Hazardous item transportation and handling fee	10,000
5	Sewage station detecting instrument and reagent	15,000
6	Sewage inspection (three wastes inspection)	70,280
7	Certification fees for ISO14001 & ISO45001 & energy management system	10,000
8	Environmental protection equipment maintenance costs, renovation, and maintenance	80,000
9	Sewage treatment station operation and maintenance fee (water + electricity)	90,000
<b>Total</b>		<b>393,765</b>

7. Company: Chongqing Namchow Food Co., Ltd.

No.	Item	Amount invested in 2024 (RMB)
1	Service fee for environmental assessment of new raw milk pretreatment	45,800
<b>Total</b>		<b>45,800</b>

## V. Employer-employee Relations

Since its foundation, the Company has seen employees are the most important asset; when planning and implementing respective personnel systems and welfare measures, the Company place employees at the core. Various personnel and welfare systems are described as follows:

### (I) Personnel system:

Personnel guidelines are established in compliance with the Labor Standards Act and applicable laws and regulations; there are requirements on the wages, working hours, leave, retirement, labor safety and health, gender equality, and various types of welfare for employees.

### (II) Retirement system:

The Namchow Group has the "Labor Pension Fund Monitoring Committee" in place as it is required by law and periodically recognizes the net cost of the pension fund according to the results calculated by the actuary on a yearly basis. According to the retirement system indicated in the Labors Standards Act, it sets aside a retirement reserve for employees to whom the old system applies in the dedicated account with the Trust Department of the Bank of Taiwan in order to protect the rights of employees. For those to whom that the Labor Pension Act applies, 6% of their salary is set aside to the personal pension fund account at the Bureau of Labor Insurance. All are meant to properly take care of employees while they are at work and after they retire.

In accordance with the Labor Standards Act as amended on February 4, 2015, the new Article 56 Item 2 was implemented to implement the retirement labor pension full-payment system. Employers should estimate the retirement pension required for the next year's achievement of retirement conditions before the end of each year. And before the end of March of the following year, they should make up the difference in labor retirement reserve to the Taiwan Bank retirement fund account. The Namchow Group completed the full provision of the prior labor pension in accordance with government regulations.

### (III) Gender equality in employment:

The sexual harassment complaint hotline (02-25352958) and a dedicated email address (hr0800@namchow.com.tw) have been set up in accordance with the Company's "Sexual Harassment Prevention and Complaint Handling Procedures," to promote and maintain gender equality in employment, for them the exert their talents in a fair, open, and just working environment. Meanwhile, the Company works with registered legal daycare centers which provide children of its employees with preferred rates so that employees can take care of their family and their work at the same time. The hope is that employees can grow together with the Company.

### (IV) Employee benefits:

#### 1. Employee Welfare Committee

The Employee Welfare Committee is established to plan for the establishment of a welfare system and to continue promoting various benefits; the information is provided to colleagues through the intranet of the Company.

#### 2. Benefits offered by Namchow and the Employee Welfare Committee are as follows:

Category	Item
Educational subsidies for children	Educational scholarships and discounts on child-care/education are provided for children

Category	Item
Club/activity subsidies	Subsidies for holidays, gatherings, club equipment and venues, and activities.
Festival/birthday gift	Gifts for Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival, Senior Citizens Festival, and birthday gifts.
Employee insurance	Labor Insurance/National Health Insurance, group insurance (life insurance, accident insurance, accident medical insurance, hospital cover, cancer insurance)
Pension	There is the retirement fund set aside for each employee in accordance with the Labor Standards Act and the Labor Pension Act.
Employee care	<ol style="list-style-type: none"> <li>1. Health exams for employees</li> <li>2. Condolence payments for employees and family members of the first degree upon hospitalization</li> <li>3. Gift money for weddings and funerals, and condolences for hospitalization</li> <li>4. Condolences to retired employees</li> </ol>

(V) Continuing education and training:

Employees are important assets of Namchow. The Company pro-actively develops talent through various types of educational training:

1. New employee training: including basic training and introduction training, to help new employees understand the Company's landscape and operational model and adapt to the Company's culture and working content as soon as possible
2. Internal training: Hold food safety and health training, food safety control training, food protection training, food factory and food practitioner related training, operational safety and hygiene, fire extinguishing, financing accounting, management and etc.
3. External training: Employees can submit a request to be approved by the head of their department and take part in external training programs that suit their needs at work
4. Participating in exhibitions/seminars: To help extend the horizon of its employees and help them absorb new knowledge, the Company sends them to attend food fairs and seminars held locally and overseas.

(VI) Workplace and personal safety:

Create a safe, sanitary and healthy workplace, hold fire prevention/public safety training, employee safety educational training, rescue staff safety and health educational training, and safety and health ideas and prevention against disasters, among others.

(VII) Labor/management relations

Being aware of the importance of co-existence and co-prosperity between employers and employees, the Company proactively promotes a harmonious employer/employee relationship by comprehensively reinforcing communication and coordination and constantly improving the workplace. Trade union was established in accordance with the law. The parties communicate with each other periodically and from time to time to reach a consensus. In the future, we will continue to connect the employer and employees together based on the principle of honesty to co-create profits.

(VIII) Employer-employee disputes in the past three years: None

## VI. Cyber Security Management

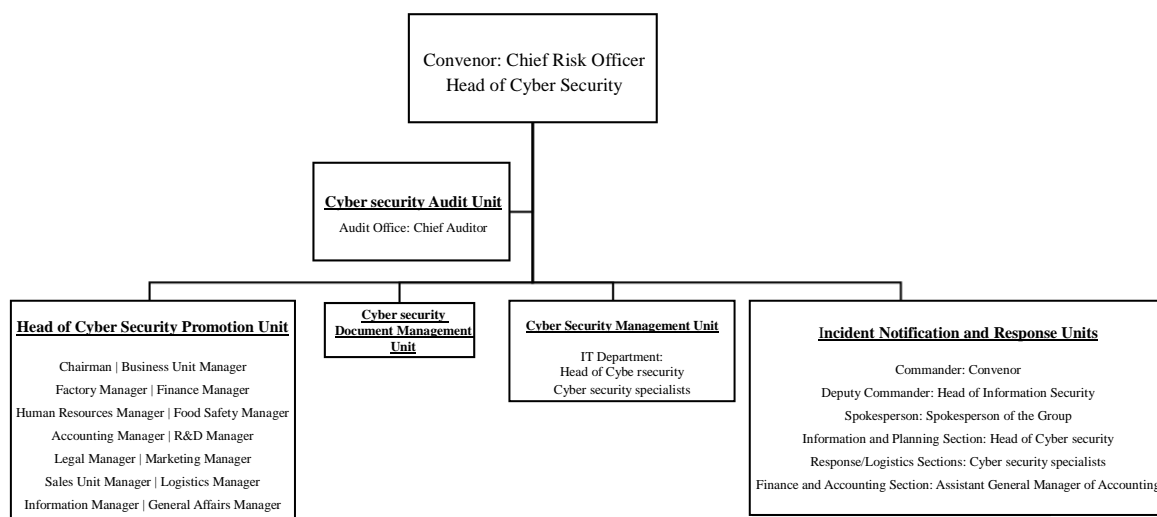
### (I) Cyber security management strategies and framework

#### 1. Cyber security risk management framework

##### (1) Corporate information security governance organization

The IT Department oversees the Information Security Section Management Committee, both of which are responsible for the overall planning and establishment of information security and protection related policies, relevant implementations, risk management and compliance audit. The highest ranking supervisor of the corporate information security organization shall report periodically to the President every year on the results of information security management, related issues and directions. The project auditor shall take the charge of the supervision and governance of corporate information security, for auditing the management mechanism and direction of the company's information and network security.

##### (2) Cyber security organization structure



##### (3) Implementation of Cyber Security

- The "Information Security Management Promotion Team" held more than 19 related meetings in 2024. The auditing department conducted audits on information security operations.
- All employees and information users, including contractors, comply with the company's information security requirements.
- A cybersecurity vendor was commissioned to conduct information security testing, with no major issues found.
- All information equipment is insured under electronic equipment insurance.
- Email social engineering drills and information security training were implemented.
- Information personnel participated in external information security-related courses.
- In December 2023, the company reported the appointment of a dedicated cyber security officer to the Taiwan Stock Exchange.(TWSE)

#### 2. Cyber security policy

- (1) Corporate cybersecurity management policy and structure - The corporate cyber security organization has implemented cybersecurity management by establishing "Information Protection Task Forces" that encompass all sites and subsidiaries in Taiwan. Monthly meetings are convened to examine the appropriateness of cybersecurity policy and its

protective measures in accordance with the Plan-Do-Check-Act (PDCA) management cycle. Implementation outcomes are also reported to their respective cybersecurity organizations on a regular basis.

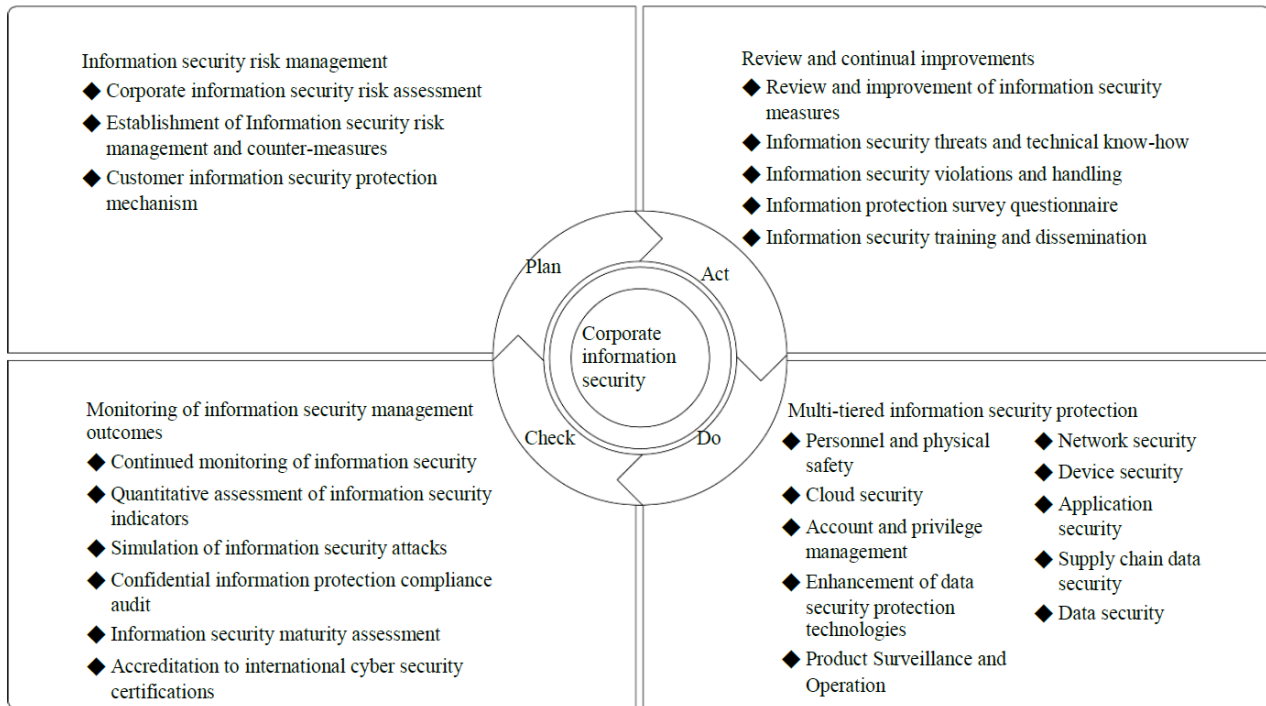
In the “Plan” stage, we emphasize information security risk management by establishing a comprehensive information security management system (ISMS), designed to reduce corporate information security threat from various aspects of systems, technologies and procedures while building a protective service at maximum specification for confidential information as needed by our customers.

In the “Do” stage, we proceed to construct multiple tiers of information security protection and continue to incorporate the latest technologies in information security protection to integrate relevant control schemes in the operation of relevant software and hardware, daily management/administrative procedures involving information security management for suppliers so as to systemize the security of monitoring data, thereby maintaining the confidentiality, integrity and accessibility of key assets.

In the “Check” phase, we shall actively monitor the results of information security management to identify relevant key indicators for information security and perform relevant qualitative analyses. Through scheduled simulation of information security threats and attacks, we would be able to complete our assessment of information security maturity.

For the “Act” phase, our efforts will be focused on relevant reviews and continual improvements while performing supervisions and audits to ensure lasting effectiveness of our information security regulations. On top of that, we will also implement scheduled reviews of relevant performance indicators and maturity assessment before taking corresponding actions such as introducing new information security measures, employee training or dissemination of specific improvements to ensure the integrity of confidential information.

## (2) Framework of corporate information security risk management and continual improvement



### (3) Concrete management solution

In order to achieve the objectives of information security policy and comprehensive cyber security protection, the management matters and specific management plans are as follows:

- Improve cyber security defense capabilities: Regular vulnerability analysis and penetration testing of cyber security systems, and strengthen and repair cyber security systems to reduce information security risks. Prepare a cybersecurity incident response plan, conduct impact and damage assessments according to the severity level of the incident, and take corresponding notification and recovery actions.
- Improve cyber security management procedures: In addition to continuously strengthening cyber security defense capabilities, we must also pay equal attention to management procedures and awareness. Employees should comply with cyber security regulations (e.g., strict control of mobile storage devices), follow SOP procedures, and continuously conduct PDCA cycles for continuous improvement.
- Improve network, endpoint and application security: Improve the anomaly detection and protection capabilities of endpoint devices, including DDI and DLP detection mechanisms. Optimization of overall cyber system network security.
- Risk control: Cooperate with major cyber security vendors to conduct overall cyber security detection through their professional services, and take the objective results of impartial third-party verification as the basis for advanced cyber security enhancement, to protect the Company by minimizing potential losses in the event of cyber attacks.
- Education and training: Carry out cyber security education and training for all employees and occasional social engineering phishing email testing to enhance cyber security awareness, so that the operation of cyber security is implemented to every employee with the support of senior supervisors of departments.
- Remote working: To cope with the global trend, the Company has strengthened its work-from-home (WFH) anti-virus/hacking and information security protection measures, advocating not to use public computers and networks for work, and the fulfillment of the responsibility to protect company information.



Network security	<ul style="list-style-type: none"> <li>◆ Introduce advanced technologies for PC scanning and firmware updates</li> <li>◆ Strengthen network firewall and network control to prevent computer virus from intersystem and inter-factory outbreak</li> </ul>
Device security	<ul style="list-style-type: none"> <li>◆ Construct virus scanning mechanism for incoming machinery/equipment to prevent equipment with malware from entering the company's system</li> <li>◆ Introduce terminal virus prevention measures in accordance with PC types and strengthen the detection of malicious software/behaviors</li> </ul>
Application security	<ul style="list-style-type: none"> <li>◆ Establish self-inspection checklist, assessment standard and objectives for improvement for development applications</li> <li>◆ Continue to strengthen security control mechanism for applications and integrate said mechanism relevant development processes and platform</li> </ul>
Supply chain data security	<ul style="list-style-type: none"> <li>◆ Construction of information security self-audit mechanism for suppliers</li> <li>◆ Periodically convey the company's latest information security regulations and relevant precautions</li> </ul>
Enhancement of data security protection technologies	<ul style="list-style-type: none"> <li>◆ Develop advanced information protection tools and fortify document confidentiality classification and data protection with data label</li> <li>◆ Encryption control for document and data and effective tracing</li> <li>◆ Control of outgoing email</li> </ul>
Training and dissemination	<ul style="list-style-type: none"> <li>◆ Bolster employees' awareness for potential social engineering attacks in their emails and implement phishing detection</li> <li>◆ Conduct routine training and drills to help employees strengthen their ability to identify potential attacks and enhance their awareness for information security</li> </ul>

## (II) Cyber security risks and counter-measures

### 1. Information technology security risks and management measures

Although the company has already established comprehensive network and PC related information security protective measures, there is no way to guarantee that key computer systems responsible for the control or maintenance of key corporate functions (i.e. manufacturing, operation, accounting and so forth) is fully protected from network attacks from a third-party with the intention of crippling our systems. These network attacks may invade the company's intranet system and sabotage the company's operations or damage the company's reputation through various malicious activities. Once subjected to aggressive network attacks, it is possible for the company's systems to lose essential data and even potential disruption of production lines. Through continual reviews and assessment of our information security regulations and procedures, the company could ensure their suitability and effectiveness. Nevertheless, there's no guarantee that the company will be safe from the potential risks and threats of information security, given how rapidly relevant technologies are progressing. It is also possible that network attacks might be perpetrated to steal the company's business secrets or other confidential information (i.e. information belonging exclusively to our customers or other stakeholders or personal information of our employees).

Malicious hackers may also try to upload computer virus, malware or ransomware to the company's network system as a way to interrupt the company's operation, blackmail or extort the company for access/control of its computer systems or prying for confidential information. Such attacks may lead to delays or disruption of order fulfillment for the company, thereby incurring loss for the company due to compensation paid to customers for their losses. Alternatively, such attacks may also incur substantial costs for reparation, recovery or improvement measures to fortify the company's network security system. In

addition, the company may also be involved in relevant legal or regulatory investigations due to the loss of information/belonging to employees/customers/third-parties which the company is responsible for keeping confidential, thereby assuming significant legal liabilities.

In order to prevent attacks and reduce the damage caused by such attacks due to the purchase and installation of devices containing malware, the company has implemented and continually updated relevant improvement measures, such as the introduction of virus scanning mechanism for incoming machinery/equipment to prevent equipment with malware from entering the company's system; strengthening network firewall and network control to prevent computer virus from intersystem and inter-factory outbreak; introducing terminal virus prevention measures in accordance with PC types and strengthen the detection of malicious software/behaviors; introducing advanced solutions to detect and handle malware; designing and developing PC with enhanced information security features for employees; designing and developing cloud application security policies; introducing new technologies to fortify data protection; strengthening phishing detection; building an integrated automatic information security platform and performing routine employee alertness tests and commissioning external experts to perform information security evaluation. Although the company has continued to strengthen its information security protection measures, there is no guarantee that the company will be fully protected against malware and hacker attacks.

In addition, the company is required to disclose highly sensitive and confidential information to third-party service providers that work with the company and its affiliates around the globe so that they could provide their services. The company continuously and actively promotes the signing of contract clauses with third-party service providers that include confidentiality obligations and information security regulations, with the aim of ensuring that all third-party vendors and their subcontractors adhere to consistent and compliant information security standards.

### (III) Major cyber security incidents

There has been no major cyber security incidents in the year and no losses have been incurred.

## VII. Important Contract

Nature of contract	Client	Start/end dates of contract	Main contents	Restrictions
Trademark Use Contract	Subsidiary Namchow BVI and Germany Paulaner	October 01, 2019-September 30, 2029 automatically extend for ten years after the contract expires, and automatically extend for another five years after expiration	According to the contract, the monthly trademark usage fee is calculated by multiplying the monthly net turnover by multiplying the fixed ratio by the revenue from the restaurant's beer sales minus service fees and value added tax.	None
Trademark Use Contract	Subsidiary Lucky Royal and Germany Paulaner	October 01, 2019-September 30, 2029 automatically extend for ten years after the contract expires, and automatically extend for another five years after expiration	The company provides trademark use rights, assists in planning the establishment of restaurants, providing consulting services and brewing technology. Lucky Royal pays the right to use the trademark.	None
Commission on restaurant revenue	Subsidiary Dian Shui Lou and Test Rite Retail Co., Ltd.	2023.08.01~2026.07.31	It is agreed that a certain percentage of the total turnover will be selected.	None
Commission on restaurant revenue	Subsidiary Dian Shui Lou and Mitsui Outlet Park	2019.4.01-2031.3.31	It is agreed that a certain percentage of the total turnover will be selected.	None
Commission on restaurant revenue	Subsidiary Dian Shui Lou and Pacific Sogo Department Store, Fuxing Branch	2024.03.01~2030.02.28	It is agreed that a certain percentage of the total turnover will be selected.	None

## V. Discussion and Analysis of Financial Position and Financial Performance and Risks

### I. Financial Position

Financial Standing Comparison and Analysis Table

Unit: NTD thousands

Item \ Year	2024	2023	Difference	
			Value	%
Current assets	15,695,412	15,643,850	51,562	0
Financial assets measured at fair value through other comprehensive income - Non-current	33,594	23,917	9,677	40
Financial assets measured at amortized cost - Non-current	2,649,518	1,638,372	1,011,146	62
Real estate, plant and equipment	13,244,802	11,831,971	1,412,831	12
Other Assets	1,310,417	1,142,862	167,555	15
Gross assets	32,933,743	30,280,972	2,652,771	9
Current liabilities	7,924,332	8,595,754	(671,422)	(8)
Long-term liabilities	7,622,905	6,833,450	789,455	12
Others	2,546,984	2,310,835	236,149	10
Gross liabilities	18,094,221	17,740,039	354,182	2
Capital stock	2,941,330	2,941,330	0	0
Capital reserve	4,798,603	3,825,824	972,779	25
Retained earnings	4,802,846	4,514,775	288,071	6
Others	2,296,743	1,259,004	1,037,739	82
Total shareholders' equity	14,839,522	12,540,933	2,298,589	18
Description: Main causes of major changes to assets, liabilities, and equities of the past two years (changes by NT\$T\$1 billion) and their impact and countermeasures <ol style="list-style-type: none"> <li>1. Financial assets measured at amortized cost - non-current: Mainly due to the increase in the amount of time deposits longer than one year by the subsidiary Namchow Food Group (Shanghai) Co., Ltd. in China.</li> <li>2. Real estate, plant and equipment: mainly due to the increase in capital expenditure at Namchow Thailand, Namchow Chongqing and Namchow Tianjin on plant and equipment.</li> <li>3. Other items: mainly due to the NTD 700 million from exchange losses due to the conversion of financial statements of foreign operating entities and increase in NTD 300 million in non-controlling interests.</li> </ol> Impacts and response plans in the future: None				

## II. Financial Performance

### Financial Performance Comparison and Analysis Table

Unit: NTD thousands

Item \ Year	2024	2023	Increased/reduced value	Variation (%)
Net revenue	23,738,315	22,680,006	1,058,309	5
Operating costs	16,821,016	16,173,509	647,507	4
Gross operating profit	6,917,299	6,506,497	410,802	6
Business expenditure	5,381,819	4,919,560	462,259	9
Business profits	1,535,480	1,586,937	(51,457)	(3)
Non-business income and expenditure	196,643	189,513	7,130	4
Pre-tax profits of continuing department	1,732,123	1,776,450	(44,327)	(2)
Income tax	529,683	535,282	(5,599)	(1)
After-tax profits of continuing department	1,202,440	1,241,168	(38,728)	(3)
<p>1. Descriptions of the increase or decrease in the ratio: (changes by NT\$100 million)</p> <p>Operating revenue, operating cost, gross profit and operating expenses:</p> <p>The 2024 revenue grew compared to 2023. However, due to a sluggish economy in China, higher oil prices and higher costs, 2024 profits declined compared to 2023.</p> <p>2. There were no changes to the main business scope of the Company.</p> <p>3. It is expected that the revenue will keep growing in the following year for the Company.</p>				

### III. Cash Flow

#### Cash flow analysis

Unit: NTD thousands

Balance of cash at start of term	Net cash flow from business activities throughout the year	Cash outflow throughout the year	Balance of cash (shortage)	Remedies for shortage in cash	
				Investment plan	Wealth management plan
9,516,930	2,055,098	(3,390,720)	8,181,308	-	-

#### 1. Liquidity analysis of the past two years

Item \ Year	2024	2023	Ratio of increase/decrease (%)
Cash flow ratio	26	35	(26)
Cash flow adequacy ratio	98	114	(14)
Cash flow reinvestment ratio	4	8	(47)
Explanation: 1. The increase in cash flow ratio is due to a decrease of approximately NTD 1 billion in net cash inflow from operating activities as well as a decrease in current liabilities of approximately NTD 700 million this year compared to the previous year. 2. The decrease in cash reinvestment ratio is due to the decrease of approximately NTD 1 billion in net cash inflow from operating activities, as well as an increase of NTD 2.8 billion in real estate, plant, and equipment investments as well as working capital this year compared to the previous year.			

#### 2. Cash utilization and liquidity analysis for the coming year:

Unit: NTD thousands

Balance of cash at start of term	Net cash flow from business activities throughout the year	Cash outflow throughout the year	Balance of cash (shortage)	Remedies for shortage in cash	
				Investment plan	Wealth management plan
8,181,308	1,558,236	(2,687,544)	7,052,000	-	-

- (1) Operating activities: Operating revenue is expected to increase and keep the net cash flow associated with business activities positive.
- (2) Investment activities: Based mainly on capital expenditure related to investment in new businesses and products over the coming year.
- (3) Financing activities: Mainly due to the issuance of cash dividends and the principal repayment of lease liabilities.

Expected remedies and liquidity analysis upon shortage in cash: It is expected that the working cash flow of the Company will meet the cash requirements in the coming year to be sufficient to support normal operations. As such, there are no measures required to make up for the shortage in cash such as investment plans or wealth management plans.

## IV. Impact of the Latest Major Capital Expenditures on Financial Business

### (I) Major capital expenditures and funding sources

Unit: NTD thousands

Project	Actual or expected funding source	Actual or expected date of completion	Total funds required	Year							
				2019	2020	2021	2022	2023	2024	2025	2026
Namchow Food Group- Shanghai and Beijing Offices	Bank loans and self-capital	2021 Q1	169,730	-	130,274	39,456	-	-	-	-	-
Shanghai Namchow - Frozen Dough Equipment	Self-capital	2024 Q4	477,840	-	-	206,197	241,231	29,044	1,368	-	-
Shanghai Namchow Food - Pre-baked bagel production and construction phase I and automatic bagel production line	Self-capital	2026 Q1	345,048	-	-	-	-	152,142	132,021	56,346	4,539
Guangzhou Namchow - Bagel production line, pre-baked bagel production and construction, and refrigerating warehouse	Self-capital	2024 Q4	196,910	-	-	-	47,412	115,018	31,987	2,492	-
Guangzhou Namchow - Frozen Dough and R&D Center upgrade and retrofit	Self-capital	2026 Q3	596,577	-	-	-	-	-	64,133	532,444	-
Chongqing Namchow - Plant, production lines, and machinery equipment	Bank loans and equity fund	2026 Q1	2,203,579	-	-	-	-	306,964	182,292	895,097	819,226
Tianjin Namchow - Factory renovation, civil engineering project for dairy production line, and capacity enhancement of bagel and margarine production lines	Self-capital	2026 Q2	640,757	-	-	-	695	134,404	222,568	247,758	35,332
Tianjin Yoshi Yoshi - Production equipment of dairy production line	Self-capital	2025 Q1	98,238	-	-	-	-	39,988	55,888	2,363	-
Namchow Thailand - Phase 1 plant construction, new production lines, machinery and equipment	Self-capital	2023 Q1	275,930	1,791	135,917	8,433	129,181	608	-	-	-
Namchow Thailand - Phase 2 plant construction, new production lines, machinery and equipment	Self-capital	2024 Q4	1,210,607	-	-	-	-	-	1,210,607	-	-

### (II) Anticipated benefits and effect on financial operations

In response to the operating demand, investing in building new facilities and purchasing production equipment will help upgrade the operational scale and profits for the Group and bring about positive benefits for financial business.

## V. Main Reasons for Profits or Losses of Latest Reinvestment Policy, Improvement Plan, and Investment Plan for the Coming Year

Re-investment Analysis Table

Unit: NTD thousands

Item \ Explanation	Value of original investment	Holding ratio at end of term (%)	Gains and losses of the term	Main scope of operation	Main reason for profits or losses	Improvement plan	Other investment plans in the future
Namchow (Thailand) Ltd.	1,027,405	100.00	619,096	Profits from investment, operation, production, and sales	The production and distribution policy are bringing about profits.	None	Investment to expand plants, production lines, equipment and etc.
Mostro (Thailand) Ltd. (Note)	10,201	100.00	15,351	Trading of foods and others	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Nacia International Corporation	343,443	100.00	531,565	Reinvestment holding	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Chowho Enterprise Co., Ltd.	156,500	100.00	(6,072)	Dining business	Fluctuating food ingredients and rising labor cost	Increased revenue and expanded sales	No substantial investment plans yet
Lucky Royal Co., Ltd.	486,572	69.51	377,680	Production and sale of ice cream and investment in dining business	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Qizhi Culture Co., Ltd.	6,792	98.57	(1,476)	Publishing and issuance of books	Reduced publications and release volume inside the Company	Increased revenue and expanded sales	No substantial investment plans yet
Namchow BV Ltd.	221,043	93.32	9,188	Reinvestment holding	Subsidiary profit improvement	None	No substantial investment plans yet
Dian Shui Lou Restaurant Business Co., Ltd.	20,135	100.00	10,898	Catering	After the pandemic, people gradually return to normal life, with booming dining, leisure and entertainment activities	None	No substantial investment plans yet
Namchow (Cayman Islands) Holding Corp.	2,522,207	100.00	530,357	Reinvestment holding	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Tianjin Namchow Food Co., Ltd.	936,498	82.23	318,568	Production and sale of household oils,	The production and distribution	None	No substantial investment plans



Item \ Explanation	Value of original investment	Holding ratio at end of term (%)	Gains and losses of the term	Main scope of operation	Main reason for profits or losses	Improvement plan	Other investment plans in the future
				margarine, and deep fry oil	policy are bringing about profits.		yet
Tianjin Yoshi Yoshi Co., Ltd.	136,840	82.23	213,295	Development, manufacturing, and sale of dairy products and related services	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Shanghai Qiaohao Trading Co., Ltd.	1,262,581	100.00	(132,103)	Importation and exportation	Operation adjustment	Increased revenue and expanded sales	No substantial investment plans yet
Shanghai Qiaohao Enterprise Management Co., Ltd	961	100.00	0	Commerce, business administration, and investment consulting	Operation adjustment	None	No substantial investment plans yet
Shanghai Qiaohao Food Co., Ltd	925,111	100.00	(83,850)	Packaged foods, sales of restaurant equipment, goods, and technical imports and exports	Operation adjustment	Increased revenue and expanded sales	Investment in production line equipment
Tianjin Qiaohao Food Co., Ltd.	90,836	82.23	(4,116)	Packaged foods, sales of restaurant equipment, goods, and technical imports and exports	Operation adjustment	Increased revenue and expanded sales	No substantial investment plans yet
BLN Restaurants & Caterings	112,018	93.32	9,783	Chinese and western foods and beverages and self-made beer music restaurant	After the pandemic, people gradually return to normal life, with booming dining, leisure and entertainment activities	None	No substantial investment plans yet
Guangzhou Namchow Food Co., Ltd.	644,246	82.23	281,127	Manufacturing and sale of edible oils and fats	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Shanghai Qizhi Business Consulting Co., Ltd.	4,541	100.00	178	Commerce, business administration, and investment consulting	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Namchow Food Group (Shanghai) Co., Ltd. Company	1,134,770	82.23	898,947	Wholesale of edible oils and fats and foods and importation/exportation	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Shanghai Namchow Food Co., Ltd.	1,107,483	82.23	36,930	Sale, development, production, and processing of edible oil and fat products, fast-frozen foods, and frozen foods	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Namchow Japan Co.,	900,269	100.00	(85,669)	Restaurant, beverages,	Operation	Increased	No substantial

Item \ Explanation	Value of original investment	Holding ratio at end of term (%)	Gains and losses of the term	Main scope of operation	Main reason for profits or losses	Improvement plan	Other investment plans in the future
Ltd.				and alcohol business	adjustment	revenue and expanded sales	investment plans yet
Namchow Consultancy Co., Ltd.	21,200	100.00	(2,858)	Restaurant and food and management consulting	Operation adjustment	Increased revenue and expanded sales	No substantial investment plans yet
Tianjin Qiaohao Food Co., Ltd.	90,836	100.00	(4,116)	Manufacturing and sale of packaged foods	Operation adjustment	Increased revenue and expanded sales	No substantial investment plans yet
Chongqing Qiaoxing Co., Ltd.	94,200	82.23	211,278	Corporate management and investment consulting and delivery and shipping center	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Namchow Oil & Fat Co., Ltd.	411,731	100.00	177,166	Manufacturing, processing, and distribution of edible oils and fats	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Huciang Industry Co., Ltd.	792,341	100.00	37,296	Manufacturing, processing, and distribution of detergents and frozen foods	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Guangzhou Yoshi Yoshi Co., Ltd	452,150	82.23	200,545	Development and distribution of dairy products	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Wuhan Qiaoxing Co., Ltd.	215,250	82.23	1,515	Oil & Fat products technical service	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Namchow Trading Singapore Pte. Ltd.	30,517	82.23	4,400	Sales of Oil & Fat Products	The production and distribution policy are bringing about profits.	None	No substantial investment plans yet
Chongqing Namchow Food Co., Ltd.	1,445,967	82.23	18,204	Production and process of evaporate milk and frozen dough	The production and distribution policy are bringing about profits.	None	Investment to build plants, production lines, machinery and equipment.
Namchow Trading Hong Kong Pte. Ltd.	31,408	82.23	(1,262)	Customer development, product sales, and technical services in Hong Kong and Macau	Operation adjustment	Increased revenue and expanded sales	No substantial investment plans yet
Namchow Food (Bangkok) Ltd.	96,300	82.23	(24,066)	Sales of food products, production of products, import and export of goods, etc.	Operation adjustment	Increased revenue and expanded sales	No substantial investment plans yet

Note: The shareholders' meeting of Mostro (Thailand) Ltd. passed a resolution on December 23, 2024 to liquidate the company, with the liquidation date set as December 24, 2024.

## **VI. Analysis of Risks in Recent Years as of the Date Annual Report was Printed**

- (I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.
1. Interest rate risk: The Company's operation is exposed to mainly to interest rate risks from financing cost. Financial cost in 2024 was not significant to the revenue, and the impact of interest rate changes on the Company was limited. Looking ahead to 2025, the Company will continue to monitor the global economic dynamics and the monetary policies of major economies, carefully evaluate the cost of financing tools, and actively strive for the best terms on interest rates from banks to effectively control financing costs and reduce interest rate risks.
  2. Changes in exchange rates: The Company imports raw materials mainly in foreign currencies, and the US dollar accounts for the highest proportion. Changes in exchange rates will directly affect procurement costs. As the foreign exchange market is subject to multiple factors, the Finance Department has dedicated personnel to monitor the trend of exchange rates and global financial situation. Exchange rate hedging financial instruments are used in a conservative manner to reduce the risk of exchange rate fluctuations through a systematic foreign exchange management strategy.
  3. Inflation: The consumer price index (CPI) grew by 2.18% in 2024 while producer price index (PPI) grew by 1.35%. Both indexes have fluctuated in recent years due to the global economic, oil price and raw material price fluctuations. The Company will continue to monitor changes in the overall economy and the global market, uphold the spirit of research, development and innovation, and strive to improve product differentiation and develop niche products with unique market demand in order to create high value and enhance our ability to respond to market changes.
- (II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:
1. The Company did not engage in high-risk, and highly leveraged investments.
  2. Lending of funds to others occurred between the Company and its subsidiaries, not external companies. The fund lending with subsidiaries as mentioned in the foregoing was meant to serve as the operating fund of the said subsidiaries.
  3. Endorsements and guarantees were made by the Company for subsidiaries in which it held more than 90% of shares, or mutual endorsements and guarantees between subsidiaries in which more than 90% of shares were held directly or indirectly by the Company. No endorsements or guarantees were provided for outside companies. The endorsement and guarantee mentioned in the foregoing were meant to support the limits of financing applied for by the said subsidiaries.
  4. The company engaged in derivative transactions to hedge against fluctuations in exchange and interest rates. The hedging strategy is periodically reviewed and adjusted as necessary.
- (III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

Each business within the Group has established their own research and development units to engage in ongoing product improvement, development, and innovation. NTD 547,421 thousand was invested in R&D during 2024. Research and development units in respective businesses are meant to ensure that existing products of the Company keep their leading

positions on the market. According to the product study in 2024, the zero transfer series of oils and fats products will continue to be developed; the latest food technology and technique will be applied to increase the quantities of exquisite frozen food products of high additional value to be produced so as to satisfy the pluralistic needs of consumers; and the development of natural detergents for use exclusively at home and for personal hygiene will continue to honor the principles of nature and environmental protection.

The cost of research and development is estimated to total NTD 484,417 thousand for 2025.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad:

The Company's management team pays close attention to any domestic and foreign policies and laws that may affect the Company's finances and business, and timely adjust relevant internal systems and operations while formulating relevant risk management procedures. In the most recent year and up to the date of publication of the annual report, the finance and business of the Company has not been affected by important domestic and foreign policies and legal changes. In the future, the Group will continue to operate by complying with the existing laws and regulations, and the implementation is as follows:

In terms of corporate organization, taxation and securities management laws, all operating locations of the Namchow Group follow the laws and regulations of the country and region where they are located. It guides and manages the operation of the enterprise with a corporate governance mechanism, providing effective supervision, encouraging enterprises to make good use of resources, improving efficiency, and thereby improving competitiveness; and it protects the rights and interests stakeholders of the Company, to achieve the sustainable operation of the enterprise.

(V) The influence of changes in technology (including cyber security risks) and the industry on the Company's financial business and countermeasures:

1. Changes in technology (including cyber security risks)

With the rapid development of technologies such as AI, Web 3.0, blockchain, decentralized finance (DeFi), and DAOs, the company believes that the evolution of information technology not only brings operational and innovation opportunities but also makes information security risks a significant challenge for business management. In response, the company has adopted the following measures to enhance risk management and cybersecurity resilience:

- (1) Organizational System: Establish a "Cybersecurity Management Promotion Team" and cross-departmental task forces to serve as governance platforms for information security policies and audit operations.
- (2) Strengthening Personnel Training and Institutional Construction. Achieve 100% completion of education and training for users and cybersecurity management personnel, and conduct regular social engineering exercises, vulnerability scans, and penetration tests.
- (3) Establishing Reporting and Intelligence Cooperation Mechanisms with TWCERT/CC. Enhance real-time response and capacity for cybersecurity intelligence.
- (4) Conducting Feasibility Assessments and Pilot Testing (POC) for Tools. Currently assessing the feasibility of implementing information security insurance, reporting systems, and managed detection and response (MDR) services as references for future risk capital expenditures and insurance strategies.
- (5) Evaluating the Introduction of PDCA Cycles and ISO 27001 Standards. Promote identification of information assets, management of residual risks, measurement of cybersecurity effectiveness, and analysis of capital returns.

Through these measures, the company aims to steadily improve its cybersecurity governance capabilities during the digital transformation process, ensuring operational

continuity and protecting the interests of customers and shareholders.

## 2. Industrial change

In the face of the dual challenges of soaring raw material prices and increased geopolitical risks in the supply chain, the company has initiated the following strategies:

- (1) Leveraging the Collaborative Advantages of the Group's Decentralized Production Bases. Rapidly switch supply configurations to reduce the concentration of raw material risks.
- (2) Strengthening Internal Quality Assurance Mechanisms and Regulatory Compliance. In response to growing global concerns about food safety regulations and health demands, develop new products with a core focus on "safety, health, and sustainability."
- (3) Enhancing Market Observation. Respond to consumer demands for additive-free, plant-based foods, and sustainable packaging by expanding product lines and channel strategies.
- (4) Optimizing Financial and Operational Structures. Improve organizational flexibility and resilience to volatility.

The company will continue to integrate technological investments with market insights, refine internal control management, and optimize resource allocation to meet the challenges and opportunities brought by industry dynamics and regulatory trends.

- (VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: None.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.
- (VIII) Expected benefits and possible risks associated with any plant expansion:
- Investments made by the Company in the past two years were in the expansion of production lines and increase of the throughput in order to address the insufficient market demand. In the future, the focus will be placed on improving the overall revenue and profits of the Group to bring about positive benefits for the financial performance.
- (IX) Risks associated with any consolidation of sales or purchasing operations:
1. The company is actively seeking multiple sources of suppliers for procurement.
  2. Among the sales targets of the Company, there are no clients accounting for 10% of all sales and there is no risk of focused sales.
- (X) Impacts of transfer or exchange of stock options in large quantities by directors, supervisors, or heavyweight shareholders holding more than 10% of all shares on the Company and the risks and countermeasures: None.
- (XI) Impact of the change in the management on the Company and the risks and countermeasures: None.
- (XII) Lawsuits and non-lawsuit events: Major lawsuits and non-lawsuits or administrative disputes with a finalized verdict or ongoing proceedings that involved the Company, the Company's directors, supervisors, general managers, actual persons in charge and shareholders holding more than 10% of all shares, and the associated companies shall be listed. If the results are likely to have significant impacts on shareholders' equity or prices of securities, the facts, target value and start date of the lawsuit, main clients involved and handling status as of the date of printing of the Annual Report shall be disclosed.
- (XIII) Other important risks and countermeasures: None.

## **VII. Other important matters: None**

## **VI. Special Notes**

### **I. Information related to the company's affiliates**

#### **(I) Consolidated financial statement of affiliates**

Companies that should be included in the compiled Consolidated Financial Statement of associated enterprises for 2024 in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are identical to those that should be compiled in the Consolidated Statement of Parent Company and Subsidiaries as per the Bulletin No.7 of Financial Accounting Standards. Therefore, the Consolidated Financial Statement of associated enterprises was not prepared separately.

#### **(II) Consolidated business report of affiliates**

Please refer to the Market Observation Post System for public information.

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

Single Company > Electronic Document Download > The Company's Affiliates Form  
Section (Company Code 1702)

#### **(III) Affiliate Report**

The Company is not an affiliate of another company as indicated in the chapter about Associated Enterprises of the Company Act and hence it is not necessary to compile the Relations Report with its controlling companies.

### **II. Organization of the Latest Private Placement Securities as of the Date of Printing of the Annual Report: None.**

### **III. Other matters requiring supplementary information: None.**

**※Latest Matters with Important Impacts on Shareholder Rights or Security Prices Indicated in Article 36 Paragraph 3 Subparagraph 2 of the Securities and Exchange Act as of the Date of Printing of Annual Report: None**

*Namchow Holdings CO.,Ltd.*



*Person in Charge:* 陈孔德

