



March 6, 2026

SUBJECT: IMPORTANT UPDATE REGARDING SUPPLY CHAIN AND PRICING STABILITY

Dear Valued Customer,

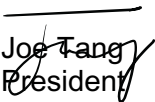
As we navigate the rapidly evolving geopolitical situation in the Middle East, we want to provide you with a transparent update on how these events are impacting the global supply chain. Following the recent conflict in Iran and the subsequent stoppage of crude oil supply from key Gulf States, the market for raw materials has become increasingly volatile. Consequently, many of our primary suppliers have announced price increases; while some have implemented these changes immediately, others have provided only very short notices, and some even stop accepting orders.

In addition to rising material costs, the logistics sector is facing significant pressure. Ocean freight rates are climbing as shipping capacity tightens due to the rerouting of vessels away from the Strait of Hormuz and Red Sea. Domestically, we are seeing a similar trend with inland trucking rates, which are rising in response to surging fuel costs and broader inflationary pressures. These compounding factors have created a challenging operating environment across the entire packaging and materials industry.

At QSPAC, our core values of Quality, Service, and Accountability remain our top priority. We are proactively securing additional raw material reserves to ensure our supply chain remains robust and to provide as much pricing stability as possible for your business. Our team is working around the clock to mitigate these external costs through strategic inventory management and operational efficiencies.

However, if the situation in the Middle East does not improve in the near future, some price adjustments may become imminent down the road. We are committed to maintaining open communication with you and will provide further updates as more information becomes available. We appreciate your continued partnership and understanding as we manage these global challenges together.

Sincerely,

  
Joe Tang  
President