

Stock Code : 1788



# **Hi-Clearance Inc.**

## **2024**

# **Annual Report**

## **(Translation)**

**Published on April 1, 2025**

**Annual report query website : <http://www.hiclearance.com.tw>**

**Website designated by the Securities and Futures Bureau for  
information declaration : <http://mops.twse.com.tw>**

**I. Spokesperson and Acting Spokesperson of the Company:**

Spokesperson:

Name: Lee, Ying-Fen

Title: Vice President, General Administration Office

Tel.: (02)6626-1166#510

Email: nancy\_lee@hiclearance.com.tw

Acting Spokesperson:

Name: Chang, Yao-Yuan

Title: Finance Manager, General Administration Office

Tel.: (02)6626-1166#533

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**II. Address and Telephone Number of Headquarters, Branch Offices, and Factories**

1. Headquarters

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Tel.: (02)6626-1166

2. Taichung Service Center

Address: No. 185, 38 Gongye Road, Xitun District, Taichung City  
Tel.: (04)2355-1818

3. Chiayi Service Center

Address: 1F, No. 655, Youzhong Rd., Neihu Dist., Chiayi City,  
Taiwan

Tel.: (05)232-3016

4. Tainan Service Center

Address: 12F, No. 12, Zhonghua Rd., Yongkang Dist., Tainan City,  
Taiwan

Tel.: (06)312-5361

5. Kaohsiung Service Center

Address: 2F-1, No. 286-1, Xinya Rd., Qianzhen Dist., Kaohsiung  
City, Taiwan 電話：(07)813-9788

Tel.: (07)813-9788

6. Branch office: None

7. Factory: None

**III. Name, Address, Website, and Telephone Number of Stock Transfer Agent:**

Name: Stock Agency Department, MasterLink Securities Corporation

Address: Ground Floor, No. 35, Lane 11, Guangfu North Rd., Songshan

Dist., Taipei City, Taiwan

Tel.: (02)2768-6668

Website: [www.masterlink.com.tw](http://www.masterlink.com.tw)

**IV. Name of the CPA Auditing the Financial Statements in the Most Recent Year**

CPAs: Yu, Chi-Lung; Yang, Shu-Chih

Accounting Firm: KPMG Taiwan

Address: 68F, No. 7, Sec. 5, Xinyi Road, Taipei City, Taiwan

Tel.: (02)8101-6666

Website: [www.kpmg.com.tw](http://www.kpmg.com.tw)

**V. Name of the trading venue where overseas securities are listed and how to**

**inquire about the overseas securities:** None

**VI. Website :** [www.hiclearance.com.tw](http://www.hiclearance.com.tw)

## **Contents**

### **Chapter 1. Letter to Shareholders**

I.	Business Report .....	1
II.	Outline of 2025 Business Plan .....	2
III.	Affected by the external competitive environment, regulatory environment, and overall business environment .....	4

### **Chapter 2. Corporate Governance Report**

I.	Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents and Heads of Departments and Branches .....	5
II.	Remuneration of Directors, Supervisors, President, and Vice Presidents .....	25
III.	Implementation of Corporate Governance .....	32
IV.	Information Regarding CPA Fees .....	95
V.	Information Regarding Replacement of CPAs .....	96
VI.	The Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Who Has Served in a CPA's Accounting Firm or Its Affiliated Companies in the Most Recent Fiscal Year Shall Disclose Their Names, Positions and the Period of Employment in CPA's Accounting Firm or Its Affiliated Companies .....	97
VII.	Equity Transfer or Changes in Equity Pledged by the Company's Directors, Managerial Officers or Shareholders with Shareholding Percentage Exceeding Ten (10) Percent in the Most Recent Fiscal Year up to the Publication Date of this Annual Report .....	97
VIII.	Relationship Information, if among the Company's Top 10 Shareholders any one is a Related Party, Spouse or a Relative within the Second Degree of Kinship .....	98
IX.	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 .....	100

### **Chapter 3. Capital Overview**

I.	Capital and Shares .....	101
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II.	Issuance of Corporate Bonds .....	106
III.	Issuance of Preferred Shares .....	106
IV.	Issuance of Overseas Depository Receipts .....	107
V.	Issuance of Employees' Stock Option Certificate .....	107
VI.	New Restricted Employee Shares .....	107
VII.	Status of New Share Issuance in Connection with Mergers and Acquisitions .....	107
VIII.	Implementation of Capital Utilization Plan .....	107

#### **Chapter 4. Operational Highlights**

I.	Business Activities .....	108
II.	Analysis of Market and Production and Marketing Situation .....	115
III.	Average Years of Service, Average Age and Distribution of Academic Qualifications of Employees in the Most Recent Two Fiscal Years up to the Publication Date of this Annual Report .....	123
IV.	Disbursements for Environmental Protection .....	123
V.	Labor Relations .....	123
VI.	Cyber Security Management .....	126
VII.	Important Contracts .....	130

#### **Chapter 5. Review and Analysis of Financial Position and Financial Performance, and Listing of Risks**

I.	Financial Position .....	132
II.	Financial Performance .....	133
III.	Cash Flows .....	133
IV.	Material expenditures of the most recent year and impact on the company's finances and business .....	134
V.	Investment Policy in the Most Recent Year, Main Causes for the Profits or Losses, Improvement Plans and Investment Plans for the Coming Year .....	134
VI.	Risk Analysis and Evaluation .....	135
VII.	Other Important Matters .....	139

#### **Chapter 6. Special Disclosure**

I.	Information Regarding Affiliated Companies .....	140
----	--	-----

II.	Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report	.140
III.	Other Necessary Supplementary Notes to Be Included	.....140
IV.	Any Events which have a Material Impact on Shareholders' Rights and Interests or the Company's Securities as Prescribed in Subparagraph 3, Paragraph 2, Article 36 of the Securities and Exchange Act, that Have Occurred in the Most Recent Fiscal Year up to the Publication Date of this Annual Report Shall be Indicated Individually	.....140

## Chapter 1 Letter to Shareholders

Dear shareholders:

Here is the report on the operational performance of 2024 and the operational plan for 2025:

### I. Operational Performance for 2024:

#### (I) Operational Results:

Unit: NT\$ thousands

Items	Actual Figures for 2024	Actual Figures for 2023	Percentage Increase (Decrease)
Net Operating Revenue	3,610,958	3,429,643	5.29%
Gross Profit	921,459	858,534	7.33%
Operating Income	319,559	296,500	7.78%
Non-operating Revenue	115,702	118,193	-2.11%
Net Income before Tax	435,261	414,693	4.96%
Income Tax	(75,573)	(66,709)	13.29%
Net Profit after Tax	359,688	347,984	3.36%

#### (II) Status of Budget Execution:

The Company has reviewed the budget execution for 2024 and found no significant abnormalities or differences, achieving a close approximation to the budget targets.

#### (III) Financial Income, Expenditure, and Profitability Analysis:

Unit: NT\$ thousands

Items	Content	2024	2023
Revenues and Expenditures	Consolidated net operating revenue	4,072,811	3,895,778
	Consolidated gross profit	1,070,444	1,015,794
	Consolidated net profit after tax	359,688	347,984
Profitability	Consolidated return on assets (ROA) (%)	7.74	7.84
	Consolidated return on stockholders' equity (%)	12.02	12.83
	Consolidated operating income to paid-in capital ratio (%)	95.86	91.32
	Consolidated income before tax to paid-in capital ratio (%)	102.21	97.55
	Consolidated net profit margin (%)	8.83	8.93
	Earnings per Share (in Dollars)	8.08	8.01

#### (IV) Status of Research and Development:

As the Company is not engaged in manufacturing, we do not have a research and development division. During 2024, the Company focused on promoting products in the fields of hemodialysis, dental materials, radiation diagnostic catheters and guidewires, respiratory therapy equipment, emergency rescue equipment, anesthesia consumables, sleep apnea auxiliary equipment, minimally invasive spinal surgery equipment, home care equipment, and specialized nutritional products for kidney disease. The Company continues to build a more comprehensive medical professional channel.

## II. Outline of 2025 Business Plan:

### (I) Operations Strategy

#### (1) Continued Development in Existing Medical Fields

- a. Nephrology sector: Continue to establish a more comprehensive sales platform for hemodialysis products, providing a diverse range of high-quality products and services.
- b. Dental sector: We are seeking to expand our product range and establish a more comprehensive dental materials sales platform. This includes products such as dental implants, specialized blue light 3D navigation equipment for implantology, collagen, bone graft materials, and other biomaterials. We aim to integrate these with relevant digital and high-precision scanning equipment to provide a comprehensive solution for both doctors and patients.
- c. Radiology products: Functional catheters and guidewires, vascular access catheters for dialysis patients, and ongoing development of new products for cerebral vasculature.
- d. Home care products: Focus on preventive healthcare products and nutritional products, providing the public with home care equipment for testing blood sugar, blood pressure, blood lipids, blood oxygen, oxygen concentrator, and at-home care products.
- e. Spinal Minimally Invasive Equipment: Actively entering the spinal medical field, including areas such as spinal surgery computer navigation equipment and spinal endoscopic minimally invasive surgical equipment.
- f. Spinal Minimally Invasive Equipment: Actively entering the spinal medical field, including areas such as spinal surgery computer navigation equipment and spinal endoscopic minimally invasive surgical equipment.
- g. Spinal Minimally Invasive Equipment: Actively entering the spinal medical



field, including areas such as spinal surgery computer navigation equipment and spinal endoscopic minimally invasive surgical equipment.

(2) Expansion into New Medical Fields

Introduction of AI precision medical surgical navigation systems and biomedical materials for human tissue repair.

(3) Establishing a comprehensive logistics system: Medical equipment warehousing and distribution

Our warehouses have obtained GDP distribution licenses for medical devices and pharmaceuticals. Both storage and transportation of goods comply with regulatory requirements, ensuring a comprehensive lifecycle management system for medical equipment and guaranteeing the quality of medical products used by patients

(4) Expanding Into Foreign Markets

a. Chinese market: Continue promoting dental collagen filler products in the Chinese market.

b. Indonesian market: Continued operations in blood dialysis products and neurosurgical navigation equipment.

(II) Operational goals: For 2024, the Company achieved consolidated revenue of NT\$4,072,811 thousand. We will continue to focus on multi-domain development, striving to increase overall sales and operational performance annually. Our goal is to achieve a win-win-win outcome that benefits customers, employees, and shareholders, thereby giving back to society.

(III) Production and sales policies and Company's future development strategies:

(1) We continue to strengthen our distribution channels in the Taiwanese medical market, optimize production and sales pathways, expand our operational platform and scale, and provide high-quality services to the public, hospitals, and clinics.

(2) Following a sustainable development path, we continue to implement internal governance systems, prioritize stakeholder communication, and take effective measures to reduce carbon emissions. This ensures a high-quality environment and balances revenue growth with the goal of protecting the

planet, advancing towards sustainable operations.

III. Affected by the external competitive environment, regulatory environment, and overall business environment

The competition for domestic healthcare-related products is very fierce, and the quality varies. Each company's marketing strategies vary, and the products adopt a value segmentation approach to increase market share. Since its establishment, the Company has adhered to the customer-oriented concept, providing customers with multiple brands and a full range of products and better services.

We have established medical product logistics warehouses in the northern, central, and southern regions to build a stronger support system. All medical equipment and pharmaceutical warehouses have obtained distribution and labeling licenses in compliance with relevant regulations.

Furthermore, based on the Financial Supervisory Commission's promotion of the Corporate Governance 3.0 - Sustainable Development Roadmap, we will continue to review and implement various measures to strengthen corporate governance capabilities and enhance sustainable development.

Chairman : Lee Chung-Liang

## Chapter 2 Corporate Governance Report

### I Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents and Heads of Departments and Branches:

#### (I) Director

##### 1. Information on Directors

March 28, 2025

Job title	Nationality or Place of Incorporation	Name	Gender and Age	Date Elected (Appointed)	Term of Office	Date First Elected	Shares Held when Elected		No. of Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note)
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Chairman	R.O.C.	Representative of Collins Co., Ltd.: John Lee	Male 71-80	2022.06.22	3 years	016.06.02	2,100,057 * 0	4.71% * 0	2,385,536 * 0	5.36% * 0	0 * 0	0 * 0	0 * 0	None	EMBA, Department of Economics, Department of International Business, National Taiwan University	The Company: Chairman Other companies: Chairman of Collins Co., Ltd. ∨ Chairman of Collins High-tech Co., Ltd. ∨ Chairman of Jesco International Co., Ltd. ∨ Chairman of Hi-Clearance Investment Co., Ltd. ∨ Chairman of GrowTrend Biomedical Co., Ltd. ∨ Chairman of Sin Hwa Investment Co., Ltd. ∨ Chairman of HC-Healthcare Co., Ltd. ∨ Chairman of Yukuang Energy Co., Ltd. ∨ Chairman of Collins Energy Solutions Co., Ltd. ∨ Chairman of CESone Co., Ltd. ∨ Chairman of VIE Longue Biotech Inc. ∨ Director of Collins (BVI) International Company Limited ∨ Director of Commend (H.K.) Limited ∨ Director of Commend Holdings Limited ∨ Director of Kao Lin International Co., Ltd. ∨ Director of Quality Craft Ltd. ∨ Director of Colltex Garment MFY (HK) Co., Ltd. ∨ Director of QS Control Corp. ∨ Director of Minoshin International Co., Ltd. ∨ Director of Aerovision Avionics, Inc. ∨ Director of Axman Enterprise Co., Ltd. ∨ Director of Summit Healthcare Co., Ltd. ∨ Director of Throute Corporation ∨ Director of Grenergy, Inc. ∨ Chairman of Pudeng Solar Energy Co., Ltd. ∨ Chairman of Gaoxi Energy Technology Co., Ltd. ∨ Chairman of Tuosen Energy Co., Ltd.	Director	Lee, Yi-Hsuan	Father and daughter	None

Job title	Nationality or Place of Incorporation	Name	Gender and Age	Date Elected (Appointed)	Term of Office	Date First Elected	Shares Held when Elected		No. of Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note)
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Director	R.O.C.	Representative of Collins Co., Ltd.: Lee, Hsi-Lu	Male 81-90	2022.06.22	3 years	2016.06.02	2,100,057*0	4.71%*0	2,385,536*0	5.36%*0	0*0	0*0	0*111,699	0*0.25%	Department of Economics, National Taiwan University, Founder of Collins Co., Ltd.	The Company: None Other companies: Chairman of Gyeongheung Investment Co., Ltd. 、 Director of Collins Co., Ltd. 、 Director of GrowTrend Biomedical Co., Ltd.	None	None	None	None
Director	R.O.C.	Representative of Hi-Clearance Investment Co., Ltd.: Hsieh, Chih-Fu	Male 51-60	2022.06.22	3 years	2022.06.22	6,070,554*173,390	13.63%*0.42%	6,519,991*206,227	14.64%*0.46%	0*0	0*0	0*0	0*0	Master of E-commerce, Feng Chia University; Manager, Business Department of Renalysis Medical Care Co., Ltd.	The Company: Vice President of Hemodialysis Other companies: Director of Renalysis Medical Care Co., Ltd. 、 Director of Sin Hwa Biotech Co., Ltd. 、 Director of HC-Healthcare Co., Ltd.	None	None	None	None

Job title	Nationality or Place of Incorporation	Name	Gender and Age	Date Elected (Appointed)	Term of Office	Date First Elected	Shares Held when Elected		No. of Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note)
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Director	R.O.C.	Representative, Hi-Clearance Investment Co., Ltd.: Lee, Ying-Fen	Female 61-70	2022.06.22	3 years	2002.04.12	6,070,554 *183,118	13.63% *0.47%	6,519,991 *212,011	14.64% *0.48%	0 *8,193	0 *0.02%	0 *0	0 *0	Manager, Department of Statistics, Tamkang University, Management Department of Medicare Products Inc.; Manager, Finance Department of Hi-Clearance Inc.	The Company: Vice President, General Administration Office Other companies: Director of Sun-Up Healthcare Co., Ltd. ∙ Supervisor of Sin Hwa Investment Co., Ltd. ∙ Supervisor of Sin Hwa Biotech Co., Ltd. ∙ Chairman of Renalysis Medical Care Co., Ltd. ∙ Chairman of Taichang International Trade (Shanghai) Co., Ltd. ∙ Director of Sunrise Care International Co., Ltd.	None	None	None	None
Director	R.O.C.	Representative of Hi-Clearance Investment Co., Ltd.: Chen, Ping-Chang	Male 61-70	2022.06.22	3 years	2007.06.20	6,070,554 *707,691	13.63% *1.84%	6,519,991 *710,443	14.64% *1.60%	0 *0	0 *0	0 *0	0 *0	Master of Business Administration, Chinese University of Hong Kong; Master of Business Administration, Chang Gung University Chairman of Renalysis Medical Care Co., Ltd.	The Company: None Other companies: Director and President of Renalysis Medical Care Co., Ltd. ∙ Director of Sin Hwa Investment Co., Ltd. ∙ Supervisor of HC-Healthcare Co., Ltd.	None	None	None	None

Job title	Nationality or Place of Incorporation	Name	Gender and Age	Date Elected (Appointed)	Term of Office	Date First Elected	Shares Held when Elected		No. of Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note )
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Director	R.O.C.	Chen, Kuo-Shih	Male 61-70	2022.06.22	3 years	1995.08.30	822,881	1.85%	526,125	1.18%	121,927	0.27%	0	0	Bachelor's degree in Medical Engineering from Chung Yuan Christian University, EMBA in Business Management from National Chengchi University School of Business, Vice President of Hi-Clearance Inc. President of Hi-Clearance Inc. Vice Chairman of Hi-Clearance Inc.	The Company: President Other companies: Supervisor of Renalysis Medical Care Co., Ltd. 、Supervisor of QS Control Corp. 、Chairman of Succeed Agent Limited 、Chairman of Moral Well Co., Ltd. 、Chairman of Sin Hwa Biotech Co., Ltd. 、Director of HC-Healthcare Co., Ltd. 、Director of WS Far IR Medical Technology Co., Ltd.	None	None	None	None
Director	R.O.C.	Chiang, Ping-Hsun	Male 51-60	2022.06.22	3 years	1995.08.30	1,251,066	2.81%	1,343,689	3.02%	0	0	0	0	Information Management Department of USC, President of Speedy-Care Ent. Co., Ltd. Director of Medicare Products Inc. Director of Hi-Clearance Investment Co., Ltd.	The Company: None. Other companies: Director of Sun-Up Healthcare Co., Ltd. 、Chairman of Speedy-Care Ent. Co., Ltd. 、Director of Beam International Co., Ltd. 、Director of United Electric Industry Co., Ltd. 、Director of USYNC Inc. 、Director of Chien Hsing Investment Co., Ltd. 、Chairman of Ding Hsun Investment Co., Ltd. 、Director of Global Instrumentation Corp. 、Director of Sunrise Care International Co., Ltd. 、Director of United Aluminum Technology Co., Ltd.	None	None	None	None

Job title	Nationality or Place of Incorporation	Name	Gender and Age	Date Elected (Appointed)	Term of Office	Date First Elected	Shares Held when Elected		No. of Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note )
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Director	R.O.C.	Representative of Zhong Yu Investment Co., Ltd.: Chen, Chun-Hung	Male 61-70	2022.06.22	3 years	2019.06.21	40,000*0	0.09%*0	42,961*0	0.10%*0	0*0	0*0	0*0	0*0	Department of Enterprise Management, Union University, Director and President of Microbio Co., Ltd.	The Company: None. Other companies: Chairman of MasterLink Securities Corporation 、Chairman of MasterLink Futu 、Chairman of MasterLink Venture Investment Co., Ltd. 、Chairman of MasterLink Venture Management Corporation 、Chairman of MasterLink Securities Venture Investment (Tianjin) Co., Ltd. 、Chairman of MasterLink Innovation Venture Capital Management (Tianjin) Co., Ltd. 、Director of MasterLink Securities (B.V.I.) Corporation 、Director of Shin Kong Financial Holding Co., Ltd. 、Director of Center Laboratories, Inc. 、Director of Collins Co., Ltd. 、Director of Chia Her Industrial Co., Ltd. 、Supervisor of GrowTrend Biomedical Co., Ltd. 、Director of Microbio Co., Ltd. 、Director of Mycenax Biotech Inc. 、Supervisor of Minoshin International Co., Ltd. 、Director of Taiwan Stock Exchange Corporation 、Director of Taiwan Futures Exchange	None	None	None	None

Job title	Nationality or Place of Incorporation	Name	Gender and Age	Date Elected (Appointed)	Term of Office	Date First Elected	Shares Held when Elected		No. of Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note )
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Director	R.O.C.	Representative of Zhipin Xingye Co., Ltd.: Lee, Yi-Hsuan	Female 41-50	2022.06.22	3 years	2016.06.02	431,942*0	0.97%*0	463,921*0	1.04%*0	0*0	0*0	0*0	0*0	Doctor of Neuroscience from Northwestern University, Bachelor's degree in Molecular Biology from Berkeley University, Project Manager from the U.S. Department of Agriculture, Science and Technology Policy Advisor from the Environmental Protection Agency, and Translator from the Ministry of Health and Welfare of Taiwan	The Company: None. Other companies: Current co-founder of venture capital fund Helicase Venture Director of J&V Energy Technology Co., Ltd. ∙ Supervisor of Witty Mate Corporation	Director	John Lee	Father and daughter	None
Independent Director	R.O.C.	Chuang, Chien-Yu	Male 51-60	2022.06.22	3 years	2019.06.21	0	0	0	0	0	0	0	0	Department of Pharmacy of TMUH, Master of Business Administration from National Chengchi University School of Business, Business Manager of Takeda Pharmaceuticals Taiwan, Ltd., and President of Alvogen Co., Ltd.	The Company: Member of the Remuneration Committee, Member of the Audit Committee, Nomination Committee, Other companies: Chairman of Taiwan Oriact Co., Ltd. ∙ Independent Director of CGS International, Inc. ∙ Chairman of Eucare Co., Ltd. ∙ Director of Taiwan Health Promotion Association ∙ Chairman of Youxin Investment Co., Ltd. ∙ Chairman of Dakang New Pharmaceutical Technology Co., Ltd. ∙ Chairman of BioGQ Co., Ltd. ∙ Director of Yiding Investment Co., Ltd. ∙ Chairman of Yuanyou Interior Decoration Co., Ltd. ∙ Director of Baoding Investment Co., Ltd.	None	None	None	None



Job title	Nationality or Place of Incorporation	Name	Gender and Age	Date Elected (Appointed)	Term of Office	Date First Elected	Shares Held when Elected		No. of Shares Currently Held		Current Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remarks (Note )
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Independent Director	R.O.C.	Chen, Hung-Pin	Male 61-70	2022.06.22	3 years	2022.06.22	0	0	0	0	0	0	0	0	Department of Pharmacy, Kaohsiung Medical University, President of Eulogiums Co., Ltd., Director of Microlife Corporation President of Taiwan Bio Therapeutics Co., Ltd.	The Company: Member of the Remuneration Committee, Member of the Audit Committee, Nomination Committee Other companies: Supervising Pharmacist of Taiwan Bio Therapeutics Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Yang, Tzu-Hsuan	Female 31-40	2022.06.22	3 years	2022.06.22	0	0	0	0	0	0	0	0	Bachelor's degree from the University of Illinois Urbana-Champaign and Master's degree in Business Administration from National Taiwan University	The Company: Member of the Remuneration Committee, Member of the Audit Committee, Nomination Committee Other companies: Special Assistant to the Chairman of Allied Biotech Corp.	None	None	None	None

\* Number and proportion of shares held by the legal representative personally

Note: When the President or equivalent position (top manager) and the Chairman are the same person, spouse or relative of each other, the reasons, reasonableness, necessity, and corresponding measures (such as increasing the number of independent directors, and providing relevant information such as more than half of the directors not serving as employees or managers) should be disclosed.

2. If a director is a corporate shareholder, the data of the main shareholders of that corporate shareholder

Major Shareholder

**March 28, 2025**

Name of Institutional Shareholder	Major Shareholder
Collins Co., Ltd.	LCL Capital Inc. (19.92%), Witty Mate Corporation (10.63%), Gyeongheung Investment Co., Ltd. (5.05%), Zhipin Xingye Co., Ltd. (4.95%)
Hi-Clearance Investment Co., Ltd.	Collins Co., Ltd. (100%)
Zhong Yu Investment Co., Ltd.	Po Chang Investment Co., Ltd. (90%)
Zhipin Xingye Co., Ltd.	Tseng, Wen-Hsuan (88%)

Where the major shareholder of the corporate shareholder is a corporation, the major shareholder

**March 28, 2025**

Name of Institutional Shareholder	Major Shareholder
LCL Capital Inc.	Tseng, Wen-Hsuan (84.4%)
Witty Mate Corporation	LCL Capital Inc. (92.81%)
Gyeongheung Investment Co., Ltd.	Lee, Hsi-Lu (82.97%)
Zhipin Xingye Co., Ltd.	Tseng, Wen-Hsuan (88%)
Po Chang Investment Co., Ltd.	Weng, Shu-Yu (94%)
Collins Co., Ltd.	LCL Capital Inc. (19.92%)
	Witty Mate Corporation (10.63%)
	Gyeongheung Investment Co., Ltd. (5.05%)
	Zhipin Xingye Co., Ltd. (4.95%)

3. (1) Disclosure of Professional Qualifications of Director and Independence of Independent Director:

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience	Independence	<u>No. of other public companies at which the person concurrently serves as an independent director</u>
Director/Representative of Collins Co., Ltd.: John Lee	(1) Currently Chairman of the Company, Chairman of Collins Co., Ltd., and Chairman or Director of a number of affiliated enterprises. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0
Director/Representative of Collins Co., Ltd.: Lee, Hsi-Lu	(1) Founder of Collins Co., Ltd., Chairman or Director of several affiliated enterprises of Collins Co., Ltd. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0
Director/Representative of Hi-Clearance Investment Co., Ltd.: Chen, Ping-Chang	(1) Currently President, Director or Supervisor of several affiliated enterprises of the Company. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience	Independence	<u>No. of other public companies at which the person concurrently serves as an independent director</u>
Director/Representative of Hi-Clearance Investment Co., Ltd.: Hsieh, Chih-Fu	(1) Currently Vice President of the Hemodialysis Department of the Company and Director of several affiliated enterprises. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0
Director/Representative of Hi-Clearance Investment Co., Ltd.: Lee, Ying-Fen	(1) Currently Vice President of the General Administration Office of the Company and Chairman, Director or Supervisor of several affiliated enterprises. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0
Director/Chen, Kuo-Shih	(1) Currently President of the Company and Chairman, Director or Supervisor of several affiliated enterprises. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience	Independence	<u>No. of other public companies at which the person concurrently serves as an independent director</u>
Director/Chiang, Ping-Hsun	(1) Currently Director of several medical companies. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0
Director/Representative of Zhipin Xingye Co., Ltd.: Lee, Yi-Hsuan	(1) Current co-founder of venture capital fund Helicase Venture, Director of J&V Energy Technology Co., Ltd., and Supervisor of Witty Mate Corporation. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0
Director/Representative of Zhong Yu Investment Co., Ltd.: Chen Chun-Hung	(1) Currently Chairman of MasterLink Securities Corporation and Director or Supervisor of several medical industry companies. (2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making. (3) Not fallen under Section 30 of the Company Act.	Refer to the Statement on Independence of the Board of Directors for details	0

Independent Director/Chuang, Chien-Yu	<p>(1) Department of Pharmacy of TMUH, Master of Business Administration from National Chengchi University School of Business, currently Chairman of Taiwan Oriact Co., Ltd., Independent Director of CGS International, Inc., Chairman of EUCARE Co., Ltd., and Director of the Taiwan Health Promotion Association. Additionally, holding various board positions in multiple healthcare industry companies and serving as a member of the Remuneration Committee, Audit Committee, and Nomination Committee of the Company.</p> <p>(2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making.</p> <p>(3) Not fallen under Section 30 of the Company Act.</p>	<ol style="list-style-type: none"> <li>1. Not an employee of the Company or any of its affiliated companies.</li> <li>2. Not directors or supervisors of the Company or its affiliated companies.</li> <li>3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company, or ranking among the top 10 in shareholdings.</li> <li>4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to the individuals listed in the three preceding criteria.</li> <li>5. Not a director, supervisor, or employee of a juristic person shareholder that directly holds more than five (5) percent of the total number of shares issued by the Company or is one of the top 5 shareholders in terms of number of shares held</li> <li>6. Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than five (5) percent of the number of shares of companies or institutions that have financial or business dealings with the Company.</li> <li>7. Not a professional, owner, partner, director (member of the governing board), supervisor (member of the supervising board) or managerial officer of a sole proprietorship, partnership, company, or institution who provides commercial, legal, financial, accounting, or consultation services to the Company or to any of its affiliated companies, or spouse thereof.</li> </ol>	1
Independent Director: Chen, Hung-Pin	<p>(1) Department of Pharmacy, Kaohsiung Medical University, former President of Eulogiums Co., Ltd., Director of Microlife Corporation, President of Taiwan Bio Therapeutics Co., Ltd., currently the Supervising Pharmacist f Taiwan Bio Therapeutics Co., Ltd., Members of the Remuneration Committee, Audit Committee, and</p>	<ol style="list-style-type: none"> <li>1. Not an employee of the Company or any of its affiliated companies.</li> <li>2. Not directors or supervisors of the Company or its affiliated companies.</li> <li>3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an</li> </ol>	0

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience	Independence	<u>No. of</u> <u>other</u> <u>public</u> <u>companies</u> <u>at which</u> <u>the person</u> <u>concurrent</u> <u>ly serves</u> <u>as an</u> <u>independe</u> <u>nt director</u>
	<p>Nomination Committee of the Company.</p> <p>(2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making.</p> <p>(3) Not fallen under Section 30 of the Company Act.</p>	<p>aggregate amount of 1% or more of the total number of issued shares of the Company, or ranking among the top 10 in shareholdings.</p> <p>4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to the individuals listed in the three preceding criteria.</p> <p>5. Not a director, supervisor, or employee of a juristic person shareholder that directly holds more than five (5) percent of the total number of shares issued by the Company or is one of the top 5 shareholders in terms of number of shares held</p> <p>6. Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than five (5) percent of the number of shares of companies or institutions that have financial or business dealings with the Company.</p> <p>7. Not a professional, owner, partner, director (member of the governing board), supervisor (member of the supervising board) or managerial officer of a sole proprietorship, partnership, company, or institution who provides commercial, legal, financial, accounting, or consultation services to the Company or to any of its affiliated companies, or spouse thereof.</p>	

<p>Independent director: Yang, Tzu-Hsuan</p>	<p>(1) Bachelor's degree from the University of Illinois Urbana-Champaign and Master's degree from the Business Administration, National Taiwan University, and currently Special Assistant to the Chairman of Allied Biotech Corp., and as a member of the Remuneration Committee, Audit Committee, and Nomination Committee of the Company.</p> <p>(2) Professional experience in business operation judgment, management, industry experience, leadership and decision-making.</p> <p>(3) Not fallen under Section 30 of the Company Act.</p>	<ol style="list-style-type: none"> <li>1. Not an employee of the Company or any of its affiliated companies.</li> <li>2. Not directors or supervisors of the Company or its affiliated companies.</li> <li>3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company, or ranking among the top 10 in shareholdings.</li> <li>4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to the individuals listed in the three preceding criteria.</li> <li>5. Not a director, supervisor, or employee of a juristic person shareholder that directly holds more than five (5) percent of the total number of shares issued by the Company or is one of the top 5 shareholders in terms of number of shares held</li> <li>6. Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than five (5) percent of the number of shares of companies or institutions that have financial or business dealings with the Company.</li> <li>7. Not a professional, owner, partner, director (member of the governing board), supervisor (member of the supervising board) or managerial officer of a sole proprietorship, partnership, company, or institution who provides commercial, legal, financial, accounting, or consultation services to the Company or to any of its affiliated companies, or spouse thereof.</li> </ol>	<p>0</p>
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(2) Diversity and Independence of the Board of Directors:

(I) Diversity of the Board of Directors:

◎ Diversity policy:

The Company has a Nomination Committee and adopts a Candidate Nomination System. All director candidates are nominated and qualified by the Nomination Committee, and after being approved by the Board of Directors, they are submitted to the shareholders' meeting for election.

According to Article 20 of the Company's Corporate Governance Best Practice Principles, diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- I. Ability to make sound business judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to manage a business.
- IV. Ability to handle crisis management.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership skills.
- VIII. Decision-making ability.

◎ Specific management targets:

1. The board members shall include at least 1 female director, with a target ratio of over 10%.
2. The number of independent directors exceeding 1/3 of the total number of directors.
3. There shall be no more than 2 members of the Board of Directors who have a spouse or second degree of kinship.

※ Target achievement status:

1. Following the re-election in 2025, the number of female directors is expected to increase from 3 to 4, with the proportion increasing from 25% to 33%.

Achieved

2. The number of independent directors is currently set at 3m and based on the total number of 12 directors, it has not yet reached one-third of the total number of directors.

Not achieved: The Company plans to comply with the regulations set forth by the competent authority.

3. Currently, there only 2 members of the Board of Directors who have a spouse or second degree of kinship [Father-daughter relationship]

Achieved

The Board of Directors of the Company guides the Company's strategy, supervises the management level, and is responsible to the Company and its shareholders. In all operations and arrangements of the Company's governance system, the Board of Directors exercises its powers in accordance with laws, regulations, articles of incorporation, or resolutions of the shareholders' meeting.

All members of the Board of Directors of the Company possess the necessary expertise, skills, literacy, and industrial decision-making and management abilities to carry out business. The Company continues to arrange diversified training courses for our board members to enhance their decision-making quality, enhance their supervisory abilities, and strengthen the functions of the Board of Directors. The Company attaches great importance to gender equality in the composition of the Board of Directors, and the proportion of female directors is targeted at more than 10%, currently 25%.

The Board of Directors of the Company is composed of industry elites and experts from various fields, in accordance with the spirit of diversity. There are 12 directors in the Company, including 9 directors and 3 independent directors, of which 3 are independent directors (accounting for 25%), and their consecutive terms do not exceed three terms.

The overall Board of Directors of the Company has:

Abilities in operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market view, leadership, decision-making, etc. [For detailed information on the implementation of the diversification policy of the Board of Directors, please refer to the Company's website: Investor Zone ->Corporate Governance ->Resumes and Responsibilities of Individual Members of the Board of Directors, as well as the board member diversity policy and its implementation].

In order to implement and promote Taiwan's gender equality policy agenda, increase women's participation in decision-making, and improve the board structure, the Company has a Board of Directors consisting of 12 members. Following the re-election in 2025, the number of female directors is expected to increase from 3 to 4, accounting for one-third of the Board.

In addition, the Board of Directors has formulated a diversified policy on member composition in the Company's Corporate Governance Code, which has been disclosed on the Company's website and the Market Observation Post System.

(II) Independence of the Board of Directors:

There are no circumstances under Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act between the directors and independent directors of the Company. The Company currently has 12 members of the Board of Directors, including 9 directors and 3 independent directors, with independent directors accounting for 25%. All of the Company's independent directors meet the requirements

of the Regulations Governing the Establishment and Compliance of Independent Director of Public Companies.

(II) General Manager, Deputy General Managers, Associate Managers, and Supervisors of All the Company's Divisions and Branch Units **March 28, 2025**

Job title	Nationality	Name	Gender	Date Elected (Appointed)	Shares Held		Shares Held by Spouse and Underage Children		Shares Held in the Name of Other Persons		Experience (Education)	Concurrent Position(s) in Other Companies	Managerial Officers who are Spouses or within Second Degrees of Kinship			Remarks (Note)		
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship			
President	R.O.C.	Chen, Kuo-Shih	Male	2016.07.01	526,125	1.18%	121,927	0.27%	0	0	Bachelor's degree in Medical Engineering from Chung Yuan Christian University, EMBA in Business Management from National Chengchi University School of Business, Vice Chairman of Hi-Clearance Inc.,	Supervisor of Renalysis Medical Care Co., Ltd., Supervisor of QS Control Corp., Chairman of Succeed Agent Limited, Chairman of Moral Well Co., Ltd., Chairman of Sin Hwa Biotech Co., Ltd., Director of HC-Healthcare Co., Ltd., and Director of WS Far IR Medical Technology Co., Ltd.	No	ne	No	ne	No	ne
Vice President of Hemodialysis	R.O.C.	Hsieh, Chih-Fu	Male	2015.02.01	206,227	0.46%	0	0	0	0	Master of E-commerce, Feng Chia University; Manager, Business Department of Renalysis Medical Care Co., Ltd.	Director of Renalysis Medical Care Co., Ltd., Director of Sin Hwa Biotech Co., Ltd., Director of HC-Healthcare Co., Ltd.	No	ne	No	ne	No	ne

Vice President of Emergency and Critical Care Medical Division	R.O. C.	Tsai, Yueh-Feng	Male	2017.01.01	290	0.0007 %	0	0	0	0	Department of Electrical Engineering, Ming Chi Industry Junior College Vice President of Sin Hwa Biotech Co., Ltd. Manager of Hemodialysis Division of Hi-Clearance Inc.	Director of QS Control Corp., Director of Sin Hwa Biotech Co., Ltd.	No ne	No ne	No ne	No ne
Vice President of General Administration Office	R.O. C.	Lee, Ying-Fen	Female	2005.01.01	212,011	0.48%	8,193	0.02%	0	0	Department of Statistics of Tamkang University Manager of the Administration Department of Medicare Products Inc. Manager of the Finance Department of Hi-Clearance Inc.	Director of Sun-Up Healthcare Co., Ltd., Supervisor of Sin Hwa Investment Co., Ltd., Supervisor of Sin Hwa Biotech Co., Ltd., Chairman of Renalysis Medical Care Co., Ltd., Chairman of Taicha International Trade (Shanghai) Co., Ltd. Director of Sunrise Care International Co., Ltd.	No ne	No ne	No ne	No ne
Manager of Dental Materials Department	R.O. C.	Wu, Kuo-Cheng	Male	2013.01.01	36,379	0.08%	0	0	0	0	Department of Electrical Engineering, Kuang Wu Industry Junior College Manager of the South Business Department of Hi-Clearance Inc.	None	No ne	No ne	No ne	No ne
Manager of Medical Materials Department	R.O. C.	Tsai, Chung-I	Male	2014.08.01	61,000	0.14%	0	0	0	0	Chung Yuan Christian University Department of Biomedical Engineering Manager of the North Business Department of Hi-Clearance Inc.	None	No ne	No ne	No ne	No ne
Manager of Health and Nutrition Department	R.O. C.	He, Chia-Ching	Female	2013.03.01	9,630	0.02%	0	0	0	0	Master's degree in Pharmacology at National Taiwan University Strategic Planning and Marketing Manager of Baxter International Inc., Business Manager of Janssen Co., Ltd. Yangsen Pharmaceutical Factory	None	No ne	No ne	No ne	No ne

Chief Accounting Officer (and Corporate Governance Officer)	R.O. C.	Chang, Yao-Yuan	Male	2010.05.18	22,083	0.05%	0	0	0	0	EMBA at Tamkang University Institute of Accounting Senior Auditor of KPMG Taiwan, Director of Management Department of Hi Clarence Inc.	Director of WS Far IR Medical Technology Co., Ltd.	No ne	No ne	No ne	No ne
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## II Remuneration Paid to Directors, Supervisors, President and Vice Presidents in the Most Recent Year

(I) Remuneration to Ordinary Directors and Independent Directors (Individual Disclosure of Names and Remuneration Items)

December 31, 2024

Unit: NT\$ thousands

Job title	Name	Remuneration to directors								Percentage of the total of 4 items A, B, C and D to net income after taxes		Remuneration received by directors for concurrent service as an employee								Total of A, B, C, D, E, F and G and percentage to net income after tax		Remuneration paid to Director from investees other than the Company's subsidiaries or parent company
		Compensation (A)		Severance Pay and Pension (B)		Director' remuneration (C)		Operating expenses (D)				Salaries, Bonuses and Special Allowances (E)		Severance pay and pension (F)		Employee Compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Collins Co., Ltd.	0	0	0	0	4,081	4,081	0	0	4,081 1.13%	4,081 1.13%	0	0	0	0	0	0	0	0	4,081 1.13%	4,081 1.13%	None
	Representative of Collins Co., Ltd.: John Lee	0	0	0	0	0	0	40	40	40 0.01%	40 0.01%	8,198	8,198	0	0	0	0	0	0	8,238 2.29%	8,238 2.29%	11,403
Director	Representative of Collins Co., Ltd.: Lee, Hsi-Lu	0	0	0	0	0	0	40	40	40 0.01%	40 0.01%	0	0	0	0	0	0	0	0	40 0.01%	40 0.01%	None
Director	Hi-Clearance Investment Co., Ltd.	0	0	0	0	2,040	2,040	0	0	2,040 0.57%	2,040 0.57%	0	0	0	0	0	0	0	0	2,040 0.57%	2,040 0.57%	None
	Representative of Hi-Clearance Investment Co., Ltd.: Chen, Ping-Chang	0	0	0	0	680	760	40	40	720 0.20%	800 0.22%	0	7,133	0	0	0	0	0	0	720 0.20%	7,933 2.21%	None
	Representative of Hi-Clearance Investment Co., Ltd.: Hsieh, Chih-Fu	0	0	0	0	680	813	40	40	720 0.20%	853 0.24%	4,992	4,992	0	0	0	0	0	0	5,712 1.59%	5,845 1.63%	None

	Representative of Hi-Clearance Investment Co., Ltd.: Lee, Ying-Fen	0	0	0	0	680	840	40	40	720 0.20%	880 0.24%	4,070	4,070	0	0	0	0	0	0	4,790 1.33%	4,950 1.38%	None
Director	Zhong Yu Investment Co., Ltd.	0	0	0	0	1,360	1,360	0	0	1,360 0.38%	1,360 0.38%	0	0	0	0	0	0	0	0	1,360 0.38%	1,360 0.38%	None
	Representative of Zhong Yu Investment Co., Ltd.: Chen, Chun-Hung	0	0	0	0	0	0	35	35	35 0.01%	35 0.01%	0	0	0	0	0	0	0	0	35 0.01%	35 0.01%	None
Director	Representative of Zhipin Xingye Co., Ltd.: Lee, Yi-Hsuan	0	0	0	0	1,360	1,360	40	40	1,400 0.39%	1,400 0.39%	0	0	0	0	0	0	0	0	1,400 0.39%	1,400 0.39%	None
Director	Chen, Kuo-Shih	0	0	0	0	1,360	1,466	40	40	1,400 0.39%	1,506 0.42%	10,070	10,720	0	0	0	0	0	0	11,470 3.19%	12,226 3.40%	None
Director	Chiang, Ping-Hsun	0	0	0	0	1,360	1,360	40	40	1,400 0.39%	1,400 0.39%	0	0	0	0	0	0	0	0	1,400 0.39%	1,400 0.39%	None
Independent Director	Chuang, Chien-Yu	600	600	0	0	0	0	85	85	685 0.19%	685 0.19%	0	0	0	0	0	0	0	0	685 0.19%	685 0.19%	None
Independent Director	Chen, Hung-Pin	600	600	0	0	0	0	85	85	685 0.19%	685 0.19%	0	0	0	0	0	0	0	0	685 0.19%	685 0.19%	None
Independent Director	Yang, Tzu-Hsuan	600	600	0	0	0	0	85	85	685 0.19%	685 0.19%	0	0	0	0	0	0	0	0	685 0.19%	685 0.19%	None



1. Please describe the policy, system, standards, and structure for the remuneration of independent directors, and explain the correlation between the amount of remuneration and factors such as the responsibilities, risks, and time commitment:
  - (1) Independent directors of the Company who concurrently serve on the Audit Committee, Remuneration Committee, and Nomination Committee shall receive remuneration in accordance with the recommendations for directors and managerial officers proposed by the Remuneration Committee at the beginning of each year, subject to approval by the Board of Directors. In addition to receiving quarterly remuneration, independent directors are also paid travel allowances for each committee meeting attended.
  - (2) The Company conducts an annual review of the standards and structure for compensating independent directors. This review is based on factors such as the Company's operational performance, potential future operational risks, and the level of participation and contribution of independent directors to the Company's operations.
2. Other than disclosures in the above table, remuneration paid to directors for providing services (e.g., providing consulting services as a non-employee) for all companies in consolidated financial statements in the most recent year: none.

(II) Remuneration to President(s) and Vice President(s) (Individual Disclosure of Names and Remuneration Items) December 31, 2024 Unit: NT\$ thousands

Job title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and special allowances (C)		Employee profit-sharing compensation (D)				Percentage of the total of 4 items A, B, C and D to net income after taxes (%)		Remuneration paid to Director from investees other than the Company's subsidiaries or parent company
		The Company	<u>All consolidated entities</u>	The Company	<u>All consolidated entities</u>	The Company	<u>All consolidated entities</u>	The Company		<u>All consolidated entities</u>		The Company	<u>All consolidated entities</u>	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends			
President	Chen, Kuo-Shih	2,682	2,682	0	0	7,388	7,438	0	0	0	0	10,070 2.80%	10,720 2.98%	None
Vice President	Hsieh, Chih-Fu	1,692	1,692	0	0	3,300	3,300	0	0	0	0	4,992 1.39%	4,992 1.39%	None
Vice President	Tsai, Yueh-	1,732	1,732	0	0	1,655	1,655	0	0	0	0	3,387 0.94%	3,387 0.94%	None

	Feng													
Vice President	Lee, Ying-Fen	1,641	1,641	0	0	2,428	2,428	0	0	0	0	4,070 1.13%	4,070 1.13%	None

\* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation

(III) Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEX listed Company (Individual Disclosure of Names and Remuneration Items)  
December 31, 2024 Unit: NT\$ thousands

Job title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and special allowances (C)		Employee profit-sharing compensation (D)				Percentage of the total of 4 items A, B, C and D to net income after taxes (%)		Remuneration paid to Director from investees other than the Company's subsidiaries or parent company
		The Company	<u>All consolidated entities</u>	The Company	<u>All consolidated entities</u>	The Company	<u>All consolidated entities</u>	The Company		<u>All consolidated entities</u>		The Company	<u>All consolidated entities</u>	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends			
Chairman	John Lee	2,940	2,940	0	0	5,258	5,258	0	0	0	0	8,198 2.28%	8,198 2.28%	11,403
President	Chen, Kuo-Shih	2,682	2,682	0	0	7,388	7,438	0	0	0	0	10,070 2.80%	10,720 2.98%	None
Vice President	Hsieh, Chih-Fu	1,692	1,692	0	0	3,300	3,300	0	0	0	0	4,992 1.39%	4,992 1.39%	None
Vice President	Tsai, Yueh-Feng	1,732	1,732	0	0	1,655	1,655	0	0	0	0	3,387 0.94%	3,387 0.94%	None
Vice	Lee,	1,641	1,641	0	0	2,428	2,428	0	0	0	0	4,070	4,070	None

President	Ying-Fen											1.13%	1.13%	
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\* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation

## (IV) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2024; Unit: NT\$ thousands

	Job title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial Officer (Note 3)	President	Chen, Kuo-Shih	0	0	0	0
	Vice President of Hemodialysis	Hsieh, Chih-Fu				
	Vice President of Emergency and Critical Care Medical Division	Tsai, Yueh-Feng				
	Vice President of General Administration Office	Lee, Ying-Fen				
	Manager of Dental Materials Department	Wu, Kuo-Cheng				
	Manager of Medical Materials Department	Tsai, Chung-I				
	Manager of Health and Nutrition Department	He, Chia-Ching				
	Manager of Plastic Surgery Material Group	Li, Chun-I				
	Chief Accounting Officer (and Corporate Governance Officer)	Chang, Yao-Yuan				

Note: The managerial officers of the Company did not receive employee rewards.

## (V) Specify and compare the salary to directors, Presidents and Vice Presidents of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated financial statements in the most recent 2 years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk.

## 1. Ratio of Total Remuneration to NIAT

	2023		2024	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	11.92	13.92	12.05	14.35

President and Vice Presidents	6.18	6.18	6.26	6.44
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2. Remuneration Policies, Standards and Packages, Procedures for Determining Remuneration and Correlation of Remuneration with Business Performance and Future Risks:

- (1) The Company's Articles of Incorporation stipulate that after deducting the pre-tax benefits of the current year from the distribution of employee and director rewards, and retaining the accumulated losses, if there is still a balance, no more than 3% shall be allocated as director rewards. The distribution ratio of director rewards shall be reasonable based on the degree of their participation in the Company's operations and the value of their contribution. Independent directors shall not participate in the distribution of director rewards, and the rewards they receive shall be determined by the Board of Directors in consideration of the industry's usual standards. In addition, the transportation expenses for the Company's directors to attend the Board of Directors and various committees shall be determined based on the industry's standards.
- (2) The overall salary of managerial officers and employees is determined based on the achievement of annual operational goals, providing competitive compensation for employees. The salary structure mainly consists of monthly fixed salary, year-end bonus, performance bonus, and performance bonus. The fixed salary is determined in accordance with the Company's personnel regulations, as well as the scope of responsibilities, personal performance, and academic qualifications of the position. It also takes into account the salary level of similar positions in the industry market. The amount of performance bonus is determined based on the overall operational performance and profit of the Company, the budget planning and actual achievement of each unit, the achievement rate of the Company's overall operational goals by each unit, personal operational performance, and future operational risk assessment. These are important evaluation criteria for distribution. According to the Company's Articles of Incorporation, after deducting the pre-tax benefits of the current year from the distribution of employee rewards and director rewards, and retaining the accumulated losses, if there is still a balance, no less than 1% shall be allocated as employee rewards.

The principle of setting remuneration above is combined with the overall operational performance and future operational risk assessment of the Company, enabling the highest decision-maker to continuously create long-term operational performance of the enterprise under controllable risks.

### III Implementation of Corporate Governance

#### (I) Operations of the Board of Directors

##### 1. Operations of the Board of Directors

A total of 8 (A) meetings of the Board of Directors were held in 2024. The attendance of Director was as follows:

Job title	Name	Number of actual attendance (appearance) (B)	Attendance by proxy	Actual attendance (appearance) rate (%) (B/A)	Remarks
Chairman	Representative of Collins Co., Ltd.: John Lee	8	0	100%	None
Director	Representative of Collins Co., Ltd.: Lee, Hsi-Lu	8	0	100%	None
Director	Representative of Hi-Clearance Investment Co., Ltd.: Hsieh, Chih-Fu	8	0	100%	None
Director	Representative of Hi-Clearance Investment Co., Ltd.: Lee, Ying-Fen	8	0	100%	None
Director	Representative of Hi-Clearance Investment Co., Ltd.: Chen, Ping-Chang	8	0	100%	None
Director	Chen, Kuo-Shih	8	0	100%	None
Director	Chiang, Ping-Hsun	8	0	100%	None
Director	Representative of Zhong Yu Investment Co., Ltd.: Chen, Chun-Hung	7	0	88%	None
Director	Representative of Zhipin Xingye Co., Ltd.: Lee, Yi-Hsuan	8	0	100%	None
Director (Independent)	Chuang, Chien-Yu	8	0	100%	None
Director (Independent)	Chen, Hung-Pin	8	0	100%	None
Director (Independent)	Yang, Tzu-Hsuan	8	0	100%	None

Other information required to be disclosed:			
I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:			
(I) Items Listed in Article 14-3 of the Securities and Exchange Act			
Board of Directors	Content of Motion and Follow-up	Items Listed in Article 14-3 of the Securities and Exchange Act	Objections or Reservations by Independent Director
The 13th meeting of the 13th term 2024.01.22	1. Report on the budget and organizational structure for the year 2024.	√	None
	2. Proposal on approval of exchange treaties quota with the Company's credit line bank.	√	None
	3. Proposal on matters resolved at the fourth meeting of the fifth term of the Remuneration Committee.	√	None
	4. The Case of the Company's investment in EPED Inc.	√	None
Opinions of Independent Director: None			
The Company's actions in response to the opinions of Independent Directors: None			
Outcome of resolution: Approved by all the directors present.			
The 14th meeting of the 13th term 2024.02.22	1. Proposal on the annual financial report and consolidated financial report for the year 2023.	√	None
	2. Proposal on matters resolved at the fifth meeting of the fifth term of the Remuneration Committee.	√	None
	3. Proposal on the assessment of the independence and suitability of CPAs appointed in 2024.	√	None
Opinions of Independent Director: None			
The Company's actions in response to the opinions of Independent Directors: None			
Outcome of resolution: Approved by all the directors present.			
The 15th meeting of the 13th term 2024.04.12	1. The Company intends to participate in the tender case of the Chiayi County Government's first land offset auction of 2024.	√	None
Opinions of Independent Director: None			
The Company's actions in response to the opinions of Independent Directors: None			
Outcome of resolution: Approved by all the directors present.			
The 16th meeting of the 13th term 2024.05.03	1. 1. Description of transactions between the Company and related parties.	√	None
	2. 1Q2024 Operating Report of the Company &	√	None

	1Q2024 Consolidated Financial Report		
Opinions of Independent Director: None			
The Company's actions in response to the opinions of Independent Directors: None			
Outcome of resolution: Approved by all the directors present.			
The 17th meeting of the 13th term 2024.05.29	1. The CPA's explanation of the impact on the Company's financial statements before and after the adjustments.	✓	None
Opinions of Independent Director: None			
The Company's actions in response to the opinions of Independent Directors: None			
Outcome of resolution: Approved by all the directors present.			



The 18th meeting of the 13th term 2024.08.02	1. Proposal on the financial report and consolidated financial report for the first half of 2024.	√	None
	2. Description of transactions between the Company and related parties.	√	None
	3. Proposal on approval of exchange treaties quota with the Company's credit line bank.	√	None
Opinions of Independent Director: None			
The Company's actions in response to the opinions of Independent Directors: None			
Outcome of resolution: Approved by all the directors present.			
The 19th meeting of the 13th term 2024.11.08	1. Description of transactions between the Company and related parties.	√	None
	2. Proposal on the third quarter financial report and consolidated financial report for 2024.		
Opinions of Independent Director: None			
The Company's actions in response to the opinions of Independent Directors: None			
Outcome of resolution: Approved by all the directors present.			
The 20th meeting of the 13th term 2024.11.26	1. Acquisition of product distribution rights and related matters.	√	None
Opinions of Independent Director: None			
The Company's actions in response to the opinions of Independent Directors: None			
Outcome of resolution: Approved by all the directors present.			

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

The second proposal of the 13th meeting of the 13th term of Board of Directors:

- ✖ Proposal content: matters resolved at the fourth meeting of the fifth term of the Remuneration Committee.
- ✖ Names of directors subject to recusal: Chairman John Lee and President Chen, Kuo-Shih
- ✖ Reason for recusal: This case is to review the amount of remuneration paid to the Chairman and President.
- ✖ Voting participation: Passed by all 10 voting directors.

III. Disclose the evaluation cycles, evaluation periods, scope and method of evaluation, and contents of evaluation for evaluating the performance of the board members (on themselves or peers), and fill in the attached Table (2) Implementation of Evaluation for the Board of Directors. In the year 2023, the Taiwan Investor Relations Institute was commissioned to conduct an external performance evaluation of the Board of Directors. The evaluation report is disclosed on the Company's official website.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

- ✖ Goal: With the goal of implementing corporate governance, formulate, advocate and cooperate

with the competent authorities to promote relevant corporate governance action concepts, and improve the operational performance of corporate governance.

- ※ Implementation evaluation: The Company has established the Corporate Governance Code Best-Practice Principles and has taken out director and supervisor liability insurance since 2017 to cover the rights and interests of all shareholders, protect directors and supervisors from transferring financial risks caused by litigation, and reduce the Company's operational risks. In order to establish good corporate governance for the Company, assist directors in performing their duties, and improve the performance of the Board of Directors, the Company's Articles of Incorporation have been revised and approved by the Board of Directors on March 5, 2021 in accordance with the Key Points to be Followed in the Establishment and Exercise of Powers of the Board of Directors of TPEX Listed Companies. A new clause for the establishment of an Audit Committee has been added, and the establishment of the Nomination Committee was actually completed by the Board of Directors on July 1, 2022. Additionally, the establishment of the Nomination Committee was completed by the Board of Directors on November 3, 2023.
- ※ Please refer to Table (I)-1 on page 38 for the implementation of director training in the year 2024.

## 2. Implementation of Evaluations of the Board of Directors

Frequency (Note 1)	Period (Note 2)	Scope of evaluation (Note 3)	Method (Note 4)	Content (Note 5)
Once a year (once every three years for external evaluation)	2024	Board of Directors, individual board members, and functional committees (including Remuneration Committee and Audit Committee)	<ol style="list-style-type: none"> <li>1. Self-evaluation by the Board</li> <li>2. Self-evaluation by board members</li> <li>3. Appointment of external professional agency</li> </ol>	<ol style="list-style-type: none"> <li>(1) Evaluation of the performance of the board should include the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.</li> <li>(2) Performance evaluation of individual Director: The evaluation shall include the "familiarity with the goals and missions of the Company", "knowledge of the duties of Director", "degree of participation in</li> </ol>

				<p>the Company's operations",  "management of internal relations and communication",  "professional and continuous education of Director", and  "internal control".</p> <p>(3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.</p>
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Note 1: Fill in the cycle on which the board evaluations are performed, for example: once a year, once every three years for external evaluation.

Note 2: Fill in the period covered by the board evaluation, for example: An evaluation was performed of the performance of the Board of Directors from January 1, 2019 to December 31, 2019.

Note 3: Note 3: The scope of the evaluation should cover the performance of the board as a whole, the individual directors, and the functional committees.

Note 4: Note 4: The performance evaluation methods may include internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members, evaluations external organizations or experts engaged for that purpose, or other suitable method.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

- (1) Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.
- (2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.
- (3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.

Continuing education of directors in Table 1-1: 2024:

Job title	Name	Training Institution	Name of Continuing Education Course	Training Hours	Does it comply with the Key Points for Promoting Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies
Chairman	Representative of Collins Co., Ltd.: John Lee	TWSE	2024 Annual Seminar on the Prevention of Insider Trading	3	Yes
		Taiwan Academy of Banking and Finance	Corporate Governance and Corporate Sustainability Workshop	3	Yes
Director	Representative of Collins Co., Ltd.: Lee, Hsi-Lu	Taiwan Stock Exchange and Cathay Financial Holdings	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
Director	Chiang, Ping-Hsun	Securities & Futures Institute	Corporate Sustainability	3	Yes
			Evaluation of the Performance of the Board of Directors	3	Yes
Director	Chen, Kuo-Shih	Securities & Futures Institute	Introduction to Sustainable Development and Greenhouse Gas Inventory	3	Yes
		Taiwan Institute of Directors	Exploring Taiwan's International Competitiveness in the Context of Global Competitive Dynamics	3	Yes
Director	Representative of Hi-Clearance Investment Co., Ltd.: Chen, Ping-Chang	Securities & Futures Institute	Cybersecurity Law and Financial Penalty Cases	3	Yes
		Taiwan Institute of Directors	2024 Leadership Academy Forum	3	Yes
Director	Representative of Hi-Clearance Investment Co., Ltd.: Lee, Ying-Fen	Securities & Futures Institute	Sustainable Development Strategy and Planning	3	Yes
		TPEX	Workshop on Equity Compliance for Insiders	3	Yes

Job title	Name	Training Institution	Name of Continuing Education Course	Training Hours	Does it comply with the Key Points for Promoting Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies
Director	Representative of Hi-Clearance Investment Co., Ltd.: Hsieh, Chih-Fu	Taiwan Independent Director Association	From ESG Transition to Opportunities and Mastery of Impact Investment	3	Yes
		Taiwan Institute of Directors	2024 Leadership Academy Forum	3	Yes
Director (Independent)	Yang, Tzu-Hsuan	TPEX	Awareness Seminar on Insider Shareholding for TPEX-listed and Emerging Stock Companies	3	Yes
		Taiwan Institute of Directors	2024 Leadership Academy Forum	3	Yes
Director (Independent)	Chuang, Chien-Yu	Taiwan Stock Exchange and Cathay Financial Holdings	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
Director (Independent)	Chen, Hung-Pin	Securities & Futures Institute	Intellectual Property Management	3	Yes
		Taiwan Institute of Directors	2024 Leadership Academy Forum	3	Yes
Director	Representative of Zhipin Xingye Co., Ltd.: Lee, Yi-Hsuan	Securities & Futures Institute	Practicing Corporate Sustainability	3	Yes
		Taiwan Academy of Banking and Finance	Corporate Governance and Sustainability Workshop	3	Yes
Director	Representative of Zhong Yu Investment Co., Ltd.: Chen, Chun-Hung	Taiwan Securities Association	Senior Executive Program for Securities Industry Professionals	6	Yes
		Taiwan Academy of Banking and Finance	Corporate Sustainability	3	Yes

(II) Operation of the Audit Committee:

The Audit Committee is tasked with assisting the Board of Directors in fulfilling its supervisory responsibilities and exercising the powers outlined in the Securities and Exchange Act, the Company Act, and other applicable regulations. The Committee routinely communicates with the Company's CPAs and conducts reviews concerning their appointment, independence, and performance.

1. The responsibilities and annual work priorities of the Audit Committee are outlined as follows:

(1) Assessment of the effectiveness of the internal control system:

- ① Review the Company's internal control policies and procedures.
- ② Review the self-assessments of each unit regarding the implementation and effectiveness of the internal control system, and evaluate the execution results of the annual audit plan.

(2) Preparation of accounting statements:

Review the Company's business report, profit distribution, annual and interim financial statements, etc.

(3) Appointment of CPAs:

Review CPAs' independence, professionalism, and suitability, including assessing any affiliations with the Company, such as business or financial interests.

(4) Review of the following in accordance with Article 14-1 of the Securities and Exchange Act:

Reviewing the Company's revisions to the "Rules of Procedure for Board of Directors' Meetings," "Procedures for Management of Sustainability Information," and "Standard Operating Procedures for Requests Filed by Directors."

(5) Inspection plan for internal audit operations:

Review the Company's internal audit plan for 2025.

(6) Non-assurance service items provided by the Company's CPAs:

Pre-approval of the non-assurance service items provided by the Company's CPAs.

(7) Significant assets:

- ① Review of the investment on EPED Inc.
- ② Review the participation in the tender case of the Chiayi County Government's first land offset fee reserve auction of 2024.
- ③ Acquisition of product distribution rights and related matters.

(8) Other Important Matters:

Review of the amendments to some provisions of the Company's Articles of Incorporation.

2. The Audit Committee met 7 times (A) in the year 2024. The attendance of Independent Director was as follows:

Job title	Name	Attendance in person (B)	Attendance by proxy	Percentage of attendance in person (%) [B/A]	Remarks
Independent Director	Chuang, Chien-Yu	7	0	100%	Appointed on 07/01/2022

Independent Director	Chen, Hung-Pin	7	0	100%	Appointed on 07/01/2022
Independent Director	Yang, Tzu-Hsuan	7	0	100%	Appointed on 07/01/2022
<p>Other information required to be disclosed:</p> <p>I If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:</p> <p>(1) Items Listed in Article 14-5 of the Securities and Exchange Act</p>					
Date/Term & Session of the Audit Committee	Proposal	Independent Director's Opinion	Resolution Results of the Audit Committee	The Company's Response to the Opinions of the Audit Committee	
The 10th meeting of the 1st term of Board of Directors 2024.1.22	1. Investment on EPED Inc.	None	No objections	Not applicable	
The 11th meeting of the 1st term of Board of Directors 2024.2.22	1. 2023 Statement on Internal Control System 2. Adoption of the financial statements of the Company for 2023 3. Proposal on the Company's surplus distribution plan for 2023 4. Amendments to some provisions of the Company's Articles of Incorporation 5. Amendments to the Company's Rules of Procedure of the Board of Shareholders 6. Change of CPAs (internal personnel rotation) 7. Proposal on the assessment of the independence and suitability of CPAs appointed in 2024 8. General principles for formulating the Company's policy on non-confirmation services for pre-	None	No objections	Not applicable	

	approved endorsement accounting firms			
The 12th meeting of the 1st term 2024.4.12	1. The Company participated in the tender case of the Chiayi County Government's first land offset fee reserve auction of 2024.	None	No objections	Not applicable
The 13th meeting of the 1st term 2024.5.3	1. Adoption of the financial statements of the Company for 2024Q1	None	No objections	Not applicable
The 14th meeting of the 1st term 2024.8.2	1. Adoption of the financial statements of the Company for 2024Q2	None	No objections	Not applicable
The 15th meeting of the 1st term 2024.11.8	1. Adoption of the annual audit plan of the Company for 2025 2. Adoption of the financial statements for 2024Q3 3. Amendments to the Company's written procedures for internal control, "Procedures for Management of Sustainability Information" 4. Amendments to some provisions of the "Standard Operating Procedures for Requests Filed by Directors"	None	No objections	Not applicable
The 16th meeting of the 1st term 2024.11.26	1. Acquisition of product distribution rights and related matters	None	No objections	Not applicable
<p>(2) Other matters not approved by the Audit Committee but approved by two-thirds or more of all directors: None.</p> <p>II Regarding recusals of independent directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusals, and results of voting shall be specified: None.</p> <p>III Communication between the independent directors, chief internal auditor, and CPAs (including the key items, methods, and results of audit of finances and operations):</p> <p>(1) The communication and interaction between the internal audit supervisor and independent directors are as follows:</p> <p style="padding-left: 40px;">The audit supervisor conducts quarterly audits to independent directors and the Board of Directors, explaining the audit results and tracking situation, and provides independent directors the audit reports and tracking reports on a quarterly basis.</p> <p>(2) Communication between independent directors and CPAs:</p> <p style="padding-left: 40px;">The CPAs present to the Audit Committee on a quarterly basis, explaining the process, findings, and results of auditing or reviewing the Company's financial statements. The CPAs also fully discuss with the independent directors, advocate for updates to important accounting</p>				



standards and securities regulations, and exchange opinions with the independent directors on the implementation of internal controls and important findings.

On November 8, 2024, independent directors, CPAs, and internal audit supervisor discussed the independence and competence of audit personnel in accounting firms, audit responsibilities, audit scope, audit findings, annual audit focus, and reminders. Additionally, the CPAs provided explanations and advocacy on important accounting standards or explanatory letters, securities regulatory laws, and tax laws.

(III) Operation of corporate governance and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof.

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
I Does the company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company formulated its Corporate Governance Best-Practice Principles at the 17th meeting of the 9th term of Board of Directors on August 23, 2012 and disclosed it on the Market Observation Post System and the Company's website.	No deviation.
II Shareholding structure & shareholders' rights (I) Does the company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations?	✓		The Company assigns its spokesperson to handle shareholder-related issues, including suggestions, inquiries, disputes, and litigation matters, all of which are managed in accordance with relevant procedures	No deviation.
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		The Company has a stock affairs officer responsible for handling relevant matters, and is assisted by the stock affairs agency Stock Affairs Agency Department of Masterlink Securities Corp. to handle them. They all report their internal shareholding changes (directors, managers, and shareholders holding more than 10% of the company's total shares) to the Market Observation Post System on a monthly basis, effectively grasping the list of major shareholders.	No deviation.

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
(III) Does the Company establish and execute a risk management and firewall system within its affiliated companies?	✓		The Company has established regulations, such as the "Operating Procedures for Transactions with Specific Companies, Group Enterprises, and Related Parties," "Management Measures for Subsidiaries," "Regulations Governing the Acquisition and Disposal of Assets," "Measures Governing Loaning of Funds to Others," and "Measures Governing Making of Endorsements/Guarantees." These regulations serve as a management mechanism for transactions with related enterprises, ensuring effective risk control and firewall measures.	No deviation.
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		The Company has established the Management Measures for Internal Significant Information Processing and Insider Trading which were discussed and approved by the Board of Directors on August 26, 2010, and revised by the Board of Directors on November 3, 2023, adding that "regulated entities are not allowed to trade their stocks during the closed period of 30 days before the announcement of the annual financial report or 15 days before the announcement of the quarterly financial report from the date they become aware of the Company's financial report or related performance content." This is to ensure that internal personnel adhere to the relevant norms of the operation.	No deviation.

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
<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>	✓		The Company specifies in Article 20 of Section 1 of Chapter 3 of the Corporate Governance Best-Practice Principles the overall capabilities that the Board of Directors should possess, and the Company also implements these principles in accordance with this policy. The diversification policy, specific management objectives, and implementation of the Company's Board of Directors are detailed in the explanations on pages 19~21 of this annual report.	No deviation.
(II) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		The Company established a functional committee named Remuneration Committee on December 28, 2011, and an Audit Committee on July 1, 2022. The Nomination Committee was voluntarily established on November 3, 2023; In the future, necessary specialized committees will also be established depending on the development needs of the Company.	No deviation.
(III) Does the Company establish standards and methods to evaluate the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and	✓		The Company formulated the Board Performance Evaluation Measures at the 17th meeting of the 9th term of Board of Directors on August 23, 2012, and revised them at the 12th meeting of the 13th term of Board of Directors on November 3, 2023. The performance evaluation of the Board of Directors is regularly conducted by the corporate governance unit and self-evaluated by the members of the Board of Directors. In addition, the Taiwan Investor Relations Institute is commissioned to conduct external board performance	No deviation.

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
renewal?			evaluations in the year 2023, and the results of the performance evaluations are reported to the Board of Directors; The performance evaluation of the Board of Directors and various functional committees for the year 2024 has been submitted to the 21st meeting of the 13th term of the Board of Directors on January 13, 2025, and the relevant evaluation report has been posted on the Company's official website.	
(IV) Does the Company regularly evaluate the independence of the CPAs?	✓		<p>The Audit Committee of the Company evaluates the independence of CPAs every year, and then submits the evaluation results to the Board of Directors. The latest evaluation was submitted to the Board of Directors for approval after being approved by the Audit Committee on February 21, 2025.</p> <p>The evaluation mechanism is as follows:</p> <ol style="list-style-type: none"> <li>1. Confirm that the CPAs of the Company is not a related party to the Company or its directors.</li> <li>2. Comply with the Corporate Governance Best-Practice Principles to handle the replacement of CPAs.</li> <li>3. In accordance with the Sarbanes-Oxley Act, CPA firms are required to obtain the pre-approval of the Audit Committee prior to the annual certification and the appointment for other cases.</li> <li>4. According to the Sarbanes-Oxley Act, CPAs shall report</li> </ol>	No deviation.

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
			<p>quarterly to the Audit Committee on compliance in terms of review/audit content and independence, etc.</p> <p>5. Obtain the Statement of Independence issued by the CPAs.</p> <p>6. Obtain information on 13 audit quality indicators (AQIs) provided by the accounting firm, and evaluate the audit quality of the accounting firm and audit team in accordance with the Audit Committee Guide to Audit Quality Indicators (AQI) issued by the competent authority.</p> <p>The evaluation results are summarized as follows:</p> <p>1. The independence between the CPAs and the Company comply with the Certified Public Accountant Act, the Professional Ethics Code for CPAs, the SEC of the United States and the PCAOB as well as other relevant regulations.</p> <p>2. The Company has not appointed the same accountant for endorsement for five consecutive years.</p> <p>3. Based on AQI metrics, multiple indicators of the accounting firm were verified to be superior to or at least on par with the industry average.</p>	
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	✓		The Company, in order to implement corporate governance and encourage the Board of Directors to play its due role in protecting the rights and interests of investors, allocates suitable and appropriate numbers of corporate governance personnel, and on June 14, 2023, the Board of Directors passed a resolution appointing Chang, Yao-Yuan as (concurrently) the	No deviation.

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons												
	Yes	No	Summary Description													
(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)?			<p>head of corporate governance.</p> <p>The status of continuing education in 2024 is as follows:</p> <table><tr><th>Date</th><th>Training Hours</th><th>Training Institution</th><th>Course Name</th></tr><tr><td>2024/5/17</td><td>6</td><td>Accounting Research and Development Foundation</td><td>Practical Analysis of ESG Sustainability Policies, Net-Zero Carbon Emissions, and Their Impact on Financial Statements in Annual Report Preparation</td></tr><tr><td>2024/5/30</td><td>12</td><td>Accounting Research and Development Foundation</td><td>Continuing Education Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges</td></tr></table> <p>The scope of authority of the Company's corporate governance supervisor and corporate governance personnel includes:</p> <ol style="list-style-type: none"><li>1. Execute related affairs for the Board of Directors meetings and shareholders' meetings.</li><li>2. Prepare meeting minutes for the meetings of the Board of Directors and shareholders’ meetings.</li><li>3. Assist directors in assuming office and pursuing continuing education.</li><li>4. Provide documents required for performance of duties by the Director.</li></ol>	Date	Training Hours	Training Institution	Course Name	2024/5/17	6	Accounting Research and Development Foundation	Practical Analysis of ESG Sustainability Policies, Net-Zero Carbon Emissions, and Their Impact on Financial Statements in Annual Report Preparation	2024/5/30	12	Accounting Research and Development Foundation	Continuing Education Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges	
Date	Training Hours	Training Institution	Course Name													
2024/5/17	6	Accounting Research and Development Foundation	Practical Analysis of ESG Sustainability Policies, Net-Zero Carbon Emissions, and Their Impact on Financial Statements in Annual Report Preparation													
2024/5/30	12	Accounting Research and Development Foundation	Continuing Education Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges													

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
			5. Assist the Director in regulatory compliance. 6. Other matters set forth in the Company's Articles of Association or contracts.	
V Does the Company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company has established a Stakeholder Zone on its website, with contact windows for shareholders, customers, suppliers, employees, and communities within the scope of their respective departments, to maintain good communication with stakeholders and provide sufficient information to enable stakeholders to make judgments and protect their rights.	No deviation.
VI Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed a professional stock affair agency - the Stock Affairs Agency Department of MasterLink Securities Corp. - to deal with the affairs of the shareholders' meeting.	No deviation.
VII Information Disclosure (I) Does the Company have a website to disclose the financial operations and corporate governance status?	✓		Website of the Company: <a href="http://www.hiclearance.com.tw">http://www.hiclearance.com.tw</a> The Company promptly discloses sufficient and complete financial and corporate governance related information on the website.	No deviation.
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and	✓		The Company has established spokespersons and proxy spokespersons, and dedicated personnel are responsible for collecting and disclosing information.	No deviation.



Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
disclosure, appointing spokespersons, webcasting investors conference etc.)?				
(III) Does the company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?	✓		The Company aims to publish annual financial reports within two months after the end of the fiscal year, starting from fiscal year 2023, in accordance with the Corporate Governance 3.0 - Sustainable Development Blueprint. The announcement date of the financial report for the year 2024 is February 28, 2025. As for the financial reports for the first, second, and third quarters, efforts will be made to announce and declare them in advance before the prescribed deadline.	No deviation.

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
VIII Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Director' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Director and Supervisors)?	ü		<ol style="list-style-type: none"> <li>1. Employee rights, employee care, investor relations, supplier relations, and the rights of stakeholders: Please refer to Schedule (V) on pages 60-74 to explain the implementation of promoting sustainable development.</li> <li>2. The situation of directors pursuing further education: All directors of the Company have professional backgrounds and do not regularly participate in further education courses. Please refer to Schedule (I)-1 on page 38-39.</li> <li>3. In 2023, the Company formulated the Risk Management Policy and Procedures as the basis for risk management. The implementation status of risk measurement standards: The Company is able to effectively manage and execute risks that affect financial operations, and there have been no losses incurred as a result.</li> <li>4. In 2023, the Supplier Management Policy was formulated, which not only targets supplier technical capabilities, quality, delivery time, and price competitiveness but also on environmental protection, occupational safety, and human rights; at the same time, this establishes a set of supplier evaluation and sustainable management evaluation mechanisms. To improve the evaluation of sustainable management practices for suppliers, the Supplier Management Policy was revised on May 1, 2024, to clearly outline the evaluation criteria. This revision</li> </ol>	No deviation.

Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
			<p>includes regular assessments for both new and existing suppliers, along with a commitment to collaborate on issues such as environmental protection, occupational safety, and human rights, thereby fulfilling the collective corporate social responsibility.</p> <p>5. Implementation of consumer or customer protection policies: The Company has a product guarantee agreement with its main customers to ensure the implementation of consumer or customer policies.</p> <p>6. Purchase of liability insurance for directors and supervisors: insurance has been taken out in 2017 and maintained every year.</p>	
<p>IX Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.</p> <p>The Company is actively enhancing its practices based on the results of the 2023 corporate governance evaluation results.</p>				

Items	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Ye s	N o	
Summary Description			

Additionally, it has completed the 2024 corporate governance self-assessment on the self-evaluation platform and is progressively improving governance practices to enhance its corporate image.

Improvement status:

1. The 2024 annual shareholders' meeting were held by the end of May.
2. The 2024 financial reports were all approved by the Audit Committee and subsequently adopted by the Board of Directors
3. The 2024 annual financial report, audited and certified by CPAs, was published within two months after the end of the fiscal year.
4. The dividend policy was revised and approved in 2024, and the updates have been disclosed in the annual report.
5. Voluntary disclosure of individual director compensation are included in this annual report.
6. Revised the Whistleblowing Management System and Supplier Management Policy in 2024 to optimize corporate governance under a comprehensive framework for maximum effectiveness.

The Company prioritized completing directors' and supervisors' liability insurance in 2017 and continues to renew it annually, along with holding institutional investor conferences. Additionally, the Company first adopted electronic voting at the 2018 shareholders' meeting, and in 2019 completed the implementation of the nomination system for candidates for all directors/supervisors. In July 2022, the Company established the Audit Committee, in June 2023 appointed a Corporate Governance Officer, in November 2023 appointed an Information Security Officer, and in November 2023 established Risk Management Policies and Procedures, Whistleblowing Management System, Supplier Management Policy, and Procedures for Ethical Management and Guidelines for Conduct. In November 2023, the Company completed the establishment of the Nomination Committee. After reviewing the Whistleblowing Management System and Supplier Management Policy established in 2023 and finding they needed improvement, the Company revised the Whistleblowing Management System and Supplier Management Policy in May 2024 to ensure optimal effectiveness of corporate governance under a comprehensive system. Currently, all improvement work has been completed or is ongoing.

(IV) If the Company has a Remuneration Committee or a Nomination Committee, it shall disclose its composition and operation:

1. Information on Remuneration Committee Members

Position	Name	Qualification	Professional qualifications and experience	Independence	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director	Chuang, Chien-Yu		Note	Note	0
Independent Director	Chen, Hung-Pin		Note	Note	0
Independent Director	Yang, Tzu-Hsuan		Note	Note	0

Note: For the professional qualifications, experience, and independence of independent directors, please refer to pages 16~18 of this annual report.

2. Operational status of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) Term of office of the current term: July 1, 2022 to June 30, 2025. A total of 2 meetings were held by the Remuneration Committee in 2024, where the qualifications and attendance of the members are as follows:

Job title	Name	Attendance in person (B)	Attendance by proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Chuang, Chien-Yu	2	0	100%	Reappointed on 07/01/2022
Committee member	Chen, Hung-Pin	2	0	100%	Appointed on 07/01/2022
Committee member	Yang, Tzu-Hsuan	2	0	100%	Appointed on 07/01/2022

◎Meeting dates, proposals, resolutions, and the Company's response to opinions from the Remuneration Committee for 2024:

Date of Meeting	Proposal	Resolution Results	The Company's Response to the Opinions of the Remuneration Committee
2024.01.22	1. Deliberate the proposals on the current remuneration system, the performance evaluation measures, the ratio and timing of payment of performance bonuses and dividends, and the standard payment of	All members of the Committee unanimously	Reported to the Board and approved by all attending directors

	year-end bonuses for directors and managerial officer (President) in 2024. 2. Deliberate the proposal on the remuneration amounts for directors, chairman, and managerial officer (President) in 2023 and the remuneration in 2024.	passed the proposal	
2024.02.22	1. Deliberate the proposal on the total amount of employee rewards and director rewards for 2023	All members of the Committee unanimously passed the proposal	Reported to the Board and approved by all attending directors

Other information required to be disclosed:

- I If the Board of Directors rejects or amends the suggestions of the Remuneration Committee, it should state the date of the Board Meeting, the term of the fiscal year, the content of the proposal, and resolution of the Board Meeting and the follow-up treatments (e.g., if the resolution of the Board Meeting states that the amount of remuneration is higher than that of the suggestions from the Remuneration Committee, the Board should specify the difference in number and the reason behind the resolution): None.
- II Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None

Note: The attendance rate (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the number of attendance in 2024.

### 3. Information on Members and the Operation of the Nomination Committee

#### (1) Qualification requirements for the appointment of the Nomination Committee of the Company:

In order to improve the functions of the Company's Board of Directors and strengthen its management mechanism, a resolution was passed by the Board of Directors on November 3, 2023, which should include the participation of the Chairman and more than half of the independent directors. Currently, the Nomination Committee of the Company is composed of all the three independent directors and two directors.

#### (2) The responsibilities of the Company's Nomination Committee:

- ① Search, review, and nominate a list of director candidates to the Board of Directors: Conduct a preliminary review of the qualifications, educational background, and presence of any of the situations listed in Article 30 of the Company Act for director candidates recommended by shareholders or the Board of Directors, and submit the review results and a list of recommended director candidates to the Board of Directors for approval. After approval by the Board of

Directors, provide the election of eligible directors by the shareholders' meeting for reference.

- ② For directors recommended by shareholders who hold more than 1% of the total outstanding shares of the Company, if the committee decides not to include them in the recommended reference list after prior review, the names of the relevant shareholders and the reasons for the committee's rejection shall be disclosed.
- ③ When nominating the list of independent director candidates, special examination should be conducted on the qualifications, professionalism, integrity, and compliance with the Securities and Exchange Act, the regulations for the establishment and compliance of independent directors in public companies, and the conditions for independent directors set by the Taipei Exchange (TPEX). The main consideration should be given to ensure that they can meet the long-term interests of shareholders.
- ④ Develop establishment standards for each committee under the Board of Directors, and recommend their organizational procedures. If necessary, propose revision suggestions to the Board of Directors.
- ⑤ Review the qualifications and potential conflicts of interest of candidates for each committee member, recommend new members and conveners of each committee to the Board of Directors, and suggest whether replacement is necessary.

4. The professional qualifications and experience of the members and status of operations of the nomination committee:

Job title	Name	Professional qualifications and experience	Attendance in person (B)	Attendance by Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	John Lee	The committee is composed of 3 independent directors and 2 directors.  Please refer to the annual report (P.13~P.18) for the professional qualifications and experience of the committee members	1	0	100%	Appointed on 11/03/2023
Committee member	Chen, Kuo-Shih		1	0	100%	Appointed on 11/03/2023
Committee member	Chuang, Chien-Yu		1	0	100%	Appointed on 11/03/2023
Committee member	Chen, Hung-Pin		1	0	100%	Appointed on 11/03/2023
Committee member	Yang, Tzu-Hsuan		1	0	100%	Appointed on 11/03/2023

©The meeting date, proposal content and resolution result of the Remuneration Committee and the Company's handling of members' opinions for the year 113 and as of the publication date of the annual report:

Response to the opinions of the Nomination Committee:

Date of Meeting	Proposal	Resolution	The Company's response to the opinions of the Nomination Committee
2025.02.21 1st meeting of the 1st term	Appraisal of the review results of the Board of Directors' self-nominated candidates for the 14th term (including independent directors).	Unanimously approved by all members of the Nomination Committee, the list of candidates for directors (including independent directors) nominated by the Company's Board of Directors.	Approved

Other information required to be disclosed:

I If the Board of Directors refuses to adopt or amends a recommendation of the Nomination Committee, the date of the meeting, session, content of the motion, resolution by the Board of



Directors, and the company's response to the Nomination Committee's opinion (the circumstances and cause for the difference shall be specified) shall be specified: None.

- II If there are resolutions of the Nomination Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
I Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>The Company has internally established a Sustainable Development Task Force, appointing the President as the Chair. It has also formed the Corporate Governance Team, Environmental Sustainability Team, and Employee Care Team to assist in collecting sustainability-related data. The Corporate Governance Office is responsible for execution, promotion, coordination, and consolidation of these efforts.</p> <p>The Company adheres to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and, in 2025, plans to establish its own Sustainable Development Best Practice Principles and prepare a sustainability report, which will be implemented and published upon approval by the Board of Directors.</p> <p>On November 8, 2024, the Board of Directors was presented with reports on the ethical management policy, the intellectual property management plan, their respective implementation statuses, as well as the risk management procedures and their operational status for the year.</p>	The Company will consider laws and regulations or conduct necessary inspections in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and relevant laws and regulations.

II	Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		The Company's risk management promotion and execution units take into account the overall scale of the Group, the industry it belongs to, the characteristics of related business activities, and internal and external operational environmental factors. Additionally, they consider key aspects of corporate sustainability (including climate change) to conduct comprehensive risk analysis and identification. Risk management policies and procedures are also established for adherence and are regularly reviewed for applicability. For information on climate, see pages P.75-P.80.	
III	Environmental Issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		The Company is engaged in the purchase and sales of medical equipment consumables. Upon the sales of medical consumables to medical institution, the disposal of waste are handled by the medical institution; Therefore, the Company does not engage in any environmental hazards and has not established any relevant environmental policies.	No significant difference

<p>(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials that have low impact on the environment?</p>	✓		<p>The Company is not in the manufacturing industry, as a result, the waste it produces is general business waste, mainly consisting of household garbage, waste paper, cardboard boxes, and other office consumables. Complying with environmental protection regulations and principles in environmental preservation, the Company actively adheres to government policies to continuously implement garbage sorting, recycling, and reduction. In addition, the Company is committed to improving the efficiency of resource utilization, reducing the use of single-use products, and encouraging employees to bring their own cups, eco-friendly utensils, and promoting the reuse of non-confidential waste paper. Furthermore, the Company has also completely switched to brands of copy paper that have obtained PEFC (Programme for the Endorsement of Forest Certification) certification.</p> <p>The Company focuses on the impact of climate change, responds to the government's policy of using electronic invoices, and actively promotes an electronic approval system, aiming to replace extensive paper usage with electronic signatures and documents. When purchasing electrical appliances, the Company chooses products with government certified energy-saving labels. In addition, the Company advocates turning off lights, water, and air conditioning behind, and have a plan to change lighting fixtures to LED materials to reduce office power consumption, in order to save energy and carbon, and contribute to sustainable environmental development.</p>	No significant difference
Items	Implementation Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		

<p>(III) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?</p>	<p>✓</p>	<p>The Company is committed to addressing climate change issues and is evaluating response measures in anticipation of future developments. In the future, regular inspections of GHG emissions will be carried out in accordance with the regulations established by the competent authority. This will enhance management and control, thereby minimizing the environmental impact of operational activities.</p>	<p>No significant difference</p>
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Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(IV) Does the Company calculate the amount of greenhouse gas emissions, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumption, carbon and greenhouse gas emissions, and waste production?	✓		<p>1. GHG emissions</p> <p>Since 2023, Hi-Clearance Inc. has independently tracked its oil and electricity consumption, focusing the inventory scope on Scope 1 and Scope 2. Scope 1 only targets fuel consumption of company vehicles; Scope 2 covers purchased electricity usage. Beginning with understanding its own situation, this serves as the foundation for the Company to implement subsequent reduction planning, aiming to improve overall energy usage efficiency, reduce GHG emissions, and contribute to the sustainable development of the planet.</p> <p>In 2023, greenhouse gas emissions for Scope 1 and Scope 2 from the headquarters and the Shulin warehouse totaled 668.6779 tCO<sub>2</sub>e. In 2024, these emissions decreased to 663.6779 tCO<sub>2</sub>e.</p> <p>In response to climate change and to promote sustainable corporate operations, the Group will continue to develop solar power installations and energy-saving products. It aims to achieve the goal of having 10% of electricity consumption coming from renewable energy within the next three years, and ultimately realize the long-term goal of net-zero emissions and 100% renewable energy usage across the Group by 2050.</p> <p>2. Water stewardship</p> <p>The Hi-Clearance headquarter does not have specific water usage data, as water fees are charged based on the floor area of the commercial building. The Shulin warehouse recorded a total water usage of 497 metric tons in 2023 and 526 metric tons in 2024. The increase in water usage in 2024 was</p>	No significant difference

			<p>primarily due to the warehouse officially commencing operations in June 2023, resulting in lower water consumption for that year. Upholding its commitment to conserving water resources, the Company will promote water conservation by displaying slogans encouraging employees to turn off water when not in use.</p> <p>3. Waste Management</p> <p>The waste from Hi-Clearance Inc. is centrally collected by the management committee and entrusted to the park's cooperating vendors for regular transportation and recycling; waste from the Shulin warehouse is handled by a licensed vendor. The Company is not part of the manufacturing sector, and its waste consists of general business waste, primarily office consumables such as household garbage, wastepaper, and cardboard boxes. In line with environmental protection principles, the Company actively complies with government policies to promote waste sorting, recycling, and reduction. The Shulin warehouse produced approximately 6 metric tons of waste in 2023 and 2024. Despite higher space utilization in 2024, there was no increase in waste output. The Company is committed to reducing waste generation and aims to decrease waste output by 10% in 2025 compared to 2024.</p>	
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Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	

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?		✓	<p>The Company recognizes and voluntarily adheres to internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant, the United Nations Guiding Principles on Enterprise and Human Rights, and the United Nations International Labor Organization. By implementing the Human Rights Management Policy of Hi-Clearance Inc., we respect the guarantees set forth in human rights conventions and publish it on the Company's website.</p> <p>The Company's human rights management policies and specific plans are summarized as follows:</p> <table><tr><th>Human right management policy</th><th>Specific plan</th></tr><tr><td>Provide a safe and healthy working environment</td><td><ul style="list-style-type: none"><li>• Carry out fire education and training every six months, provide necessary health and first aid facilities, and strive to reduce the risk factors to employee safety and health, and prevent the occurrence of occupational disasters.</li></ul></td></tr><tr><td>Assist employees to maintain physical and mental health and work-life balance</td><td><ul style="list-style-type: none"><li>• Carry out employee health check-ups once a year.</li><li>• Arrange 4 on-site services for contracted nurses per month and 4 on-site services for contracted physicians per year. Provide individual health consultations for employees with abnormal physical examinations to actively prevent potential health risks for employees.</li><li>• Promote healthy morning exercises in the office every day to stretch muscles and bones, and avoid</li></ul></td></tr></table>	Human right management policy	Specific plan	Provide a safe and healthy working environment	<ul style="list-style-type: none"><li>• Carry out fire education and training every six months, provide necessary health and first aid facilities, and strive to reduce the risk factors to employee safety and health, and prevent the occurrence of occupational disasters.</li></ul>	Assist employees to maintain physical and mental health and work-life balance	<ul style="list-style-type: none"><li>• Carry out employee health check-ups once a year.</li><li>• Arrange 4 on-site services for contracted nurses per month and 4 on-site services for contracted physicians per year. Provide individual health consultations for employees with abnormal physical examinations to actively prevent potential health risks for employees.</li><li>• Promote healthy morning exercises in the office every day to stretch muscles and bones, and avoid</li></ul>		No significant difference
Human right management policy	Specific plan										
Provide a safe and healthy working environment	<ul style="list-style-type: none"><li>• Carry out fire education and training every six months, provide necessary health and first aid facilities, and strive to reduce the risk factors to employee safety and health, and prevent the occurrence of occupational disasters.</li></ul>										
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			<p>health hazards caused by prolonged sitting.</p> <ul style="list-style-type: none"> <li>• In addition to take out labor insurance and national health insurance according to law, the Company also provides group insurance for employees and travel safety insurance for employees on business trips.</li> <li>• Organize activities such as employee travel, tail teeth, and irregular meals to regulate the physical and mental well-being of employees and strengthen their cohesion every year.</li> </ul>	
Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	

	✓		<div>Diversity, inclusion and equal work opportunities:</div>	<div>Committed to creating a work environment that is dignified, safe, equal, and free from discrimination and harassment. Avoid differences due to factors such as nationality, race, language, class, ideology, religion, party, political position, place of origin, gender, marriage, appearance, facial features, physical and mental disabilities, place of birth, sexual orientation, age, and union membership.</div>	
			<div>Prohibition of forced labor and compliance with local government labor laws and regulations</div>	<ul style="list-style-type: none"> <li>• Formulate standards on attendance, leave types, and working hours, implement a leave system, and encourage employees to pay attention to work-life balance.</li> <li>• When the employment relationship is established, a written consent form shall be signed in accordance with the law, stating that the employment relationship is established based on mutual agreement and employees who do not wish to engage in labor activities shall not be forced to do so.</li> <li>• Strictly abide by relevant laws and regulations such as the Labor Standards Act and the Gender Equality Act, and truly safeguard the legitimate rights and interests of employees.</li> </ul>	
			<div>Child labor is prohibited.</div>	<div>The Company strictly prohibits the employment of child laborers under the age of 16 in all departments.</div>	

			<table><tr><td>Promote harmony between employees and employer</td><td>Regularly hold labor management meetings, employee opinion mailboxes, employee welfare committees, internal announcements, and other types of communication and consultation to listen to employee suggestions and voices, promote labor management harmony, and protect employee rights.</td></tr></table> <p>In addition, in 2024, human rights protection related training was also implemented for employees, with a total duration of 116 hours. A total of 258 employees completed the training, accounting for 88.7% of the total number of employees. In the future, the Company will keep paying attention to human rights protection and implementing relevant education and training to enhance awareness of human rights protection and reduce the possibility of related risks.</p>	Promote harmony between employees and employer	Regularly hold labor management meetings, employee opinion mailboxes, employee welfare committees, internal announcements, and other types of communication and consultation to listen to employee suggestions and voices, promote labor management harmony, and protect employee rights.	
Promote harmony between employees and employer	Regularly hold labor management meetings, employee opinion mailboxes, employee welfare committees, internal announcements, and other types of communication and consultation to listen to employee suggestions and voices, promote labor management harmony, and protect employee rights.					

Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(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?	✓		<p>The Company has disclosed its articles of association in its annual report and official website, which stipulate that if there is a profit in the Company, no less than 1% shall be allocated as employee remuneration. The actual distribution ratio, amount, method, and number of shares shall be decided by the Board of Directors and reported to the shareholders' meeting for handling. Moreover, in addition to setting up a Remuneration Committee to strengthen corporate governance and improve the remuneration system, the Company also clearly defines performance bonuses and other bonus methods, all of which are issued based on individual or departmental performance status to promote overall business performance. In addition, it also accelerates the promotion of key talents, adjusts salaries for outstanding performance, and promotes performance improvement through annual assessments.</p> <p>The Company values the physical and mental health of its employees and allocates employee welfare funds in accordance with the law. Under the effective operation of the Employee Welfare Committee, the Employee Welfare Committee arranges employee activities, such as various tourism activities, club activities, birthday parties, weddings, funerals, and other welfare subsidies. In terms of vacation system, employees are given two days of weekly leave and special annual leave corresponding to their length of service in accordance with the Labor Standards Act. For employees who encounter situations such as childcare or serious injuries, they can also apply for job protection and salary suspension to meet their personal and family care needs.</p>	No significant difference

(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<p>The Company's office is located in the Tangcheng Industrial Park, with complete security management for each building in the park. In addition, the Park Management Center holds fire drills, CPR, and AED training every six months; the Company also arranges self-defense fire drills twice a year to ensure that, in the event of a disaster, task force members can respond promptly to the situation, adopt appropriate measures for self-rescue and assisting others, ensuring the safety of the employee work environment.</p> <p>In addition to arranging annual health check-ups for employees, the Company also contacts qualified medical institutions to provide health services and consultations to better promote their health. Nurses provide on-site services 4 times a month for 8 hours, while physicians provide on-site services 4 times a year for 8 hours. All employees can receive medical and health consultation services and health education information nearby.</p> <p>There have been no major occupational accidents or fires in the Company in 2024.</p>	No significant difference
(IV) Has the Company established effective career development training programs for employees?	✓		<p>The Company arranges internal classes and irregular external training for employees to meet their thirst for knowledge and enhance their skills, and establishes an effective career development training plan.</p>	No significant difference
Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	

<p>(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?</p>	✓	<p>Due to the wide variety of medical equipment, their use and performance have a significant impact on personal safety. Governments around the world also understand the importance of quality control in the production process of medical materials and have established rigorous management regulations to ensure the good quality of products. However, the laws and regulations for testing, quality control, and cooperation in the production process of medical products in various countries are complex, and regulations are constantly modified for the best quality. As a leader in the sales of medical equipment, the Company has a product regulatory department responsible for applying for QSD &amp; medical equipment licenses, change registration, and extension operations required for the import of foreign medical materials. Regarding domestic products, when engaging with suppliers, it is essential to confirm that they have obtained the relevant certifications to ensure compliance with safety regulations in the sale of products to customers.</p> <p>In order to ensure that product quality is not affected during transportation, the Company continues to implement total quality management, complies with the government's good distribution practice (GDP) for pharmaceuticals and medical devices, applies for and obtains government approval, and also requires domestic suppliers to obtain GDP approval. Together, all parties follow relevant regulations to meet customer requirements for products, ensuring that products are sold to customers under safety regulations to guarantee safe product use.</p> <p>In order to improve the quality of products and services, ensure consumer rights, the Company has developed customer complaint handling, corrective and preventive measures, and notification systems, in order to maintain the quality of all products through rigorous management systems and fulfill the confidentiality responsibility of customer information. In recent years, there have been no customer complaints that have infringed on customer privacy or omitted customer related data.</p>	No significant difference
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(VI) Has the Company formulated supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health and labor rights, and requested their reporting on the implementation of such issues?	✓		The Company strives to keep the supplier information detailed and complete, and maintain the latest date. In addition to learning about the past quotation and delivery situation, the Company also checks records with impact regarding the environment and society (such as environmental protection, occupational safety and health or labor rights, etc.), as a reference basis for selecting cooperative suppliers. In addition, by virtue of the Company's excellent sales performance, it has won the long-term trust of foreign suppliers, thus forming a buyer-led market with a solid channel advantage, so that high-quality foreign manufacturers have a close dependency relationship with the Company under the consideration of performance. Moreover, the Company adopts the strategy of alliance with upstream suppliers to jointly manage the market and generate profit sharing, combine the strengths of both sides to develop the market. In the future, the Company will formulate more stringent measures on CSR policies for major supplier contracts, and work together to enhance mutual CSR.	No significant difference
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Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
V Has the Company prepared reports that reveal non-financial information, such as sustainable development reports, with reference to international reporting standards or guidelines? Are the reports certified or assured by a third-party accreditation body?	✓		The Company's Sustainability Report is still being prepared and is expected to be published in August 2025.	Preparation in progress

<p>VI If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations:</p> <p>The Company adheres to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and, in 2025, plans to establish its own Sustainable Development Best Practice Principles, which will be implemented upon approval by the Board of Directors.</p>
<p>VII Other important information to facilitate better understanding of the Company's promotion of sustainable development:</p> <p>The Company organizes events or book clubs for dental care to enhance physician medical skills and improve the quality of care. The Company adopts impoverished children through the Taiwan Fund for Children and Families, providing subsidies for meals and academic tutoring for underprivileged students. We hope that this will enable children from disadvantaged groups to have equal access to educational resources; Additionally, donations are made to the Taiwan Federation of Medical Devices Commercial Associations, the Taiwan Society of Critical Care Medicine, the Kidney Friends Foundation, the Taiwan Society of Nephrology, or other medical associations from time to time to support the promotion of various activities. In 2024, the Company donated funds or medical equipment to a total of 11 organizations, including St. Joseph's Hospital, Show Chwan Memorial Hospital, Ditmanson Medical Foundation Chia-Yi Christian Hospital, and others. The aim is to contribute to medical relief, medical services, and hospital construction and development, providing a safer and more friendly healthcare environment.</p> <p>During the pandemic, the Company donated 10,000 saliva test kits to the Seed of Love Education Foundation, which has long supported underprivileged children. Through the foundation, these kits were distributed to 21 orphanages across Taiwan to aid in pandemic prevention. The Company also hopes to inspire others to contribute and raise awareness for underprivileged children, fulfilling its social responsibility. In 2024, the total donations amounted to NT\$23,467,868.</p> <p>In order to support local education, increase students' practical work experience, and reduce the phenomenon of population migration, the Company actively cooperates with neighboring colleges and universities to provide students with practical experience in the workplace.</p> <p>To promote social responsibility for sustainable development, on May 3, 2024, the Company participated in the "Jinshan Exploring" activity organized by the Importers and Exporters Association of Taipei. The Company worked together with local revitalization organizations to promote sustainable cities and communities, with SDG 11.a as the core spirit, fostering positive economic, social, and environmental connections between urban and rural areas, and jointly promoting SDGs.</p>



(VI) Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Items	Implementation Status			
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's climate change-related issues are addressed through cross-departmental integrated discussions led by the Sustainable Development Task Force, which has preliminarily formulated response strategies. The President serves as the Chair, overseeing final resolutions and coordinating the efforts of various departments while managing operational conditions. Current situations and implementation results are expected to be reported to the Board of Directors annually along with the disclosure content of the sustainability report, enabling the Board to fully supervise climate-related risk and opportunity issues, and thereby determine relevant response and management policies and review their implementation status.			
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company references the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations for climate-related financial disclosures, identifying and managing climate risks and opportunities according to the four core elements of disclosure: Governance, Strategy, Risk Management, and Metrics and Targets. Relevant issues and corresponding measures are as follows:			
	Risks and Opportunities	Impact Timeline	Impact on Company Operations	Measures for Addressing Risks and Opportunities
	Strengthening of emission reporting obligations	Short-term	The Ministry of Environment has advanced the Climate Change Response Act, finalizing the carbon fee rates through the Review Committee in 2024. It is anticipated that starting in 2026, carbon fees will be levied on entities with high levels of direct or indirect	<ol style="list-style-type: none"> <li>1. Plan to implement ISO 14064-1:2018 by the end of 2026 to assess the Company's greenhouse gas emissions.</li> <li>2. Analyze carbon emission hotspots and prioritize the development of reduction measures for those with high emission level based on the</li> </ol>

			emissions. This risk may directly impact finances by increasing operating costs. Currently, the Company does not operate within a high carbon emission industry; thus, the impact is relatively minor. However, considering international trends and government policy directions, the influence of such a risk must not be underestimated.	<p>inventory results.</p> <ol style="list-style-type: none"> <li>3. Develop a plan for third-party data verification of data to ensure the accuracy of emission data and effectively assess reduction performance.</li> <li>4. Establish conditions for air conditioning use in the office to reduce unnecessary energy consumption and carbon emissions.</li> </ol>
	Increase in the severity of extreme weather events, such as typhoons and water supply issues	Mid-term	In the event of a typhoon, heavy rain, or similar conditions, there may be risks to employee safety, a reduction in working hours, and even potential casualties. This could subsequently lead to delays in work progress and result in financial losses. In severe cases, this may lead to damage to electrical and telecommunications equipment or building structures, resulting in the forced suspension of	<ol style="list-style-type: none"> <li>1. Conducting preemptive drills to gradually establish an emergency response mechanism, while reminding employees to reinforce doors and windows and implement waterproof measures.</li> <li>2. Regularly inspect the drainage system for blockages and assess the maintenance status of building facilities.</li> <li>3. Strengthen emergency power supply and backup mechanisms. Prepare protective measures in advance whenever a heavy rain</li> </ol>

			operational activities. Furthermore, the risk of disruptions in logistics must be taken into consideration, as it may result in increased transportation costs, supply interruptions, or delays in delivery schedules.	warning is issued. 4. Provide the option for remote work from home or make flexible adjustments to working hours depending on the circumstances; maintain close communication with employees to ensure safety while also facilitating timely modifications to work plans.
	Utilizing low-carbon energy	Long-term	Mitigate the risk of exposure to potential increases in fossil fuel prices while simultaneously reducing greenhouse gas emissions, thereby decreasing sensitivity to fluctuations in carbon trading prices or carbon fees/taxes. This contributes to enhancing the Company's reputation and increasing the demand for its products.	The Company has installed a solar power generation system at its Shulin warehouse and completed power generation testing in 2025. This system will produce green energy, reduce greenhouse gas emissions, gradually decrease reliance on non-renewable energy, and showcase the Company's positive commitment to environmental protection.
	Participation in renewable energy projects and implementing energy-saving measures	Long-term	Enhancement of the Company's overall market valuation through more resilient operational planning, while strengthening its ability to sustain operations under	New operational sites shall utilize green buildings, reducing energy and resource consumption from air conditioning, lighting, and water. This will lower long-term operating costs, while their eco-friendly and

			varying environmental conditions.	durable nature will offer higher market value and slower depreciation.
3. Describe the financial impact of extreme weather events and transformative actions.	<p>Extreme weather events such as typhoons and heavy rainfall may endanger employee safety, reduce working hours, and even cause injuries or fatalities, leading to delays in work progress and financial losses. In severe cases, this may lead to damage to electrical and telecommunications equipment or building structures, resulting in the forced suspension of operational activities.</p> <p>Due to the need to respond to policies and regulatory requirements, completion of GHG inventories and verifications in designated years, as well as establishment of corresponding reduction targets, are essential. Furthermore, these measures must be implemented continuously, resulting in increased labor and operational costs.</p>			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Board of Directors serves as the highest authority for risk management, responsible for approving the Company's risk management policies, procedures, and framework. It establishes the Company's risk management mechanisms and culture, supervises the effective operation of the overall risk management system, and allocates sufficient and appropriate resources to ensure the effective functioning of risk management. Additionally, the Board conducts comprehensive risk analysis based on the Company's scale, industry, business characteristics, and operational activities, while considering key aspects of corporate sustainability (including climate change). Furthermore, it analyzes and identifies applicable risk sources and categories, defining the Company's specific risk types, carrying out detailed risk scenario identification for each category, and regularly reviewing their applicability.</p>			
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	<p>Scenario analysis serves as a crucial tool for strategic planning, risk management, and evaluating strategic resilience, in order to enhance the understanding of how climate change impacts the Company. In the future, the Company will perform an analysis of climate scenarios to assess resilience against climate change risks under various external conditions.</p>			

described.	
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 references the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations for climate-related financial disclosures, identifying and managing climate risks and opportunities according to the four core elements of disclosure: Governance, Strategy, Risk Management, and Metrics and Targets. The Company plans to implement ISO 14064-1:2018 starting in 2026, promoting GHG emissions inventory, and based on the inventory results, will establish annual energy usage standards, with annual improvements and reviews of energy consumption status. Allocate budgets for energy-saving equipment or renewable energy to continuously reduce energy consumption and minimize environmental impact.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company continues to monitor domestic and international trends in carbon pricing. As it is not part of the manufacturing sector nor a major carbon emitter, it has not yet established an internal carbon pricing policy. However, the Company will remain attentive to Taiwan's carbon fee and carbon tax policies and evaluate the feasibility of future implementation.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<ol style="list-style-type: none"> <li>1. Plan to implement ISO 14064-1:2018 in 2026 to promote GHG emissions inventory.</li> <li>2. Establish annual energy usage standards and review the current energy usage situation for improvement each year based on the inventory results. Allocate budgets for energy-saving equipment or renewable energy to continuously reduce energy consumption and minimize environmental impact.</li> <li>3. In 2024, an investment of NT\$3,429 thousand was allocated to establish a solar power generation system at the Shulin warehouse. The goal is to achieve an annual electricity generation of 90,000 kWh, resulting in a reduction of approximately 45 tCO<sub>2</sub>e.</li> </ol>
9. Greenhouse gas inventory and	According to the roadmap for listed companies, the Company is required to complete the inventory

verification status, reduction targets, strategies, and specific action plans	check by 2026 and finalize the external verification by 2028, adhering to the stipulated timeline.
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(VII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>I Establishment of ethical corporate management policies and programs</p> <p>(I) Has the Company formulated an ethical management policy approved by the Board of Directors, and clearly stated the policies and practices of ethical management in its regulations and external documents, and have the Board of Directors and senior management actively implemented the operation policy?</p>	✓		<p>In order to establish the corporate culture of ethical management and the commitment to implement the business policy, the Company has discussed and adopted the Ethical Corporate Management Best Practice Principles on August 23, 2012. The relevant rules and regulations are announced on the Company's corporate website, so as to convey the concept of ethical management to all shareholders, directors, management and all employees and ensure the implementation of ethical management, so that all employees, managers and directors of the Company will adhere to the relevant norms of the operation and take this as the basis for various decisions.</p> <p>In order to strengthen the emphasis on ethical management, the Company has also designated the Administration Department of the General Administration Office as the special unit to promote ethical management since 2023. In addition, the Procedures for Ethical Management and Guidelines for Conduct approved by the Board of Directors on November 3, 2023, was also formulated to make sure that the Company has established a corporate culture of ethical management and its sound development.</p>	No significant difference

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	✓		In order to prevent the occurrence of unethical acts, the Company adopted the Procedures for Ethical Management and Guidelines for Conduct upon approval by Board of Directors on November 3, 2023, which, together with the established Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct, covers the preventive measures of Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and combines with employee performance assessment and human resources to establish a clear and effective reward and punishment system. In addition, the audit unit also conducts audits and assessments of various business activities in accordance with the internal control system to assist the Board of Directors and management to periodically check whether the relevant preventive measures are effectively implemented.	No significant difference



Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(III) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		As stipulated in the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct of the Company, various illegal acts of unethical management are prohibited, and education and training shall be regularly conducted for directors, managers and substantive business controllers. Upon receipt of a complaint case, an investigation team shall be set up by the dedicated unit to promote ethical corporate management in conjunction with the relevant unit, with members having no interest in the case to implement the occurrence of unethical management conduct. Periodically review and revise or adjust relevant operating procedures as necessary to ensure the effective implementation of standards for non-fraudulent behavior.	No significant difference

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<b>II Implementation of ethical management</b> <b>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?</b>	✓		<p>The Company has established a regular evaluation mechanism for both sales customers and suppliers, and detailed the rights and obligations of both parties at the time of signing the contract. If there is any difference from the contents of the original contract of the Company, it will appoint a lawyer to review if necessary, so as to protect the rights and interests of the Company. If it is found that the business partner has unethical behavior, it will stop the relevant business contacts and list it as a refusal account, and implement the Company's unethical management philosophy. For important manufacturers or customers, the relevant provisions and precautions for ethical trading are also formulated in the contract or agreement, as the norms for the two parties to conduct transactions in accordance with the principle of honest business.</p>	No significant difference

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(II) Has the Company established an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and does it report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	✓		<p>The Company set up a full-time unit to promote ethical corporate management as the administration department of the General Administration Office.</p> <p>Regarding the ethical management policy and the plan to prevent unethical behaviors and the supervision of the implementation, which are regularly reported to the Board of Directors once a year, they have been reported to the Board of Directors on November 8, 2024. Every year, the Company e-mails or arrange employees to participate in periodic education and training courses related to ethical management from time to time to facilitate the popularization of the policy throughout the Company.</p>	No significant difference

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(III) Has the Company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		<p>In order to prevent conflicts of interest and other related matters, the Company's website has a "Stakeholders Zone", which provides channels for "investors/shareholders", "customers", "suppliers/third parties", "employees" and "community" to offer advices and suggestions.</p> <p>In order to guide the behavior of the Company's directors and all personnel to follow the ethical standards, the Company has also formulated the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct. In addition to strengthening the promotion and compliance with relevant laws and regulations, it also specifies that any suspected or discovered violation of laws, regulations or codes of ethical conduct may be reported to the appropriate personnel, and that employees are informed that the Company will do its best to protect the safety of the whistleblower. The Company received no relevant report in 2024.</p>	No significant difference

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(IV) Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging CPAs to carry out the audit?	✓		In order to ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system, and irregularly checks compliance. The audit unit also draws up the biennial audit plan based on the risk assessment results and submits it to the Board of Directors for discussion and approval, periodically inspects all departments and examines whether the operation of the enterprise complies with the internal control system according to the plan, and reports the audit results to the Board of Directors at each meeting, and timely reviews and revises the deficiencies of the internal control system accordingly to ensure the continuous and effective implementation of the internal control system.	No significant difference

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(V) Does the Company regularly hold internal and external education and training on ethical management?	✓		The Company publicizes the code of ethics for employees upon their arrival, and puts the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct on the Company's website for employees to refer to and abide by at any time. The relevant staff also participate in ethical management education and training to facilitate all staff to perform ethical management. On June 13, 2024, the Company invited the New Taipei City Investigation Bureau to conduct a seminar on ethical business practices. Through real-life case studies, employees gained a deeper understanding of the importance of integrity and learned how to avoid unethical behavior during business operations.	No significant difference

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<b>III Implementation of Complaint Procedures</b> (I) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	✓		According to Article 23 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, the Company shall establish internal and external reporting channels and management systems. In 2023, a new "reporting management system" was added, specifying that the responsible unit for accepting and filing cases is the President. An independent email and phone number for reporting and appeal channels shall be provided, and appropriate personnel for accepting cases shall be appointed to investigate and track the progress of case handling. Relevant regulations are regularly reviewed and refined as needed. Accordingly, the whistleblowing management system was revised in May 2024 to better align with operational practices Please refer to the Whistleblowing Management System disclosed in the Corporate Governance section within the Investor Zone on the Company's website.	No significant difference

Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(II) Has the Company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		In Article 21 "Whistleblowing and Punishment" and "Whistleblowing Management System" of the Ethical Corporate Management Best Practice Principles, the Company sets out the Company's standard operating procedures for investigation of whistleblowing matters. Proper channels shall be provided for whistleblowing, and the identity of the whistleblower and the content of the whistleblower shall be strictly confidential. Please refer to the Whistleblowing Management System disclosed in the Corporate Governance section within the Investor Zone on the Company's website.	No significant difference
(III) Has the Company adopted proper measures to prevent whistleblowers from retaliation for their reporting?	✓		In Article 21 "Whistleblowing and Punishment" and "Whistleblowing Management System" of the Ethical Corporate Management Best Practice Principles, the Company stipulates that the Company shall provide proper whistleblowing channels, and the identity of the whistleblower and the content of the whistleblowing shall be strictly confidential.	No significant difference
IV Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The Company has set up an exclusive external website, "Investor Zone" -- > "Corporate Governance" on the Company's website, which provides detailed information on the Company's implementation of relevant regulations and methods of corporate governance, as well as the effectiveness of these initiatives.	No significant difference



Assessed Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
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 has formulated the Ethical Corporate Management Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. In order to strengthen the importance of ethical management, the Company added the Procedures for Ethical Management and Guidelines for Conduct on November 3, 2023, and implemented them in accordance with the code. Therefore, there have been no significant differences.			
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): The Company's operations are carried out in accordance with the laws and regulations on listing and relevant regulatory authorities. Decision-making and evaluation are also based on the interests of shareholders and the Company, and comply with the internal regulations set by the Company. In addition, the Company formulated the Management Measures for Internal Significant Information Processing and Insider Trading and discussed and approved it on the board meeting on August 26, 2010. On August 23, 2012, the board meeting discussed and approved the Company's Ethical Corporate Management Best Practice Principles. On November 3, 2023, the Procedures for Ethical Management and Guidelines for Conduct passed by the Board of Directors was added, and the relevant rules and regulations were announced on the Company's corporate website for employees to read at any time, hoping that all employees, managerial officers and directors of the Company comply with the relevant operational specifications.			

(VIII) Other important information to facilitate better understanding of the Company's corporate governance:

1. Disclose the further education and training related to managerial officer's participation in corporate governance

Job title	Name	Date	Training Institution	Course Name	Training Hours
Director and Managerial Officer	Chen, Kuo-Shih	2024.11.13	Securities & Futures Institute	Introduction to Sustainable Development and Greenhouse Gas Inventory	3
	Lee, Ying-Fen	2024.11.19	Securities & Futures Institute	Sustainable Development Strategy and Planning	3
		2024.09.12	TPEX	Workshop on Equity Compliance for Insiders	3
	Hsieh, Chih-Fu	2024.09.03	Taiwan Independent Director Association	From ESG Transition to Opportunities and Mastery of Impact Investment	3

2. In December 2023, the Company appointed Taiwan Investor Relations Institute to conduct an external board effectiveness evaluation, and the institution issued the Board Performance Evaluation Report on 01/02/2024.
3. Website of the Market Observation Post System (MOPS): <https://mops.twse.com.tw/mops/web/index>
4. Website of the Company: <http://www.hiclearance.com.tw>

(IX) Implementation Status of Internal Control System:

1. Statement of Internal Control: Please refer to the website of the Market Observation Post System (MOPS): <https://mops.twse.com.tw/mops/#/web/t06sg20>
2. Any CPAs commissioned to conduct a project review of the ICS shall disclose the CPAs' audit report: None.

(X) Key resolutions adopted by the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report:

Meeting name	Date	Important proposals
2024 General Meeting of Shareholders	2023.05.29	<ol style="list-style-type: none"> <li>1. Submit the Company's 2023 final statement for approval.</li> <li>2. Submit the Company's 2023 statement of profit distribution for approval.</li> </ol> <p>※Status of implementation: June 22, 2024 is set as the distribution base date. July 15, 2024 is set as the release date. (Cash dividend of NT\$7 per share. )</p>
Proceedings of the 13th meeting of the 13th term of Board of Directors	2024.01.22	<ol style="list-style-type: none"> <li>1. Report on the Budget and Organizational Structure for the Year 2024.</li> <li>2. Report on the Derivatives Transactions and Financial Asset Transactions for the Year 2023.</li> <li>3. Submit the authorization to continue trading and financing of hedging derivatives with the bank providing the Company's line of credit for approval.</li> <li>4. Submit the proposal on matters resolved at the fourth meeting of the fifth term of the Remuneration Committee for approval.</li> </ol>
Proceedings of the 14th meeting of the 13th term of Board of Directors	2024.02.22	<ol style="list-style-type: none"> <li>1. Submit the Company's 2023 Statement on Internal Control System for approval.</li> <li>2. Change of CPAs (internal personnel rotation) is submitted for approval.</li> <li>3. Submit the 2023 annual financial report of the Company and the 2023 consolidated financial report of the Company and its subsidiaries for approval.</li> <li>4. Proposal on convening the Company's 2024 General Meeting of Shareholders.</li> <li>5. Submit the proposal on matters resolved at the fifth meeting of the fifth term of the Remuneration Committee for approval.</li> <li>6. Submit the proposal on the assessment of the independence and suitability of CPAs appointed in 2024 for discussion.</li> <li>7. Formulate the general principles for formulating the Company's policy on non-confirmation services for pre-approved endorsement accounting firms and submit them for discussion.</li> </ol>
Proceedings of the 15th meeting of the 13th term of Board of Directors	2024.04.12	<ol style="list-style-type: none"> <li>1. The Company intends to participate in the Chiayi County Government's first land offset auction of 2024, and hereby submits the proposal for review.</li> </ol>
Proceedings of the 16th meeting of the 13th term of Board of Directors	2024.05.03	<ol style="list-style-type: none"> <li>1. 1Q2024 Operating Report of the Company &amp; 1Q2024 Consolidated Financial Report of the Company and its Subsidiaries.</li> <li>2. Description of transactions between the Company and related parties.</li> </ol>
Proceedings of	2024.05.29	<ol style="list-style-type: none"> <li>1. Submit the Company's cash dividend distribution information for the year 2023 and the base date of the dividend for approval.</li> </ol>

the 17th meeting of the 13th term of Board of Directors		
Proceedings of the 18th meeting of the 13th term of Board of Directors	2024.08.02	<ol style="list-style-type: none"> <li>1H2024 Operating Report of the Company &amp; 1H2024 Consolidated Financial Report of the Company and its Subsidiaries.</li> <li>Description of transactions between the Company and related parties.</li> </ol>
Proceedings of the 19th meeting of the 13th term of Board of Directors	2024.11.08	<ol style="list-style-type: none"> <li>Submit the Company's audit plan for the year 2025 for approval.</li> <li>3Q2024 Operating Report of the Company &amp; 3Q2024 Consolidated Financial Report of the Company and its Subsidiaries.</li> <li>Submit the amendments to the Company's written procedures for internal control, "Procedures for Management of Sustainability Information" for approval.</li> <li>Submit the proposal on the revision of some provisions of the "Standard Operating Procedures for Requests Filed by Directors" for approval.</li> </ol>
Proceedings of the 20th meeting of the 13th term of Board of Directors	2024.11.26	<ol style="list-style-type: none"> <li>Submit the proposal on the acquisition of product distribution rights and related matters for discussion.</li> </ol>
Proceedings of the 21th meeting of the 13th term of Board of Directors	2025.01.21	<ol style="list-style-type: none"> <li>Report on the Budget and Organizational Structure for the Year 2025.</li> <li>Report on the Derivatives Transactions and Financial Asset Transactions for the Year 2024.</li> <li>Submit the authorization to continue trading and financing of hedging derivatives with the bank providing the Company's line of credit for approval.</li> <li>Submit the proposal on matters resolved at the sixth meeting of the fifth term of the Remuneration Committee for approval.</li> </ol>
Proceedings of the 22nd meeting of the 13th term of Board of Directors	2025.02.21	<ol style="list-style-type: none"> <li>Submit the Company's 2024 Statement of Internal Control System for approval.</li> <li>Submit the 2024 annual financial report of the Company and the 2024 consolidated financial report of the Company and its subsidiaries for approval.</li> <li>Submit the proposal on matters resolved at the seventh meeting of the fifth term of the Remuneration Committee for approval.</li> <li>Submit the Company's 2024 statement of profit distribution for approval.</li> <li>Submit the proposal on the amendments to some provisions of the Company's Articles of Incorporation for approval.</li> <li>Submit the proposal on the assessment of the independence and suitability of CPAs appointed in 2024 for discussion.</li> <li>Formulate the general principles for formulating the Company's</li> </ol>

		policy on non-confirmation services for pre-approved endorsement accounting firms and submit them for discussion. 8. Proposal on convening the Company's 2025 General Meeting of Shareholders.
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- (XI) For the most recent year and up to the date of publication of the annual report, if a director or supervisor has different opinions on important resolutions passed by the Board of Directors and there are records or written statements, the main content is: None.

#### IV Information Regarding CPA Fees:

Unit: NT\$ Thousands

Name of accounting firm	Names of CPAs	Period covered by the CPAs' audit	Audit fees	Non-audit fees	Total	Remarks
KPMG Taiwan	May Yang	2024.01-2024.12	3,210	515	3,725	
	Yu, Chi-Lung	2024.01-2024.12				

- (I) Amount of paid audit and non-audit fees and non-audit services provided by CPAs and their accounting firm and affiliated companies:

The amount of non-audit public fees paid in the year 2024 was NT\$515 thousand, which included NT\$80 thousand for the agreement procedure, NT\$320 thousand for tax verification, NT\$15 thousand for inventory scrapping supervision, and NT\$30 thousand for cash increase document review, the payroll inspection fees of NT\$40 thousand and online shopping packaging assurance services of NT\$60 thousand.

- (II) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed: N/A.
- (III) Where accounting fee paid for the year was 10% (or above) less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed: N/A.

## V Information Regarding Replacement of CPAs:

### (I) Regarding the Former CPA

Replacement Date	Approved by the Board of Directors on February 22, 2024		
Reason for Replacement and Explanation	In accordance with the internal adjustments at KPMG Taiwan, starting from the first quarter of 2024, the certified public accountants were changed from Lin, Heng-Sheng and Yu, Chi-Lung to Yang, Shu-Chih and Yu, Chi-Lung.		
Explanation of whether the termination or rejection of the engagement was initiated by the client or the CPA	Parties	CPA	The Client
	Situation		
	Proactive Termination of Appointment		
	No longer accepting (continuing) appointments	None	
Audit Opinions Other Than Unqualified Issued in the Past Two Years and the Reasons Therefor	None		
Whether There Were Any Disagreements with the Company	Yes		Accounting Principles and Practices
			Disclosure of Financial Reports
			Scope or Procedures of the Audit
			Other
	None	V	
	Remarks		
Other Disclosure Matters (As required to be disclosed under Article 10, Paragraph 5, Subparagraph 1, Item 4 of these Regulations)	None		

### (II) Regarding the Successor CPA

Name of the Firm	KPMG Taiwan
Names of CPAs	Yang, Shu-Chih, CPA Yu, Chi-Lung, CPA
Date of Appointment	Approved by the Board of Directors on February 22, 2024

Consultation matters and outcomes regarding the accounting treatment methods or principles for specific transactions prior to the appointment, as well as potential opinions on the issuance of financial statements	Not applicable
Written Opinions of the Successor Accountant Regarding Disagreements with the Predecessor Accountant	Not applicable

(III) Response from the former CPA regarding the matters specified in Article 10, Paragraph 5, Subparagraph 1, and Subparagraph 2, Item 3 of these Regulations: Not Applicable.

**VI The Company's Director, President, Managerial Officer in Charge of Finance or Accounting Who Has Served in a CPA's Accounting Firm or Its Affiliated Companies in the Most Recent Fiscal Year Shall Disclose Their Names, Positions and the Period of Employment in CPA's Accounting Firm or Its Affiliated Companies:** None.

**VII Equity Transfer or Changes in Equity Pledged by the Company's Director, Managerial Officers or Shareholders with Shareholding Percentage Exceeding Ten (10) Percent in the Most Recent Fiscal Year up to the Publication Date of this Annual Report:** Please refer to the Market Observation Post System at [https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1)

[https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

**VIII Relationship Information, if among the Company's Top 10 Shareholders any one is a Related Party, Spouse or a Relative within the Second Degree of Kinship**

Name (Note 1)	Shareholding		Shares Held by Spouse and Underage Children		Total shareholding by nominee arrangements		INFORMATION ABOUT TOP 10 SHAREHOLDERS WHO ARE RELATED PARTY TO ONE ANOTHER, OR SPOUSE OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP, THEIR NAMES AND RELATIONSHIP (NOTE 3)		Remarks
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Name	Relationship	
Hi-Clearance Investment Co., Ltd. Representative: John Lee	6,519,991	14.64%	0	0	0	0	Collins Co., Ltd.	The representative of the Chairman is the same as the representative.	--
							LCL Capital Inc.	The corporate representative chairman is Li Chung-Ting, who is the brother of the representative of LCL Capital Inc.	--
LCL Capital Inc. Representative: Lee, Tsung-Ting	3,531,994	7.93%	0	0	0	0	Hi-Clearance Investment Co., Ltd.	The corporate representative chairman is John Lee, who is the brother of the representative of Hi-Clearance Investment Co., Ltd.	--
							Collins Co., Ltd.	The corporate representative chairman is John Lee, who is the brother of the representative of Collins Co., Ltd.	--
Collins Co., Ltd. Representative: John Lee	2,385,536	5.36%	0	0	0	0	Hi-Clearance Investment Co., Ltd.	The representative of the Chairman is the same as the representative.	--



							LCL Capital Inc.	The corporate representative chairman is Li Chung-Ting, who is the brother of the representative of LCL Capital Inc.	--
Standard Chartered Trust Fidelity Puritan Trust: Fidelity Low Priced Equity Fund	1,660,459	3.73%	0	0	0	0	None	None	--
Standard Chartered Custodian Nomura Fidelity Global Appreciation Equity Fund	1,519,814	3.41%	0	0	0	0	None	None	--
Lan Hwa Investment Co., Ltd. Representative: Chiu, Chen-Lan	1,401,948	3.15%	0	0	0	0	None	None	--
Chiang, Ping-Hsun	1,343,689	3.02%	0	0	0	0	None	None	--
Ailishi Co., Ltd. Representative: Fang, Chung-Wei	942,682	2.12%	0	0	0	0	None	None	--
Chen, Ping-Chang	710,443	1.60%	0	0	0	0	None	None	--
Chen, Kuo-Shih	526,125	1.18%	121,927	0.27%	0	0	None	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: Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3: Relationships between the aforementioned shareholders, including institutional and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

**IX Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Director and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company:**

Dec. 31, 2024 Unit: Shares; %

Investee business	Investment by the Company		Investment by Director/Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Investment	
	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
SUCCEED AGENTS LIMITED(B.V.I)	1,575,000	100.00%	0	0	1,575,000	100.00%
Renalysis Medical Care Co., Ltd.	10,000,000	100.00%	0	0	10,000,000	100.00%
MedFore Health Business Co., Ltd.	5,000,000	100.00%	0	0	5,000,000	100.00%
Sin Hwa Biotech Co., Ltd.	10,000,000	100.00%	0	0	10,000,000	100.00%
Sin Hwa Investment Co., Ltd.	8,000,000	100.00%	0	0	8,000,000	100.00%
HC-Healthcare Co., Ltd.	36,516,750	100.00%	0	0	36,516,750	100.00%
WS Far IR Medical Technology Co., Ltd.	600,000	30.00%	0	0	600,000	30.00%
QS Control Corp.	0	0	6,000,000	20.00%	6,000,000	20.00%
Moral Well Co., Ltd.	0	0	-	100.00%	-	100.00%*
PT HICLEARANCE MEDICAL INDONESIA	0	0	-	100.00%	-	100.00%*
Taicha International Trade (Shanghai) Co., Ltd.	0	0	-	100.00%	-	100.00%*

\*This is the proportion of the capital contribution

## Chapter 3 Capital Overview

### I Capital and shares

#### (I) Source of Capital

March 28, 2025

Year/Month	Issue price (NT\$)	Authorized capital		Paid-in Capital		Remarks		
		Number of Shares (In Thousands of Shares)	Amount (In Thousands of NTD)	Number of Shares (In Thousands of Shares)	Amount (In Thousands of NTD)	Source of Capital	Capital Increase by Assets Other than Cash	Other
1989.02	10	700	7,000	700	7,000	Establishment capital stock	None	—
1990.09	10	2,000	20,000	2,000	20,000	Capitalization of cash, NT\$13,000 thousand	None	Note 1
1993.08	10	2,500	25,000	2,500	25,000	Capitalization of cash, NT\$5,000 thousand	None	Note 2
1995.08	10	5,500	55,000	5,500	55,000	Capitalization of cash, NT\$30,000 thousand	None	Note 3
1996.10	10	7,000	70,000	7,000	70,000	Capitalization of cash, NT\$15,000 thousand	None	Note 4
2000.12	10	10,000	100,000	10,000	100,000	Capitalization of cash, NT\$30,000 thousand	None	Note 5
2001.03	10	15,000	150,000	15,000	150,000	Capitalization of cash, NT\$50,000 thousand	None	Note 6
2002.05	10	20,000	200,000	20,000	200,000	Capitalization of cash, NT\$50,000 thousand	None	Note 7

2003.07	10	40,000	400,000	25,000	250,000	Capitalization of cash, NT\$50,000 thousand	None	Note 8
2008.01	10	40,000	400,000	26,000	260,000	Capitalization of cash, NT\$10,000 thousand	None	Note 9
2009.07	10	40,000	400,000	29,250	292,500	Capitalization of cash, NT\$32,500 thousand	None	Note 10
2011.11	10	40,000	400,000	35,000	350,000	Capitalization of cash, NT\$57,500 thousand	None	Note 11
2019.06	10	40,000	400,000	36,000	360,000	Capitalization of cash, NT\$10,000 thousand	None	Note 12
2019.07	10	80,000	800,000	36,000	360,000	Amendment to the Articles of Incorporation to increase the approved share capital	None	Note 13
2020.08	10	80,000	800,000	36,006	360,060	Corporate bond conversion of NT\$60 thousand	None	Note 14
2020.11	10	80,000	800,000	36,886	368,862	Corporate bond conversion of NT\$8,802 thousand	None	Note 15
2021.02	10	80,000	800,000	37,609	376,097	Corporate bond conversion of NT\$7,235 thousand	None	Note 16
2021.05	10	80,000	800,000	38,274	382,749	Corporate bond conversion of NT\$6,652	None	Note 17

						thousand		
2022.09	10	80,000	800,000	38,757	387,579	Corporate bond conversion of NT\$4,830 thousand	None	Note 18
Year/Month	Issue Price (NT\$)	Authorized capital		Paid-in Capital		Remarks		
		Number of shares (thousands of shares)	Amount (NT\$ thousands)	Number of shares (thousands of shares)	Amount (NT\$ thousands)	Source of Capital	Capital Increase by Assets Other than Cash	Other
2021.11	10	80,000	800,000	39,831	398,317	Corporate bond conversion of NT\$10,738 thousand	None	Note 19
2022.02	10	80,000	800,000	40,023	400,232	Corporate bond conversion of NT\$1,915 thousand	None	Note 20
2022.05	10	80,000	800,000	40,438	404,385	Corporate bond conversion of NT\$4,153 thousand	None	Note 21
2022.07	10	80,000	800,000	40,520	405,209	Corporate bond conversion of NT\$824 thousand	None	Note 22
2023.04	10	80,000	800,000	44,520	445,209	Capitalization of cash, NT\$40,000 thousand	None	Note 23

Note 1: Approved with document BSJYZ No. 143674 dated Oct. 19, 1990.

Note 2: Approved with document BSJYZ No. 779681 dated Sept. 09, 1993.

Note 3: Approved with document BSJYZ No. 01017906 dated Oct. 11, 1995.

Note 4: Approved with document BSJYZ No. 85358800 dated Nov. 18, 1996.

Note 5: Approved with document J(89)SZ No. 089148349 dated Jan. 03, 2001.

Note 6: Approved with document J(90)SZ No. 09001114790 dated Apr. 06, 2001.

Note 7: Approved with document JSSZ No. 09101195950 dated Jun. 04, 2002.

Note 8: Approved with document FJSZ No. 09217576000 dated Aug. 13, 2003.

Note 9: Approved with document FCYSZ No. 09780796800 dated Jan. 24, 2008.

Note 10: Approved with document FCYSZ No. 09887146500 dated Jul. 31, 2009.  
 Note 11: Approved with document FCYSZ No. 10090050300 dated Nov. 29, 2011.  
 Note 12: Approved with document FCYSZ No. 10851048000 dated Jun. 26, 2019.  
 Note 13: Approved with document XBFJSZ No. 1088046323 dated Jul. 12, 2019.  
 Note 14: Approved with document XBFJSZ No. 1098060961 dated Aug. 28, 2020.  
 Note 15: Approved with document XBFJSZ No. 1098083593 dated Nov. 26, 2020.  
 Note 16: Approved with document XBFJSZ No. 1108010702 dated Feb. 20, 2021.  
 Note 17: Approved with document XBFJSZ No. 1108035799 dated May 27, 2021.  
 Note 18: Approved with document XBFJSZ No. 1108063277 dated Sep. 6, 2021.  
 Note 19: Approved with document XBFJSZ No. 1108082760 dated Nov. 22, 2021.  
 Note 20: Approved with document XBFJSZ No. 1118009058 dated Feb. 15, 2022.  
 Note 21: Approved with document XBFJSZ No. 1118030626 dated May 5, 2022.  
 Note 22: Approved with document XBFJSZ No. 1118051841 dated Jul. 25, 2022.  
 Note 23: Approved with document XBFJSZ No. 1128026647 dated Apr. 25, 2023.

#### Type of Shares March 28, 2025

Unit: Shares

Type of Shares	Authorized capital			R e m a r k s
	Issued Shares	Unissued Shares	Total	
Common stock	44,520,971	35,479,029	80,000,000	TPEX-listed shares

Summary information about the declaration system: Not Applicable.

#### (II) List of major shareholders:

Names, shareholding amount and ratio of shareholders with shareholding of 5% or more or top 10 shareholders in shareholding ratio

March 28, 2025

Names of major shareholders	Shares Number of Shares Held	Shareholding (%)
Hi-Clearance Investment Co., Ltd.	6,519,991	14.64%
LCL Capital Inc.	3,531,994	7.93%
Collins Co., Ltd.	2,385,536	5.36%
Standard Chartered Trust Fidelity Puritan Trust: Fidelity Low Priced Equity Fund	1,660,459	3.73%
Standard Chartered Custodian Nomura Fidelity Global Appreciation Equity Fund	1,519,814	3.41%
Lan Hwa Investment Co., Ltd.	1,401,948	3.15%
Chiang, Ping-Hsun	1,343,689	3.02%
Ailishi Co., Ltd.	942,682	2.12%
Chen, Ping-Chang	710,443	1.60%

Chen, Kuo-Shih	526,125	1.18%
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### **(III) Dividend Policy and Its Implementation:**

#### **1. Dividend policy**

If there is a surplus in the Company's annual final account, it shall be distributed in the following order:

- (1) Pay tax first.
- (2) Make up the losses of previous years.
- (3) Set aside 10% as statutory surplus reserve.
- (4) Set aside or reverse special surplus reserves according to law or as prescribed by the competent authority.
- (5) The remaining balance is added to the undistributed profits of previous years as surplus available for distribution, and the Board of Directors drafts a distribution proposal and submit it to the shareholders' meeting for resolution.

The Company is in the business growth stage, and the dividend policy gives priority to the Company's future development plan and financial position, and takes into account the reasonable remuneration of shareholders. The amount distributed as dividends and bonuses to shareholders shall not be less than fifty percent of the distributable earnings for the year, with at least fifty percent of this amount being in the form of cash dividends.

#### **2. Distribution of dividends proposed at the most recent Shareholders' Meeting**

The surplus of Company in 2024 was approved by the Board of Directors on February 21, 2025. After setting aside 10% of the statutory reserve, a cash dividend of NT\$311,646,797 (NT\$7 per share) was distributed to shareholders.

### **(IV) The impacts of issuing stock grants in this Shareholder's Meeting on the Company's operational performance and dividend per share:**

There is no proposed free-of-charge stock grants for this year, so this is not applicable.

### **(V) Remuneration for Employees, Director, and Supervisors:**

#### **1. Percentages or ranges with respect to the rewards for employees, directors, and supervisors as prescribed by the Articles of Incorporation:**

Before deducting the amount to be distributed for employee rewards and director and supervisor rewards, and after making up for the accumulated losses, no less than 1% of any balance (if any) of the pre-tax profits of the current year shall be set aside for employee rewards and no higher than 3% shall be set aside for director and supervisor rewards.

The decision on the distribution ratio of employee rewards and board/supervisor rewards, as well as the payment of employee rewards in stock or cash, shall be made by the Board of Directors through a resolution passed by more than two-thirds of the directors present and a majority of the attending directors, and shall be reported to the shareholders' meeting.

The counterparties to whom employee rewards are distributed in cash or stock include the employees of the Company's subordinate companies that meet certain criteria.

2. Basis for estimating the amount of compensation to be distributed to employees, Directors and Supervisors, basis for calculating the number of shares to be distributed as employee rewards and accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed for this period:

(1) The employee rewards and rewards for directors and supervisors for the year 2024 are set aside in accordance with the provisions of the Company's Articles of Incorporation and will be paid in cash. There was no distribution of stock dividends in the year 2024.

(2) Accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed:

If there is a discrepancy between the estimated amount and the amount approved for disbursement by the Board of Directors, the difference will be treated as a change in accounting estimates and adjusted in the accounts for the fiscal year in which the Board resolution is made.

3. The information on the approval of rewards by the Board of Directors:

(1) Amount of rewards for employees, directors and supervisors distributed in the form of cash or shares:

The proposal on the distribution of the Company's rewards for employees and rewards for directors for 2024 was passed by resolution of the Board of Directors on February 21, 2025, with the proposed distribution as follows:

1) Proposed to distribute the employee rewards in cash of NT\$4,533,970

2) Proposed to distribute the director rewards of NT\$13,601,912

The above proposed distribution amount will be included in profit or loss for the year 2025 if the actual distribution amount is different from the estimated amount by a subsequent resolution of the shareholders' meeting.

(2) Ratio of employee rewards allocated in stock to the total of after-tax net profit in the current parent company only or individual financial report and the employee rewards: Not applicable.

4. The actual distribution of employee remuneration and director and supervisor remuneration for the previous fiscal year:

Unit: NT\$ thousands

	Original amount passed by the Board of Directors	Actual distributed amount	Difference	Difference processing method
Employee bonuses	4,320	4,320	0	None
Rewards for directors and supervisors	12,959	12,959	0	

**II Issuance of Corporate Bonds:** None.

**III Issuance of Preferred Shares:** None.



**IV Issuance of Overseas Depository Receipts:** None.

**V Issuance of Employees' Stock Option Certificate:** None.

**VI New Restricted Employee Shares:** None.

**VII Status of new share issuance in connection with mergers and acquisitions:** None.

**VIII Implementation of capital utilization plan:**

Please refer to the Market Observation Post System at  
[https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

## Chapter 4 Operational Highlights

### I Business Activities

#### (I) Scope of Business

1. Main purpose of the Company's businesses
  - (1) Purchase and sale of measuring instrument
  - (2) Trading of medical instruments, equipment, sanitary materials, consumables, biochemical reagents, operating room equipment, and chemical raw materials
  - (3) Trading of household sanitary napkins, maternal and child hygiene products, disinfectants, brighteners, plastic insulation equipment, textile and clothing, electronic motors, power equipment, construction, hardware machinery and other products, instruments, industrial and commercial computers, automotive and motorcycle parts, and sports equipment
  - (4) Import and export trade business of previous products
  - (5) Distribution, agency, bidding and quotation services for products from domestic and foreign manufacturers
  - (6) F108021 Wholesale of Western Medicine
  - (7) F208021 Retail of Western Medicine
  - (8) F102160 Auxiliary Food Wholesale
  - (9) F203010Retail of Food Products and Groceries

#### 2. Ratio Unit: NT\$ thousands

Fiscal year	2024	
	Amount	%
Main products		
Artificial kidneys and circuit tubes	1,341,068	32.93
Erythropoietin, pharmaceuticals	1,229,942	30.20
Dialysis machine, maintenance and upkeep	188,960	4.64
Respiratory and anesthesia	286,718	7.04
Others (Note)	1,026,123	25.19
Net operating revenue	4,072,811	100.00

Note: Revenue from medical materials, healthcare, catheters, dental materials, beverages, leasing, and labor services.

3. Current products (services) of the Company:
  - (1) Hemodialysis products: artificial kidneys, dialysis machines, blood circuit tubes, arteriovenous fistula puncture needles, dialysis solution, erythropoietin, machine disinfectant solution, dialysis patient specific nutritional food, general consumables, and machine equipment maintenance services.

- (2) Chronic kidney disease (Phases 1~5) nutritional products: specialized vitamins and related oral and injectable nutritional supplements.
  - (3) Dental products: artificial tooth roots, dental wound protectors, artificial dermis, dental consumables, X-Nav dental implant surgery computer navigation equipment, etc.
  - (4) Emergency and critical care equipment and respiratory-sleep field products: ventilators, CPAPs, airway disposal consumables, cardiac shock absorbers, AEDs, sepsis endotoxin adsorbers, emergency occluded balloon catheters (REBOA), respiratory related consumables.
  - (5) Medical catheter products: mitral valve dilation catheters, liver cancer treatment catheters, radiology examination catheters consumables, fistula dilation balloon catheters, cardiology microcatheters.
  - (6) Planning, design, and management consulting for dialysis room software and hardware.
  - (7) Home healthcare products: 3M home care products, CITIZEN Blood Pressure Monitors, multifunctional testing devices (for blood glucose, uric acid, cholesterol), oxygen concentrators, pulse oximeters, and other related products.
  - (8) Spinal surgery products: Renaissance and Mazor Minimally Invasive Spinal Surgery Equipment Systems, Joimax Minimally Invasive Spinal Surgery Endoscopic Equipment and Consumables.
4. New products and medical services planned for development

The Company actively seeks cooperation with the original manufacturer, invests in relevant medical equipment, and introduces the sales of functional nutritional foods and silver hair health products.

## (II) Industry Overview

### 1. Current State and Development of the Industry

#### (1) Future growth potential of medical consumables industry

Due to the continuous increase in national income with economic growth, economic prosperity drives the improvement of living standards, and the increasing emphasis on health by the Taiwanese people, the demand for medical equipment and related health products industry has significantly increased. According to statistics from the Ministry of the Interior, the age structure of the population has shown significant aging compared to the past decade. As of May 2024, individuals aged 65 and above accounted for 18.71% of the total population, reaching 4.38 million people. The aging index, which first exceeded 100 in February 2017, reached 163.8% by the end of 2024, indicating a severe aging trend in the population.

Due to the aging and functional decline of the elderly, they are more in need of medical resources for care. It is expected that in the future, Taiwan will expand its demand for medical equipment and related health products both domestically and internationally due to the arrival of an aging society; Meanwhile, with the increasing emphasis on physical health and medical beauty among the public, it has also driven unlimited business opportunities in the markets of preventive healthcare, dentistry, geriatric medicine, home and long-term care healthcare.

In addition, in response to economic development, industrial development has caused air pollution, leading to an increase in chest breathing diseases among modern people, which have partially transformed into a dangerous disease.

## (2) Domestic and international industrial development trends

### 1) Domestic industrial development trends

The medical equipment industry requires a high level of professional and technical expertise, and due to the involvement of personal safety, the Department of Health actively promotes the Good Manufacturing Practice (GMP) for medical equipment and the Quality System Document (QMS) system for medical equipment. The Domestic Medical Device Act was officially promulgated and implemented in 2020. In order to support and promote the development of the medical biotechnology industry, the government provides many preferential measures in terms of technology, talent, and funding. In addition to investing in the construction of biotechnology parks, it also assists traditional manufacturing industries in transforming into biotechnology medical companies. In 2016, the government also listed the biotechnology industry as a key development project for the future. It can be expected that the biotechnology industry will be the future star, which can drive the domestic economic prosperity and improve the quality of life of the people.

### 2) Overseas industrial development trends

The biotechnology and medical industry is a star industry in the 21st century, so major medical manufacturing plants around the world are making every effort to invest a large amount of funds in the development and updating of next-generation products, and vigorously integrate upstream and downstream related industries vertically, and then expand to horizontal integration.

The medical industry of hemodialyse is even more so in European and American countries. From medical institutions to sales channels, manufacturers, and medical management consulting companies, they are all connected on the front line, complementing the competitiveness and profits of the industry. The annual growth rate of the number of hemodialyse patients worldwide varies by country, ranging from 2% to 5%. In 2020, the global

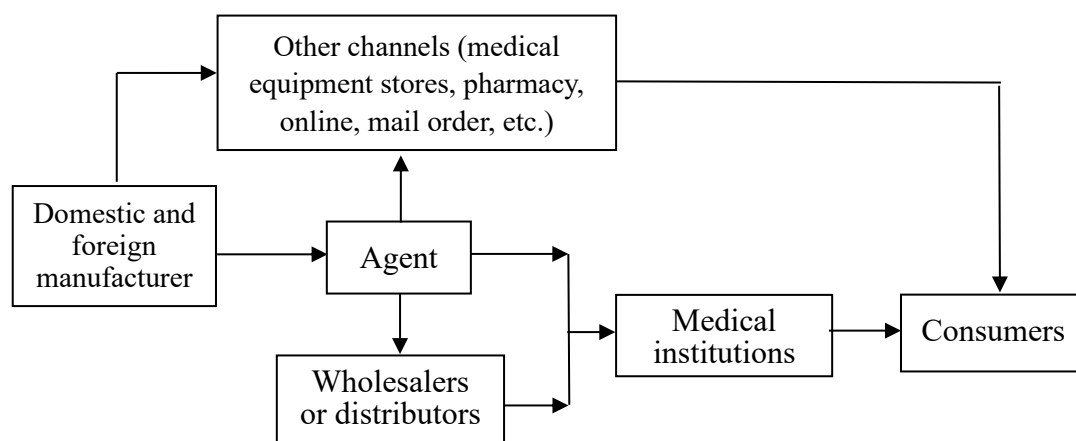
dialysis medical market size reached 91.2 billion US dollars, and it is expected to reach 129.8 billion US dollars by 2025, with a compound annual growth rate of 4.7%.

The medical progress in cardiology, dentistry, dentistry, thoracic surgery, and emergency care, as well as the continuous and vigorous development of home and long-term care medical fields, are driving the improvement of living standards and the pursuit of perfection in life due to economic prosperity. Under the demand for preventive medicine and healthcare, the future development of biological tissue engineering will undoubtedly create more welfare and medical solutions for humanity.

## 2. Upstream, midstream and downstream correlation

The Company is a professional agent for importing medical equipment, with domestic and foreign medical equipment manufacturers and component support manufacturers upstream; In terms of marketing channels, there are different channels depending on the nature of medical equipment products. Generally, the sales targets of medical equipment are mainly distributors and medical institutions, which are applied by medical professionals to patients; The Company actively expands medical distribution channels by establishing sales teams to deliver products to consumers through medical institutions, medical equipment stores, pharmacies, and online platforms.

### Upstream, midstream, and downstream industrial structure of medical equipment



Data source: Hi-Clearance Inc. data compilation

[Note] Personal home health products, such as blood glucose machines, oxygen machines, and related medical health products

## 3. Development trends and competition for the Company's products

### (1) Development Trends

#### 1) Hemodialysis series products

The main brands of blood dialysis series products are from Germany, Japan, and EU countries. Due to the personal safety concerns of medical equipment products, current usage habits of domestic medical units, and quality requirements, imported products are still the main product in the market.

Artificial kidneys, blood circuit tubes, puncture needles, dialysis solutions, erythropoietin and general consumables, as well as nutritional supplements for dialysis patients, continue to grow. The domestic market demand is increasing, so domestic and foreign manufacturers are investing heavily in research and development and production, and the competition is becoming more intense. The Company will continue to introduce diversified, high-quality, and reasonably priced products, such as TORAY, BAXTER, ROCHE, BIOTEQ, VITAL, CHI SHENG, and other world-renowned brands, to provide good treatment quality for dialysis patients.

2) Emergency and critical care equipment and sleep aid products

The Company introduces a diverse range of respiratory therapy products, spanning multiple fields, from acute care, chronic care, and lung recovery. The products can meet the needs of different medical units. Currently, the company's agent products include advanced intensive care respirators Getinge, multifunctional respirators ResMed, and negative pressure inhalers Hayek. The respirator market in Taiwan is experiencing stable demand due to the government's push for IDS (Integrated Patient Care System for Respiratory Devices) and the replacement of outdated equipment.

In addition, the introduction of REBOA emergency oxygen catheters in emergency response is a minimally invasive alternative surgery and an emerging medical technology in recent years, which will benefit more patients. Overall, in emergency, surgical rooms, and ICUs, there is a range of products available, including shock absorbers, airway disposal consumables, sepsis endotoxin adsorbers, and various types of respirators with different functions, providing medical units with more choices and support in treatment.

According to statistics from the Ministry of Health and Welfare, about 15% of Taiwanese adults suffer from sleep apnea. This disease increases the risk of cardiovascular and cerebrovascular diseases, and can also lead to a decrease in sleep quality, causing daytime mental distress. In 2020, the Company introduced the world's giant ResMed sleep respirator and is actively expanding its service base, hoping to benefit more sleep apnea patients and continue to contribute to the protection of national health.

3) Medical catheterization equipment products

Products such as catheters for cardiology, liver cancer treatment, guide wires for abdominal examinations, and guide wires for cerebrovascular examinations. Provide physicians with the use of the Company's catheter guide wire and other products to improve surgical efficiency, ensure patient well-being and customer satisfaction during interventional liver cancer

treatment and intracranial intervention surgery.

#### 4) Dental material products

In the field of oral surgery and general dentistry, OLYMPUS TERUMO artificial dermis is introduced for the treatment of oral mucosal lesions and oral cancer; Keystone artificial dental implant products and X-Nav dental implant blue light 3D computer navigation devices are both mainstream products in the dental market. The Company focuses on promoting large hospitals and distinctive dental clinics, with high product awareness, excellent quality, and high development potential. Its future prospects are promising.

#### 5) Spinal Surgery Products

The main brands of spinal surgery products include Medtronic's Mazor Minimally Invasive Spinal Surgery Equipment System, and Joimax Minimally Invasive Spinal Surgery Endoscopic Equipment and Consumables from Germany. The main target customers for product promotion are large hospitals, assisting physicians in the accuracy and patient safety of using bone nails and plates in spinal surgery. The Joimax series products are newly introduced spinal endoscopic surgical equipment, using high-quality and advanced equipment for spinal decompression surgery; The products are of excellent quality and high development potential, hoping to contribute to national health in the future.

### (2) Competition

The competition for domestic blood dialysis related products is very fierce, and the quality varies. Each company's marketing strategies vary, and the products adopt a value segmentation approach to increase market share. Since its establishment, the Company has adhered to the customer-oriented concept, providing customers with multiple brands and a full range of products, and providing customers with comprehensive services for a one-time purchase.

In recent years, we have also gradually entered the fields of guidance wires for cerebral blood vessels, abdominal guidance wires, and cardiac catheters. We have also actively invested in products in the fields of sleep, first aid, breathing, surgery, and spine to increase the Company's competitiveness as a main body.

### (III) Technology and R&D Overview

The Company is a professional importer and distributor of medical equipment. In addition to focusing on market development and providing clients with the latest high-quality medical information and services, we actively expand partnerships with globally renowned brands. By building a professional team and embracing a spirit of innovation and learning, we are dedicated to the development of new product markets.

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

1. The company's operational development direction is as follows:

(1) Company positioning:

- 1) Professional medical channel provider
- 2) Constructing a multi domain medical sales platform
- 3) Medical service providers

(2) Business philosophy: sincerity, positivity, innovation, foresight

(3) Service philosophy: Quality first, service first, customer satisfaction

(4) Corporate culture: pragmatism, professionalism, discipline, and team spirit

(5) Marketing strategy:

- 1) Speed oriented and creating convenience.
- 2) Providing customers with diverse choices and added value.
- 3) Brand and Channel - Establish the role of a brand channel provider, providing comprehensive product services.

2. The short-term business development plans of the Company are as follows:

(1) Strengthening the product portfolio and logistics channels for hemodialysis

Dedicated to sales in the domestic hemodialysis market, combined with upstream and downstream suppliers, providing more competitive products to meet customer needs; introduce various high-quality products and provide physicians with different treatment options for dialysis patients; in addition, we will increase home-based care for patients with kidney disease, introduce relevant health and nutritional foods, and provide patient care before and after dialysis.

(2) Expanding medical catheter material products

Expanding peripheral products such as cardiac catheters, cerebrovascular stents and guide wires, and catheters for liver cancer treatment.

(3) Expanding critical care equipment and consumables

Emergency balloon catheters and anesthesia consumables, sepsis endotoxins adsorbers, automatic extracorporeal shock absorbers, ventilators and other products continue to develop and deeply cultivate the market; Combining the needs of hospitals and the public, we will continue to expand our sleep and respiratory health consumables and equipment, and expand our home care market.

(4) Expanding dental material products

Continuously introducing products such as artificial tooth roots, dental implants, dental equipment, dental wound protection materials, and artificial dermis.



(5) The business consultant of dialysis clinics

Actively forming strategic alliances with hospital clinics, strengthening sales channels for dialysis, providing better products and assisting in the operation and management of dialysis rooms, and improving their performance.

(6) Expanding the market for healthcare equipment and nutritional care products

Introducing premium functional nutritional supplements, healthcare instruments, blood glucose monitors, oxygen concentrators, pulse oximeters, and personal home care medical equipment products.

3. The mid- and long-term business development plans of the Company are as follows:

(1) Sustainable development of the healthcare industry

Continuing to develop our dialysis products and actively develop industries in the fields of respiratory equipment consumables, sleep aid machines (CPAPs), dental materials, medical catheters, pharmaceuticals, and nutritional products.

(2) Continuously participating in the career of medical management consulting

Through strategic alliances with medical institutions, aiming to continuously develop our hospital management consulting business, expand our business scope, and enhance market channel autonomy.

(3) Actively playing the role of integrating suppliers

Assisting customers in business management, collaborating with original and domestic manufacturers, adopting OEM or ODM methods, providing products that meet market demand, and becoming a professional integrated supplier.

## II Analysis of Market and Production and Marketing Situation

(I) Market Analysis

1. Sales (Service) Regions

The Company's product sales mainly focused on the Taiwanese market, with the main sales distribution regions and domestic and foreign sales ratios as follows:

Unit: NT\$ thousands

Sales territory	Fiscal year	2024	
		Amount	%
Local		4,048,130	99.39
Export		24,681	0.61
Total		4,072,811	100.00

2. Market share

(1) Hemodialysis series products

The Company's market for blood dialysis products covers blood dialysis centers across the country, distributed in teaching centers, hospitals, regional teaching

hospitals, general teaching hospitals, regional hospitals, and clinics. The main market share of dialysis products in Taiwan is described as follows:

Product item	Market share (estimated)
Artificial kidneys, circuit tubes, and puncture needles	30.9%
Erythropoietin, potions, physiological saline water	31.6%
Dialysis machine, maintenance and upkeep, and other equipment	24.1%

Data source: Market survey data for August 2023 compiled by the Company

(2) Emergency and critical care equipment and sleep aid products

The market shares of the Company's main critical care equipment and sleep products in Taiwan are as follows:

Product item	Market share (estimated)
IV respirator	20%
NIV respirator	51%
CPAP	16%
Cardiac pacemaker	10%
Airway consumables	10%

Data source: Data for October 2023 compiled by the Company

(3) Medical material and equipment products

- 1) Cardiology: Acting as an agent for mitral valve dilation catheters.
- 2) Liver cancer catheters: Exclusive agent for Toray Anton PU catheters and Asahi therapeutic catheters and wires.
- 3) Neurocatheters: Exclusive agent of Asahi intracranial neurovascular leads and catheters to help treat intracranial lesions.

(4) Dentistry: Distributing dental wound protective materials, artificial dermis, artificial tooth roots, and X-Nav Implant Blue Light 3D Computer Navigation Systems for implant procedures.

(5) Spinal minimally invasive surgical equipment:

- 1) The Renaissance and Mazor series is used for minimally invasive spinal surgery.
- 2) The Joimax series provides minimally invasive endoscopic spinal surgery equipment and electrocautery consumables.

3. Supply and Demand in the Market and Possible Future Growth

The demand for products such as blood dialysis series, dental materials, cardiac catheters, and blood glucose machines is due to the improvement of the domestic economic level, and the increasing knowledge of healthcare among the people.

Therefore, the growth of medical products is directly proportional to the number of patients. The annual growth rate of Taiwan's blood dialysis market is about 2% to 3%, and other related medical surgical treatment and health markets are also growing higher year by year.

At present, the products represented by the Company are all well-known global manufacturers and have maintained long-term good relationships with original suppliers. The supply and quality of goods are stable, and different fields have different future prospects.

#### 4. Competitive Niches

##### (1) Effectively integrating customer service

The direct sales target of the Company is mainly hospitals and clinics. In order to create added value and integrate customer service, in addition to the field of hemodialysis, it actively expands the scope and types of products and services in other medical fields, hoping to establish a positive interaction relationship with customers and meet their more complete service needs through effective integration of customer service.

##### (2) Value of professional marketing channels

The Company has been operating the medical equipment market for over thirty years, with deep connections in medical institutions and established a considerable reputation in the domestic industry. Therefore, some suppliers have actively negotiated agency matters based on the Company's professional service experience. With high recognition of its channel value, the Company has considerable leadership.

##### (3) Mastering well-known brands with excellent prices and quality

Due to the fact that medical equipment and related health products are closely related to physical health and people's well-being, consumers have extremely high requirements for product quality and it is not easy to establish a brand image. Therefore, the Company actively seeks cooperation with internationally renowned manufacturers. When selecting product brands, it also considers the medical burden of end-users. Under the public medical system, the company's products actively cooperate with the health insurance payment system to meet the needs of the Chinese people.

##### (4) Having a sound capital structure and mastering the advantages of economies of scale

Most domestic medical equipment import agency companies have low capital and insufficient self owned capital, resulting in the inability to expand their business scale and being forced to engage in individual operations. After the new Medical Equipment Act was officially implemented in May 2024, the Company, due to its

sound capital structure and sufficient available resources, will be able to smoothly expand its operational scale and grasp the advantages of economies of scale in the future by cooperating with overall marketing strategies and diversified operations.

5. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures

(1) Favorable factors

- 1) The government actively supports the medical equipment industry.
- 2) National healthcare expenditure is steadily growing.
- 3) The arrival of the aging age has driven the demand for medical care.
- 4) The medical equipment distribution industry faces high barriers to entry.

(2) Unfavorable factors

- 1) Risk of exchange rate changes.
- 2) High dependence on suppliers.
- 3) Changes in the health insurance payment system and a decrease in sales prices.
- 4) Original manufacturers intervene in domestic regional medical sales.

(3) Response

- 1) Provide customers with exclusive service needs, increase the number of customers, expand sales areas, increase product lines and treatment quality to meet customer needs.
- 2) Improve personnel quality, increase output value, expand new product lines and new markets.
- 3) Expand overseas markets and seek medical markets that can replicate Taiwan's experience.
- 4) Step into more medical fields to accelerate diversified operational scale.

(II) Usage and Manufacturing Processes for Main Products

1. Important use of major products

(1) Hemodialysis series products

Provide alternative therapies for patients who are unable to recover from renal failure and experience abnormal waste metabolism in their bodies, requiring long-term reliance on artificial methods to metabolize waste outside the body. The main uses of its products are as follows:

Product Name	Important Use
Artificial kidney	Dialyzer, helping patients with renal failure filter toxins from the body to prolong life

Product Name	Important Use
Dialysis machine	Monitoring patients' physiological conditions during the dialysis process
Dialysis solution	Maintaining electrolyte ion balance in the body during the dialysis process
Blood circuit tube	Draining blood through an artificial kidney and returning filtered blood back to the human body
Erythropoietin	Assisting in the generation of red blood cells
Puncture needle	Draining blood from the body to the blood circuit tube

(2) Emergency and critical care equipment and medical material equipment products

Providing consumables for treatment in cardiology, hepatobiliary gastroenterology, metabolism, respiratory and thoracic medicine, and emergency rooms. The main uses of its products are as follows:

Product Name	Important Use
Mitral valve dilation cardiac catheterization	Used for patients with mitral valve stenosis, to dilate the mitral valve of the patient's heart and improve their blood delivery status
Anthron liver cancer catheter	Can be implanted in the liver artery for a long time, providing injection of liver cancer chemotherapy drugs
Abdominal catheters and wires	Used to enter the patient's blood vessels for subsequent treatments such as tumor embolization.
Multifunctional detector	A multifunctional monitoring product that can detect blood sugar, cholesterol, uric acid, etc., providing users with complete health protection management.
Blood glucose machine	Used for diabetes patients to effectively control insulin dosage and dosage, which is helpful for self-monitoring
Sepsis endotoxin adsorber	Using blood circulation to adsorb endotoxins in the patient's body and treat sepsis
Oxygen concentrator	Used for respiratory system related patients, filtering out about 90-95% oxygen through the machine and providing to users with insufficient blood oxygen concentration.
Respirator	Used for patients with respiratory failure, where carbon dioxide accumulation cannot be eliminated from the body, leading to respiratory acidosis.
Cardiac pacemaker	Detecting the patient's heart rhythm and pulse, and applying electric shock to restore normal heart function.
Blood pressure gauge	By using amplitude detection method, users can self-monitor their blood pressure at home and also detect heartbeat patterns.

(3) Dental material products

Providing consumables for dental and dental treatments. The main uses of its products are as follows:

Product Name	Important Use
Dental wound protective materials	Used for pain relief after tooth extraction or to increase the height of the dental socket bone growth pad
Artificial leather	Used for dentistry, otolaryngology, oral cancer, skin replacement for burns and scalds
Dental implant	Provide dental reconstruction, restoration of oral function, and aesthetic appeal
Dental implant blue light 3D computer navigation device	Used for guiding and assisting in dental implant surgery

(4) Spinal minimally invasive surgical equipment

Providing spinal surgery equipment and consumables, the main uses of our products are as follows:

Product Name	Important Use
Renaissance and Mazor Minimally Invasive Spinal Surgery Equipment Systems	Used for spinal fusion, using robotic arms to assist physicians in completing minimally invasive spinal fusion surgery
Endoscopic equipment and consumables for spinal surgery	Used for minimally invasive endoscopic spinal surgery, providing spinal decompression surgery

2. Production process of primary products

The Company is a professional agent, so there are no production issues.

(III) Supply of major raw materials

In recent years, due to the excellent sales performance of the Company, the number of agency products has been increasing year by year, from TORAY and TERUMO in early stage to CHI SHENG, BIOTEQ, ROCHE, BAXTER, KEYSTONE, VITAL, CITIZEN, TELEFLEX, RESMED, MINDRAY, Medtronic, Getinge, and signed agency distribution contracts with the Company to be responsible for product distribution and services.

Main Products	Main Supplier	State of Supply
Artificial kidney	TORAY 、BAXTER 、VITAL	Stable supply quality and delivery time
Dialysis machine	TORAY 、BAXTER	Stable supply quality and delivery time
Dialysis solution and powder	Chi Sheng Pharma & Biotech Co., Ltd., BAXTER	Stable supply quality and delivery time
Blood circuit tube	BIOTEQ, VITAL, Sunder	Stable supply quality and delivery time

Main Products	Main Supplier	State of Supply
Erythropoietin	ROCHE	Stable supply quality and delivery time
Puncture needle	BIOTEQ 、VITAL	Stable supply quality and delivery time
Dental wound protective materials	TERUMO	Stable supply quality and delivery time
Artificial leather	TERUMO	Stable supply quality and delivery time
3D computer navigation system for dental implant surgery	X-Nav	Stable supply quality and delivery time
Dental implant products	KEYSTONE 、3M	Stable supply quality and delivery time
Cardiac catheter	TORAY 、ASAHI-INTEC	Stable supply quality and delivery time
Liver cancer catheter	TORAY	Stable supply quality and delivery time
Blood pressure gauge	CITIZEN	Stable supply quality and delivery time
Sepsis endotoxin adsorber	TORAY	Stable supply quality and delivery time
Respirator	RESMED 、Hayek 、Getinge	Stable supply quality and delivery time
Anesthesia first aid supplies	TELEFLEX	Stable supply quality and delivery time
Sleep stop aid machine	RESMED	Stable supply quality and delivery time
Cardiac pacemaker	MINDRAY	Stable supply quality and delivery time
Spinal minimally invasive surgical equipment	Medtronic 、joimax	Stable supply quality and delivery time
Absorbable bone nail and plate	Inion	Stable supply quality and delivery time

(IV) Major Suppliers Commanding 10%-plus Share of Annual Order Volume in Any of the Most Recent Two Years:

1. Supplier data that accounted for more than 10% in any of the most recent two years

Unit: NT\$ thousands

2023				2024				2025 up to the end of the previous quarter (Note)			
Name	Amount	Percentage to the total annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage to the total annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage to the total annual net purchases (%)	Relationship with the issuer
Roche Products Ltd.	301,942	11.86	None	TORAY MEDICAL CO., LTD.	370,836	13.21	None	Not applicable			
Baxter International Inc.	299,644	11.78	None	Chi Sheng Pharma & Biotech Co., Ltd.	348,352	12.41	None				
TORAY MEDICAL CO., LTD.	294,843	11.59	None	Roche Products Ltd.	275,163	9.80	None				
Chi Sheng Pharma & Biotech Co., Ltd.	275,417	10.82	None	Baxter International Inc.	92,617	3.30	None				
Other	1,373,110	53.95		Other	1,720,596	53.95					
Net purchases	2,544,956	100		Net purchases	2,807,564	100					

Note: As of the date of publication of the annual report, there is no financial information that has been reviewed by a CPA.

Explanation of changes: In the past two years, changes occurred among the Company's suppliers. Baxter International Inc. was split into two companies in the year 2024, leading to a significant decline in Baxter International Inc.'s transaction volume. For other suppliers, annual variations have been relatively minor.

2. Information on sales customers who have accounted for more than 10% in any of the past two years

We do not disclose any customers who have sold more than 10% of the total sales in the past two years.



### III Average Years of Service, Average Age and Distribution of Academic Qualifications of Employees in the Most Recent Two Fiscal Years up to the Publication Date of this Annual Report

March 31, 2025

Fiscal year		2023	2024	As of March 31, 2025, for the current year
Number of employees	Managerial officer	27	29	27
	General employees	253	262	255
	Total	280	291	282
Average age		38.51	38.80	39.59
Average years of service		9.70	10.08	9.68
Academic background distribution (%)	Ph.D.	0	0	0
	Master's degree	11.43%	10.65%	12.06%
	Bachelor (junior college)	86.07%	86.60%	85.11%
	Senior high/vocational school	2.50%	2.41%	2.48%
	Below senior high school	0	0.34%	0.35%

### IV Disbursements for Environmental Protection

Any losses suffered due to environment pollution in the most recent fiscal year up to the publication date of the Annual Report, and disclose the estimated amount for current and possible future occurrences, and responsive measures, and if the amount cannot be reasonably estimated, clarify the reasons. : None.

### V Labor Relations

- (I) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests:

Since its establishment in 1989, the Company has attached great importance to employee welfare, as managing employee welfare can promote the reconciliation of labor management relations, boost morale, enhance work efficiency, and cultivate employee centripetal force.

The Company's important welfare measures, further education, training, and retirement system are as follows:

1. Welfare measures directly handled by the Company

The Company's employee welfare programs include group insurance, employee health check-ups, year-end bonuses, annual travel, wedding and funeral celebrations, and hospitalization subsidies for injuries and illnesses, language training subsidies, and club

subsidies.

Employee rewards: According to the Company's articles of association, the minimum distributable surplus for the current year is 1%.

## 2. Development and training

The Company arranges internal classes and irregular external training for employees to meet their thirst for knowledge and enhance their skills. Internal classes include pre-employment training for new employees and inviting internal and external lecturers to provide training according to the professional functions required by each unit's work. External training includes professional functional training and supervisory talent training. The training units include various regulatory authorities, the Accounting Research and Development Foundation, the Securities & Futures Institute, various accounting firms, and various enterprise management consulting companies, etc., which are self-funded and free of charge. This enables employees to continuously learn and improve their knowledge and experience, and to become more solid and refined as the Company grows. In total, the Company trained 973 employees in the year 2024, and the actual training expenses for that year were NT\$568,229.

Unit: People/hour/New Taiwan dollars

Items	Number of trainee	Training hours	Funding expenditure
1. New employee training	52	104	0
2. Professional functional training	426	2,008	538,215
3. Supervisor training	495	1,032	30,014
Total	973	3,144	568,229

## 3. Retirement system

According to the provisions of the Labor Standards Act, the Company has established the employee retirement measures for employees and established a Labor Retirement Reserve Supervision Committee, which applies to the length of service of all officially appointed employees before the implementation of the Labor Pension Act on July 1, 2005, as well as the length of service of employees who choose to continue to apply the Labor Standards Act after the implementation of the Labor Pension Act. According to these measures, the payment of employee pension is calculated based on the base of service experience and the average salary of the six months before retirement. The base obtained is based on the first fifteen years of service provided by each employee. Two base points can be obtained for each full year of service, and from the sixteenth year onwards, one base point can be obtained for each full year of service. Under this retirement policy, the full amount of pension benefits will be borne by the Company. According to the Labor Standards Act, the Company allocates a monthly labor retirement reserve equal to 2% of the total salary, which is stored in a dedicated account

in a bank in Taiwan.

Starting from July 1, 2005, the Company, in accordance with the Labor Pension Regulations, disbursed funds to the Bureau of Labor Insurance (BLI) at a rate of 6% of a worker's monthly salary.

4. Agreement between the employer and employee

The Company's labor management relationship has always been harmonious. In addition to communicating with employees at all times, supervisors at all levels hold monthly meetings to discuss and coordinate opinions from all parties in a timely manner. There have been no losses caused by labor management disputes, and it is expected that both parties will continue to maintain a more harmonious relationship.

5. In order to safeguard the rights of employees, such as employment, working hours, attendance, leave, rewards and punishments, promotion, in addition to complying with relevant government laws and regulations, the Company takes out labor insurance and national health insurance in accordance with the law, and allocates employee welfare and retirement reserves. The Company organized the Employee Welfare Committee and the Labor Retirement Reserve Supervision Committee to coordinate the handling of employee welfare and retirement services, and also include the rights and interests of relevant employees in the work rules to protect their rights and interests.

6. Employee Code of Conduct or Ethics:

In order to clearly define the rights and obligations of both employers and employees, improve the modern management system, and encourage both workers and employees to work together and seek career development, the Company has made such provisions in accordance with the Labor Standards Act and its enforcement rules and relevant government decrees. The Code of Conduct is set out in General Rule No. 4 of the Personnel Management Regulations as follows:

- (1) Keep things private and follow the rules.
- (2) Concentrate on the job.
- (3) Accept the direction and supervision of the supervisor.
- (4) Arrive and leave on time, and do not be late or absent from duty.
- (5) Except for handling the business of the Company, the name of the Company shall not be used freely.
- (6) Without permission, do not concurrently hold posts outside the Company.
- (7) Never disclose business secrets, whether held by the Company or not.
- (8) Be loyal to the Company.
- (9) Do not take advantage of position, accept gifts, make profits and engage in other acts that harm the rights and interests of the Company.

- (10) Keep the environment clean and personal grooming neat, friendly receive customers.

In addition, both employers and employees of the Company should be committed to the establishment of business ethics and professional ethics, and have consideration for each other for a good labor-employee relationship. The Code of Service Ethics is set out in Article 5 of the Rules of Work as follows:

- (1) Take care of the Company's honor, give play to team spirit, and perform tasks faithfully.
- (2) Obey reasonable supervision and guidance of supervisor, pay attention to work safety.
- (3) Laborers are under an obligation to keep company secrets strictly confidential.
- (4) Do no act of arrogance, recklessness, greed, or laziness that may damage the reputation of individuals and public institutions.
- (5) Do not accept gifts or invitations from others by taking advantage of one's position.
- (6) The Company's employees are not allowed to use the Company's name without authorization, except for handling the Company's related business.

7. Protection measures for work environment and employee personal safety: Please refer to Schedule (V) Explanation of Social Issues on page 71.

- (II) Any losses suffered due to labor disputes in the most recent fiscal year up to the publication date of the Annual Report, and disclose the estimated amount for current and possible future occurrences, and responsive measures, and if the amount cannot be reasonably estimated, clarify the reasons

The Company has not suffered any losses due to major labor disputes, so it is not applicable.

## **VI Cyber Security Management**

- (I) Describe the cyber security risk management framework, the cyber security policy, the specific management plan and the resources invested in the cyber security management, etc.:

1. Cyber security risk management framework

The Company has established a cyber security organization to ensure information security and business secret protection. Based on internal actual needs, the Company formulates cyber security policies and specific management plans, and invests resources in cyber security management to strengthen the ability to respond to cyber security incidents and improve information security awareness. The President is responsible for formulating information security management policies, and the Cyber Security Group and the Cyber Security Supervision Unit have drawn up and implemented specific information security management plans, and collaborates with the Information Security Audit Unit to conduct internal audits of management systems,

information security prevention, and crisis handling monitoring operations, and continuously improves internal anomaly detection and protection methods to reduce enterprise information security risks.

- (1) The Company's Cyber Security Group is led by the Information Department Director as the Chief of Information Security and two information security personnel, and is responsible for formulating internal information security policies, planning and implementing information security operating procedures, and promoting and implementing information security policies.
- (2) The Company's Audit Department is the supervising unit for cyber security supervision, and it has an audit director who is responsible for supervising the implementation of internal information security. If any defect is found during the audit inspection, the inspected unit shall propose a corresponding plan of improvement and specific actions immediately, and accept regular reviews on its effectiveness of improvement to achieve the goal of reducing internal information security risks.
- (3) Organization and operation mode - The Company adopts PDCA (Plan-Do-Check-Act) cycle management to ensure the attainment and continuous improvement of information security objectives.



## 2. Cyber Security Policy:

- (1) Ensure the security of company hosts, network equipment, and network communication, effectively reduce the risk of information assets theft, improper use, leakage, tampering, or damage caused by human negligence, intentional or natural disasters, and establish cyber security management standards.
- (2) Ensure the confidentiality, integrity, and availability of the Company's business information.

Confidentiality: Ensure that only authorized personnel can use information.

Integrity: Ensure that the information used is correct and not tampered with.

Availability: Ensure that authorized personnel can access the required information.

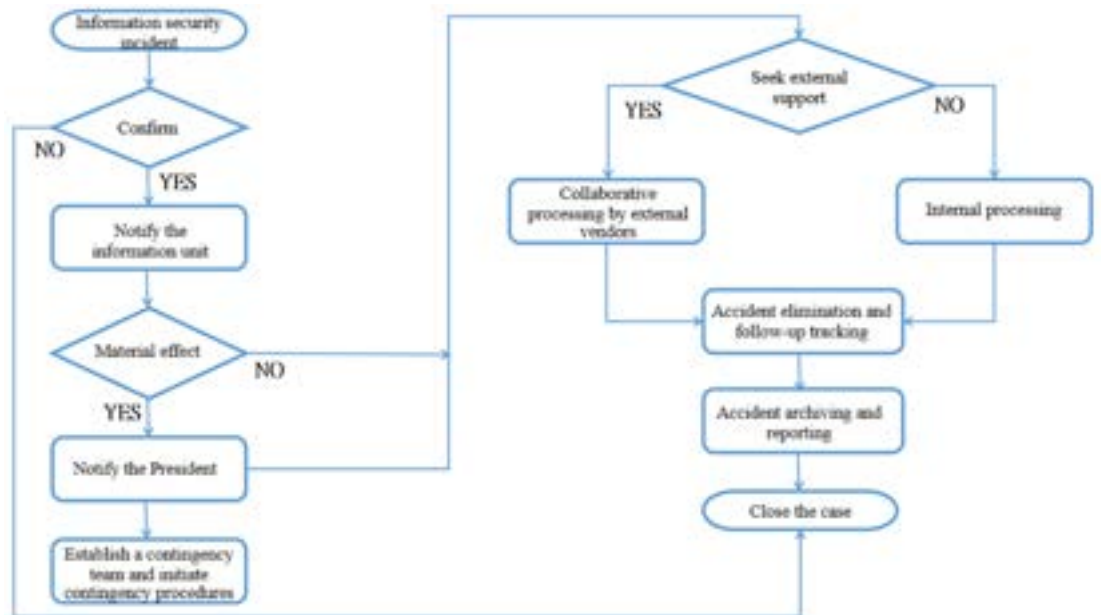
The explanation is as follows:

- (1) Institutional norms: Establish the Company's cyber security management system, standardize personnel operation behavior, regularly inspect relevant systems every year to ensure compliance with changes in the operating environment, and make timely adjustments as needed.
- (2) System protection: Establish a cyber security management system and implement information security management measures to ensure the requirements of computer data security and enhance the overall security of the information environment.
- (3) Personnel training: Conduct cyber security education and training, enhance the awareness of information security among all employees, implement cyber security opportunity advocacy from time to time, in order to enhance the Company's employees' knowledge and professional skills in information security, and comply with information security regulations.

### 3. Specific management plan

Category	Remarks	Relevant measures
Permission management	Personnel account, permission management, system operation	Personnel account permission management and review Regular checking of personnel account permissions
Access control	Personnel access internal and external systems, data transmission pipeline security measures	Internal/external access control Data leakage control
External threats	Network security, anti-virus and anti-hacker protection measures, outsourced cooperative manufacturers	Network security maintenance Detection of anti-virus and anti-hacker programs Concluding and signing confidentiality agreement
System availability	System availability status and measures for handling service interruptions	Regular data backup and system backup mechanism Regular disaster recovery drills

The Company's cyber security reporting procedure is as follows, and the reporting and handling of information security incidents shall be carried out in accordance with the specifications of this procedure.



4. Resources invested in cyber security management:

- (1) Prevent external security attacks: Establish security mechanisms such as firewalls and anti-virus software.
- (2) Enhance employee's awareness of salary and security: e.g., advocating for correct concepts of salary and security, current salary and security issues, sharing classic cases, etc., and strengthening the handling of data and emails from unknown sources by employees.
- (3) Prevent internal security threats: For example, if employees sign confidentiality agreements, data access and email sending shall be recorded on the servo host for verification. User accounts and permissions shall be determined by supervisors at all levels according to work requirements.
- (4) Data security design: Important data shall be regularly and automatically backed up, and backup and reply operations shall not be practiced regularly.
- (5) Input of manpower: e.g., daily check of host server and system status, regular backup and execution of media storage in different locations, regular data security advocacy, disaster recovery execution drills, permission review, annual internal audit of information circulation, accountant audit, etc.
- (6) Cyber security personnel: The Cyber Security Group is led by the head of the Information Section, who is responsible for overseeing, planning, executing, and analyzing security incidents, along with two security personnel.
- (7) The Company has become a member of the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), which can provide information security incident consultation and coordination services, enabling the Company to effectively receive and transmit information on information security.
- (8) Information announcements periodically inform internal employees via email to

advocate for information related issues and convey the importance of information security protection.

- (II) List the losses suffered due to major cyber security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained:

In 2024 and as of the publication date of the annual report, the Company has not suffered any significant losses in terms of cyber security incidents, so it is not applicable.

## VII Important Contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Agency contract	Toray Medical Co., Ltd.	Distribution authorization extends until December 31, 2028, with the contract period automatically renewed from January 1, 2025, to December 31, 2026	Artificial kidney	None
			Dialysis machine	None
			Mitral valve dilation catheterization	None
			Sepsis endotoxin adsorber	None
Agency contract	Huons Medicare Co., Ltd.	2025.01.01~2025.06.30 (Automatic extension for six months)	Peracetic acid disinfectant solution	None
Agency contract	Citizen Systems Japan Co., Ltd.	2015.04.01~2024.12.31 (Automatically extend upon expiration)	Blood pressure gauge and other products	None
Supply contract	Chi Sheng Pharma & Biotech Co., Ltd.	<u>35x, 36x formula:</u> Contract until 12/31/2034 <u>45x formula:</u> Contract until 12/31/2031	Dialysis solution and powder	None
Supply contract	Fresenius Medical Care Taiwan Co., Ltd.	2022.09.01~2025.08.31	Blood circuit tube	None
Distribution agreement	Baxter International Inc.	2023.01.01~2025.12.31	Dialysis machine and related consumables	None
Distribution agreement	Roche Products Ltd.	2025.01.01~2027.12.31	Erythropoietin	None
Distribution agreement	X-NAV TECHNOLOGIES, LLC	Continuing transactions without renewing the contract	Dental surgical navigation system	None
Agency contract	KEYSTONE DENTAL INC.	Continuing transactions without renewing the contract	Dental implant products	None
Distribution agreement	Sunder Biomedical Tech. Co., Ltd.	2023.01.01~2027.12.31	Blood circuit tube	None
Agency contract	Dora Medical Equipment Co., Ltd.	2025.01.01~2025.12.31	Consumables related to hemodialysis	None
Distribution agreement	Tai Yu Bio-tech & Pharmaceutical Co., Ltd.	Non-renewal, automatic extension until 12/31/2025	Physiological salt water	None
Distribution agreement	Astar Chemical & Phar Co., Ltd.	2025.01.01~2026.12.31 (Automatically extend for two years upon expiration)	Physiological salt water	None
Distribution agreement	General Life Biotechnology Co., Ltd.	2022.06.01~2027.05.31 (Automatically extend upon expiration)	Blood glucose meter and other products	None
Distribution agreement	TELEFLEX	2024.01.01~2025.12.31	Tracheal anesthesia products	None
Distribution agreement	ResMed Medical	Continuing transactions, yet the contract has not been renewed	Respirator	None
Distribution	Inion Oy	2023.01.01~2025.12.31	Bone plate and bone	None



Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
agreement			nail	
Distribution agreement	Getinge Group Taiwan Co., Ltd.	Continuing transactions, yet the contract has not been renewed	Respirator	None
Distribution agreement	Asahi Intecc Co., Ltd.	2024.07.01～2025.6.30	Neurovascular leads	None
Distribution agreement	3M Taiwan Limited	2024.11.4～2025.3.31	Consumer goods	None
Distribution agreement	3M Healthcare Taiwan Co., Ltd.	2024.11.7～2025.3.31	Medical consumer products	None

## Chapter 5 Review and Analysis of Financial Position and Financial Performance and Risk Matters

### I Financial Position (Consolidation Information)

#### (I) Comparison and Analysis of Financial Position

Unit: NT\$ thousands

Item \ Fiscal year	2024	2023	Difference		
			Amount	%	Remarks
Current assets	2,484,795	2,509,888	-25,093	-1.00%	—
Property, plant and equipment	1,272,551	1,061,550	211,001	19.88%	—
Other assets	1,203,044	1,046,447	156,597	14.96%	—
<b>Total assets</b>	<b>4,960,390</b>	<b>4,617,885</b>	<b>342,505</b>	<b>7.42%</b>	—
Current liabilities	1,402,507	1,123,057	279,450	24.88%	—
Non-current liabilities	555,960	510,960	45,000	8.81%	—
<b>Total liabilities</b>	<b>1,958,467</b>	<b>1,634,017</b>	<b>324,450</b>	<b>19.86%</b>	—
Share capital	445,210	445,210	0	0.00%	—
Capital reserve	1,601,988	1,601,988	0	0.00%	—
Reserved surplus	992,317	943,984	48,333	5.12%	—
Other equity	-37,592	-7,314	-30,278	413.97%	—
<b>Total shareholders' equity</b>	<b>3,001,923</b>	<b>2,983,868</b>	<b>18,055</b>	<b>0.61%</b>	—
<p>If the amount changes by more than 10% and the amount reaches 1% of the total assets of the year, the analysis of the change is as follows:</p> <p>(1) Property, plant and equipment: There was an increase of NT\$211,001 thousand compared to 2023, primarily attributed to the acquisition of land from the Chiayi County Government for in 2024 for NT\$206,218 thousand, intended for future warehouse expansion.</p> <p>(2) Other Assets: Increased by NT\$156,597 thousand compared to 2023, primarily due to the addition of new leased premises in 2024. This addition resulted in an increase of NT\$51,952 thousand in right-of-use assets, along with increases in long-term receivables from leases and security deposits.</p> <p>(3) Current liabilities and total liabilities: Increased by NT\$279,450 thousand and NT\$324,450 thousand, respectively, compared to 2023, primarily due to an increase in bank borrowings totaling NT\$276,422 thousand in 2024 to support operational needs.</p>					

(II) Effect of changes in the financial position: None.

(III) Future response plan: Not applicable.

## II Financial Performance (Consolidated)

### (I) Comparison and Analysis of Operation Results

Unit: NT\$ thousands

Item	2024	2023	Change, by Amount	Change, %	Remarks
Operating revenue	4,072,811	3,895,778	177,033	4.54%	—
Operating Costs	-3,002,367	-2,879,984	-122,383	4.25%	—
Gross operating profit	1,070,444	1,015,794	54,650	5.38%	—
Operating Expenses	-643,647	-609,250	-34,397	5.65%	—
Net operating profit	426,797	406,544	20,253	4.98%	—
Non-operating revenue and expenses	28,266	27,761	505	1.82%	—
Net profit for the period	359,688	347,984	11,704	3.36%	—
Other comprehensive income (loss)	-29,986	-3,119	-26,867	861.40%	—
Total comprehensive income	329,702	344,865	-15,163	-4.40%	—

If the amount changes by more than 10% and the amount reaches 1% of the total assets of the year, the analysis of the change is as follows: No significant difference.

### (II) Expected sales volume and its basis, corresponding measures for possible impact on the Company's future financial operations:

The Company's expected sales volume is based on, among others, the market growth demand, the expected marketing of new products, the market demand for replacing old and new products, the assessment of the supplier's market growth and the sales volume of the previous year. It is expected that the sales growth rate of the year is comparable to the industry growth rate, which will improve the Company's overall revenue and profit.

## III Cash Flow (Consolidated)

### (I) Analysis and explanation of changes in cash flow in the most recent two fiscal years

Unit: NT\$ thousands

Item \ Fiscal year	2024	2023	Change, by Amount	Change, %
Net Cash Flows Generated from Operating Activities	510,119	433,488	76,631	17.68%
Net Cash Flows Used in Investing Activities	-377,190	-66,448	-310,742	467.65%
Net Cash Flows Used in Financing Activities	-122,325	-288,440	166,115	-57.59%
Effect of Exchange Rate Changes	3,124	-1,683	4,807	-285.62%
Increase of cash during the year	13,728	76,917	-63,189	-82.15%

Analysis on change of increase/decrease:

1. Operating activities: Net cash inflow in 2024 increased compared to 2023, primarily due to a decrease in notes receivable and the redemption of a portion of the Company's investment funds in 2024.
2. Investment activities: Net cash outflow in 2024 increased compared to 2023, primarily due to the acquisition of land for the Chiayi warehouse in 2024.
3. Financing activities: Net cash outflow in 2024 decreased compared to 2023, primarily due to an increase in short-term borrowings in 2024.

(II) Improvement plans for liquidity shortage:

If the Company has a capital shortfall, it may raise funds from financial institutions as appropriate, but if there is a chronic capital shortfall, the improvement plan may involve raising funds on the open market; the Company has not experienced any cash flow deficiencies to date, so this is not applicable.

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

Unit: NT\$ thousands

Beginning cash balance①	Expected annual cash inflow②	Projected annual cash outflow for the year③	Expected cash surplus (deficit) ①+②-③	Plans for projected cash deficit	
				Investment plan	Financing plan
\$147,522	4,291,662	4,269,373	169,811	—	—

1. Analysis of current year's cash flow change:

- (1) Operating activities: The operating revenue and profit are expected to continue growth in this year, resulting in an increase in cash inflow from operating activities.
- (2) Investment activities: This year, NT\$2,000 thousand was spent on planning and preparation for the Chiayi warehouse project.
- (3) Financing activities: The estimated cash dividend is approximately NT\$311,647 thousand.

2. Remedial measures and liquidity analysis of expected cash insufficiency: N/A.

**IV Material expenditures of the most recent year and impact on the company's finances and business:** The Company did not incur any significant capital expenditures in 2025.

**V Investment Policy in the Most Recent Year, Main Causes for the Profits or Losses, Improvement Plans and Investment Plans for the Coming Year**

1. Investment policies for last year

The Company's reinvestments are all investments related to our business, with a focus on long-term strategic planning. Our management of the reinvestment business is regulated in accordance with our internal control system, the Operating Procedures for Transactions with Specific Companies, Group Enterprises, and Related Parties, and the Management Measures for Subsidiaries. Different management methods are adopted based on the actual investment amount and shareholding ratio. The finance and accounting department regularly obtains operational and financial data of each

reinvestment business, analyzes and evaluates the operating and profit status of the reinvestment business, in order to learn about its financial and business status, and enable the Company to effectively control the operational performance of each reinvestment business.

2. Main reasons for the profit or loss from reinvestment for the recent year and improvement plans

The Company's investee companies, QS Control Corp. and WS Far IR Medical Technology Co., Ltd., have continued to make progress in their respective fields. Their efforts in securing more OEM clients and promoting far-infrared therapy devices across different sectors have shown positive results, contributing to the Company's steady profit growth in 2024.

3. Investment plan for the upcoming year

The Company is continuously searching for targets that can match the Company's channels and product lines to expand its operational scale, in the hope of increasing profits and shareholder equity

## **VI Risk Analysis and Evaluation**

The Company's risk management organizational structure and responsibilities are as follows:

Board of Directors: the highest governing unit of the Company's risk management, responsible for approving the Company's risk management policies, procedures, and framework, and allocating sufficient and appropriate resources to ensure the effective operation of risk management.

Audit Committee: supervises the operational mechanisms related to risk management, reviews risk management policies, procedures, and frameworks, regularly reviews their applicability and execution performance, and provides improvement suggestions when necessary.

Risk Management Team: responsible for planning, promoting, and executing risk management related matters, with the President serving as the convener and members to be designated by the President. The team needs to examine the Company's group size, relevant business characteristics, risk nature, and internal and external operating environment, and assign dedicated units or departments for organization and implementation.

Each operating department: responsible for analyzing and monitoring relevant risks within the department, ensuring the effective implementation of risk control mechanisms and procedures, and confirming that risk control within the department is effectively implemented and in compliance with the Company's established risk management policies.

- (I) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future:

- 1 Interest rate:

The current floating rate liabilities of the Company and its subsidiaries are short-term borrowings. The consolidated interest expenses of the Company in 2024 were NT\$13,812 thousand, while bank borrowings are mostly short-term turnover. Therefore, changes in interest rates have no significant impact on the

Company's profit and loss. However, in order to prevent sudden major expenses of the Company, the Company actively cooperates with various banks and keeps track of market interest rate changes, striving for the most favorable loan interest rate.

2 Exchange rate:

The Company is engaged in import and distribution of medical consumables, biochemical test drugs, and Western medicine products. Foreign direct imports account for more than 30% of the total purchase amount, so exchange rate fluctuations will have a relative impact on the Company. The response measures taken by the Company to reduce the impact of exchange rate fluctuations on the Company are:

- (1) Purchase of forward foreign exchange in advance.
- (2) Exercise foreign exchange options.
- (3) The price adjustment due to exchange rate changes is taken into account in the quotation system with customers to protect the Company's existing profit.
- (4) Adjust foreign currency positions according to exchange rate changes.

The Company's consolidated exchange benefit for the year 2024 was NT\$6,300 thousand, and the consolidated appraisal benefit of NT\$3,544 thousand was generated through the advance purchase of foreign exchange and the acceptance of exchange rate options, resulting in a consolidated net foreign exchange benefit of NT\$9,844 thousand. Therefore, changes in exchange rates are not expected to have a material adverse effect on the Company's revenue and earnings.

3 Inflation:

The Company's consolidated purchase amount in 2024 was NT\$2,807,564 thousand, and a 1% increase in the inflation rate will increase the Company's purchase costs by approximately NT\$28,075 thousand. The response measures are to keep an eye on the trend of international raw material prices and maintain a good cooperative relationship with the original suppliers, in order to reduce the complete cost transfer from manufacturers to the Company due to the increase in raw material prices. In addition, the Company also increases the selling price of some products through cost transfer to reduce the impact of inflation on the Company.

(II) Policy Regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

1. The Company has not engaged in high-risk or highly leveraged investments for the year 2024 and up to the date of annual report publication.
2. In the year 2024 and as of the publication date of the annual report, there have been no funds lending to others.
3. In the year 2024 and as of the publication date of the annual report, the objects of endorsements and guarantees of the Company are all subsidiaries with a balance of NT\$170,000 thousand. The endorsement and guarantee limit of the

Company at the end of year 2024 was NT\$1,500,961 thousand. The Company operates in accordance with the Procedures for Making Endorsements/Guarantees.

4. The Company operates derivative financial products mainly for hedging purposes, and all operations are handled in accordance with the Procedures for Dealing in Derivative Products formulated by the Company. The Company entered into New Taiwan dollar exchange swap contracts with Chang Hwa Bank, Bank SinoPac, Mega Bank and Cathay United Bank respectively in the year 2024 for the main purpose of avoiding losses or gains from foreign currency claims and liabilities related exchange rate risks, and the net payments and income differences arising from such transactions were recognized in the current period to account for financial commodity evaluation gains or losses. The consolidated evaluation benefit from changes in fair value recognized by the Company in the year 2024 was NT\$3,544 thousand.

(III) Future research and development plans and projected R&D investment amount:

The Company is engaged in import and distribution of medical consumables, biochemical test drugs, and Western medicine products, so the assessment is not applicable.

(IV) Impact of changes of the important domestic and foreign policies and laws on the Company's finance and business, and countermeasures:

In line with global trends, the Department of Health and Human Services has expanded its pharmaceutical quality management from the production phase to the distribution phase to enhance control over the drug supply chain. This was achieved through the 2017 amendment of Article 53-1 of the Pharmaceutical Act, which now enforces stringent standards for maintaining product quality during the storage and transportation of drugs. Only those with the necessary qualifications are permitted to purchase, store, and sell products. Our company has secured the PIC/S GDP compliance certification for procurement, storage, and sales, including for cold chain drugs.

Furthermore, to enhance the regulation of medical devices, the Legislative Branch approved the Medical Device Management Act on its third reading on December 13, 2019. This act separates the regulatory standards for medical devices from the Pharmaceutical Act, establishing them independently in a specialized manner. This act was put into effect on May 1, 2021. The Company has obtained GDP certification for medical devices and pharmaceuticals, authorizing us to conduct import, storage, transportation, and sales operations of medical devices.

The Company continuously monitors changes in domestic policies and regulations. There have been no significant impacts on its financial or business operations resulting from such changes.

(V) Impact of technological and industrial changes (including cybersecurity risks) on the company's finance and business and corresponding measures:

Recent annual technological changes (including security risks) have not had a significant impact on the Company's financial and business, but the Company is

still committed to providing relevant new products and new applications due to technological changes (including security risks) or industrial changes, in order to provide customers with the latest medical information and services.

(VI) Changes to corporate image that impact the Company's risk management and response measures:

Since its inception, the Company has consistently demonstrated a practical and accountable approach towards its customers and shareholders. It has emphasized and fostered employee involvement in social justice initiatives, and has dedicated itself to upholding the Company's corporate image. As a result, in the past year leading up to the release of this annual report, the Company has successfully avoided any corporate crises related to shifts in its corporate image.

(VII) Expected benefits and possible risks of mergers and response measures:

None, so N/A.

(VIII) Expected benefits and possible risks to expand the plants and the countermeasures:

None, so N/A.

(IX) Risks faced with concentrated procurement and sales, and countermeasures

1. Purchase concentration risk assessment and response measures

As of the publication date of the annual report for the year 2024, the company's primary suppliers remain unchanged and continue to be stable, long-term partners. The Company has not only entered into long-term supply agreements with key product dealers but also implemented a multi-brand agency or distribution strategy for similar product types. This approach effectively diversifies the source of goods and mitigates the risk associated with concentrated purchasing.

2. Sales concentration risk assessment and response measures

In 2024, the combined sales from the Company's top ten clients represented 18.87% of the total net sales for that year, with the highest contributing client accounting for 4.77% of the net sales for the same period. This data suggests that there is no significant risk of over-reliance on a small group of clients. Furthermore, the Company continues to pursue dealership opportunities for key products in various medical fields (including nephrology, dentistry, cardiology, respiratory and thoracic medicine, sleep disorders, blood purification, critical care, pharmaceuticals, and functional nutrition). This strategy aims to broaden product sales across different sectors and mitigate operational risks through diversification.

(X) Impacts and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than ten (10) percent of the Company's shares, and related response measures

During the year 2024, the Company had no directors, supervisors or substantial shareholders with more than 10% of the shares, and there has been no significant change in corporate image due to the mass transfer or replacement of



shares.

(XI) Impact, risk, and response measures related to any change in governance rights in the Company:

None.

(XII) Litigations or non-litigations:

1. For litigation, non-litigation, or administrative disputes that have been determined by judgment in the past two years and up to the date of annual report publication, or are currently under investigation, and whose results may have a significant impact on shareholder equity or securities prices, disclose the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved in the litigation, and the current handling situation: For litigation events that are currently under investigation, please refer to the material information explanation published by the Company on January 17, 2024 and May 3, 2024.
2. Directors, supervisors, President, substantive responsible person, major shareholders and affiliated companies with a shareholding ratio exceeding 10%, and litigation, non-litigation, or administrative disputes that have been determined by judgment in the past two years and up to the date of annual report publication, or are currently under investigation, whose results may have a significant impact on the equity of shareholders or securities prices of the company: For litigation events that are currently under investigation, please refer to the material information released by the Company on January 17, 2024 and May 3, 2024.

(XIII) Other significant risks and response measures:

There have been no significant risk events for the most recent fiscal year and up to the date of annual report publication for the Company and its subsidiaries.

**VII Other Important Items:** None.

## **Chapter 6. Special Disclosure**

### **I. Information Regarding Affiliated Companies:**

- (I) Consolidated Business Report of Affiliated Companies
- (II) Consolidated financial statements of affiliated companies
- (III) Report of Affiliated Enterprises

Website of the Market Observation Post System (MOPS):

[https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

### **II. Private Placement of Securities during the Most Recent Fiscal Year and during the Fiscal Year of 2024 Up to the Date of Publication of the Annual Report: None.**

### **III. Other Supplementary Information: None.**

### **IV. Any event which has a material impact on shareholders' rights and interests or the Company's securities as prescribed in Subparagraph 3, Paragraph 2, Article 36 of the Securities and Exchange Act, that have occurred in the most recent fiscal year up to the publication date of this annual report shall be indicated individually: None.**