杏昌生技股份有限公司
HI-CLEARANCE INC.

2025
Sustainability Report

Table of Contents

Chairman's Message

Hi-Clearance Inc. is a professional medical equipment company committed to delivering high-quality and reliable healthcare products. Its business portfolio encompasses a wide range of fields, including hemodialysis, dental materials, medical catheters, respiratory and sleep therapy, anesthesia and emergency care, spinal surgery equipment, home healthcare, and nutritional supplements. All products are reviewed and approved by government authorities to ensure safety and consistent reliability. In terms of quality management, Hi-Clearance maintains GDP-compliant warehouses for medical devices and pharmaceuticals, ensuring rigorous control across every stage of the supply chain, from importation and storage to distribution. This approach guarantees that all products delivered to medical institutions and end users meet the original manufacturers' quality standards and stringent safety requirements.

With the increasing emphasis on social responsibility, sustainable development has emerged as a core issue that enterprises must address. In alignment with the Financial Supervisory Commission's "Corporate Governance 3.0 – Sustainable Development Blueprint," the transparency of ESG disclosures has become a key benchmark in evaluating a company's commitment to social responsibility. The Company will continue to strengthen corporate governance practices, enhance stakeholder engagement, and implement effective operational measures to reduce carbon emissions and safeguard a high-quality environment. As a responsible corporate citizen, Hi-Clearance is committed to advancing and realizing ESG objectives, thereby creating long-term value for environmental protection, social inclusion, employee well-being, and shareholder interests.

Chairman 李忠良

From the corporate perspective, the uncertainties of the environment and global landscape are testing the operational resilience of the Company. In response, Hi-Clearance embraces a governance approach rooted in agility and adaptability, embedding "sustainable development" into its core management philosophy. Through long-term strategic planning, the Company seeks to balance business growth with environmental stewardship, thereby achieving stable and sustainable development.

"Step by Step, Rooted in Taiwan, Advancing into Asia" represents Hi-Clearance's enduring vision. Supported by an exceptional team of professionals and a strong management foundation, the Company is dedicated to advancing excellence in medical sales and services. With patient needs at the center, Hi-Clearance remains committed to delivering the most suitable medical products and services. In terms of long-term operational direction, Hi-Clearance is gradually expanding beyond sales services into medical services and manufacturing. The Company actively integrates internal and external resources to develop proprietary brands, build a robust logistics network, enhance product diversity and sophistication, and connect upstream, midstream, and downstream sectors. Through these initiatives, Hi-Clearance seeks to maximize synergies and deliver more comprehensive support to the healthcare system.

The Company's senior management recognizes that medical products are not only essential to health but also carry the profound responsibility of safeguarding life. The Company remains committed to supporting Taiwan's healthcare system with professionalism, delivering trustworthy and reliable products and services. Guided by the mission of enhancing quality of life and generating optimal value for employees, customers, and shareholders, Hi-Clearance upholds the principles of sincerity, proactivity, innovation, and vision. In line with these values, the Company is dedicated to building a culture of "quality first, service excellence, and customer satisfaction".

About This Report

Hi-Clearance Inc. (hereinafter referred to as "the Company"), in alignment with the Financial Supervisory Commission's "Sustainable Development Action Plan for Listed Companies", has enhanced its sustainability disclosures and published the 2025 Sustainability Report (hereinafter referred to as "the Report"). This Report presents to stakeholders the 2025 performance and achievements of Hi-Clearance Inc. in areas such as corporate governance, environmental protection, employee well-being, and social engagement. The disclosures are structured to specifically address material topics of concern to stakeholders. The Company sincerely welcomes the continued attention and valuable feedback of all stakeholders, which will support its ongoing improvement and steady progress on the path toward sustainable development.

◆ Report Boundaries and Scope

Disclosure Category	Scope
Reporting Period	The reporting period follows that of the consolidated financial statements for fiscal year 2025 (January 1, 2025 to December 31, 2025). To comply with the GRI reporting principles of completeness, sustainability context, and comparability, certain sections may include information prior to or beyond 2025, with details provided in the notes.
Publication Frequency	The Sustainability Report is published annually. Date of this Report: August 2026 Expected date of the next Report: August 2027
Scope Boundaries	This Report covers the operational sites of Hi-Clearance Inc. in Taiwan. Subsidiaries consolidated in the financial statements are not included.
Restatements of Information	4.2.1 Carbon Emissions : The diesel emission factors for 2023 and 2024 were corrected. 5.3.4 Occupational Injury Statistics : The calculation method for total work hours in 2023 and 2024 was adjusted to primarily reflect the work hours reported for occupational injuries.
External Assurance/Certification	This Report has not been independently verified by a third-party assurance provider. The Company's management is responsible for ensuring the accuracy and reliability of the disclosed information.

Preparation Guidelines

- In compliance with the Taipei Exchange "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies".
- In alignment with the GRI Sustainability Reporting Standards 2021 issued by the Global Reporting Initiative (GRI).
- With reference to the standards issued by the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The appendix to this Report includes the GRI Standards Content Index, the SASB Sustainability Accounting Standards, and climate-related disclosures of TPEx-listed companies, for stakeholder reference.

Report Management and Data Quality

This Report was originally prepared in Traditional Chinese and translated into English. Financial data have been audited and certified by KPMG Taiwan in accordance with the International Financial Reporting Standards (IFRS) and are presented in thousands of New Taiwan Dollars. Environmental and social data are compiled by the respective responsible departments and verified for accuracy and completeness by their supervisors. The Sustainability Promotion Team then consolidates the data and prepares the Report, which is subsequently reviewed and approved by the General Manager, endorsed by resolution of the Board of Directors, and published on the Company' s official website. In compliance with the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies", the Report is also filed through the Market Observation Post System (MOPS).

Feedback and Responsible Units

If you have any suggestions, feedback, or require further information regarding this Report, please contact us through the following channels.

Sustainability Promotion Task Force / Corporate Governance Department
Contact Person : Executive Secretary of the Sustainability Promotion Task Force
Address : 8F-2, No. 2, Lane 609, Sec. 5, Chongxin Rd., Sanchong Dist., New Taipei City, Taiwan
Telephone: 02-66261166 ext. 551
Email：ESG@hiclearance.com.tw
Company Official Website：http://www.hiclearance.com.tw/index.htm

01. Stakeholder Engagement

◆ Stakeholder Engagement and Materiality Assessment Process

1. Understand the organizational context, refer to sustainability-related industry standards to identify relevant impacts, and engage with stakeholders through routine business interactions.
2. Through internal discussions and benchmarking against industry peers, 15 sustainability topics were identified.
3. By distributing questionnaires to external stakeholders and internal senior executives, scores on stakeholder concern and impact were collected to analyze the materiality of each topic.
4. Following discussions within the Sustainability Promotion Task Force, reporting priorities were determined, and 6 material topics were ultimately selected.

1.1 Stakeholder Identification

Hi-Clearance Inc. defines stakeholders as internal and external groups that have a material impact on the Company's business operations and development or may be affected by the Company's business activities, products and services, and management decisions. The Company believes that systematic stakeholder identification and ongoing engagement not only help it understand stakeholders' expectations and areas of concern regarding its business operations, but also provide important references for enhancing its governance mechanisms, strengthening risk management, and advancing its sustainability strategies.

For stakeholder identification, Hi-Clearance Inc. conducts an initial inventory and classification of the internal and external parties with which it interacts. Each department evaluates these stakeholders based on day-to-day business interactions, frequency of collaboration, and the relevance of their relationships to actual operations. The Company also refers to the five principles of the AccountAbility AA1000 Stakeholder Engagement Standard—Dependency, Responsibility, Tension, Influence, and Diverse Perspectives—as the basis for assessment.

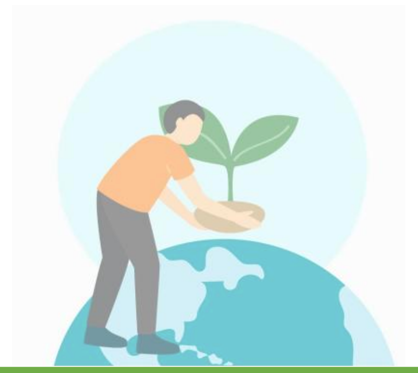
Subsequently, the Company conducts cross-functional discussions to comprehensively assess the degree of relevance between each stakeholder group and the Company's business activities, the extent of interaction, and their potential impact on the Company's decision-making, operating performance, and sustainable development. The Company also considers industry practices in the biotechnology and healthcare sectors and trends in external disclosures to further determine the significance of each stakeholder group.

1.2 Stakeholder Communication Channels and Areas of Concern

Due to the different categories of stakeholders, the key stakeholders of Hi-Clearance have varying concerns. The departments of Hi-Clearance maintain active communication with stakeholders through diverse channels, ensuring that stakeholders remain informed about the Company's operations in a timely manner. At the same time, these channels allow the Company to understand stakeholder demands and expectations and to respond promptly. Beginning in 2025, the Company will report to the Board of Directors at least once annually on the status of two-way communication with key stakeholders.

The departments of Hi-Clearance collect key stakeholder concerns raised during routine business interactions, which are then consolidated by the Sustainability Promotion Team. In addition, the Company referenced the GRI Sustainability Reporting Standards 2021 and the ESG reports of industry peers to summarize 15 sustainability topics. These topics span the economic, environmental, and social (including human rights) dimensions, ensuring that the sustainability information disclosed by the Company meets the GRI requirements for completeness and inclusiveness.

Key Stakeholders	Importance to the Company	Areas of Concern	Communication Channels/Frequency	Annual Communication Records
 Shareholders / Investors	Shareholders are the Company's capital providers. The Company is committed to protecting shareholder rights and interests, ensuring fair treatment of all shareholders, and safeguarding their rights to be fully informed, to participate in, and to decide on significant corporate matters.	• Operational Performance • Ethics and Integrity • Product Safety	■ Annual Shareholders' Meeting and Institutional Investor Briefing. ■ Regularly or as needed, disclose material information through the Market Observation Post System and the Company's website. ■ Contact Person： Spokesperson : Vice President Li Telephone : 02-66261166 #510 E-Mail：nancy_lee@hiclearance.com.tw Acting Spokesperson : Manager Chang Telephone：02-66261166 #533 E-Mail：dy_chang@hiclearance.com.tw	■ 21 major announcements and notices (in Chinese) published. ■ 1 Annual Shareholders' Meeting convened. ■ 1 Institutional Investor Briefing organized. ■ Investor inquiries via email and telephone responded to promptly.
 Customers	Customers are the primary source of the Company's revenue. Hi-Clearance regards product quality, safety, and after-sales service as its highest commitments to customers. Maintaining a high level of customer satisfaction enables the Company to continuously strengthen customer trust and recognition.	• Ethics and Integrity • Customer Service • Product Safety	■ Thorough communication with customers before sales. ■ Strengthen after-sales services. ■ Maintain stable sales prices. ■ Respond to customer complaints as needed. ■ Conduct product training as needed. ■ Conduct product-related health education and awareness programs as needed. ■ Contact Person : Manager Chuang Telephone : 02-66261166 #511 E-Mail：wendy_chuang@hiclearance.com.tw	■ No incidents of customer privacy breaches occurred. ■ 2 product health education promotion sessions conducted.



Key Stakeholders	Importance to the Company	Areas of Concern	Communication Channels/Frequency	Annual Communication Records
Suppliers / Business Partners	The Company maintains long-term, constructive relationships with its supply partners, relying on numerous suppliers to ensure stable product provision. Leveraging its influence in the industry, the Company collaborates with supply partners to prevent environmental pollution and to safeguard labor rights.	• Customer Service • Product Safety • Ethics and Integrity	■ Require employees to adhere to the principles of integrity. ■ Ensure compliance with procurement contracts. ■ Comply with established payment procedures. ■ Conduct in-person meetings or video conferences as needed. ■ Contact Person : International Trade Section Telephone : 02-66261166 #502 E-Mail：sara_liang@hiclearance.com.tw	■ Supplier self-assessments: 100% questionnaire response rate. The 2025 assessment results were as follows: Grade A — Excellent Suppliers: 81%. Grade B – Suppliers Eligible for Continued Business: 19% Grade C – Temporarily suspended; reassessed upon improvement: 0% Grade D – Disqualified, immediate termination of business relationship: 0%
Employees	Employees are the indispensable foundation of the Company’s operations. The Company is committed to providing a workplace environment that promotes physical and mental well-being and supports diverse development opportunities, enabling employees to work with peace of mind.	• Occupational Health and Safety • Ethics and Integrity • Operational Performance	■ Announce employee management and incentive policies. ■ Conduct regular performance evaluations. ■ Hold regular labor-management meetings. ■ Conduct employee training as needed. ■ Establish an Employee Welfare Committee and provide internal grievance channels. ■ Contact Person: Director Yang Telephone：02-66261166 #520 E-Mai：christine_yang101@hiclearance.com.tw	■ No labor-management disputes occurred during the year. ■ Distributed birthday and festival gifts/cash allowances. ■ Performance evaluations were conducted semiannually. ■ Provided 1 annual health examination for employees. ■ Held 4 labor-management meetings. ■ Conducted 7 internal training sessions.
Community	The Company upholds a "people-oriented spirit" and places strong emphasis on human rights. Over the years, it has continuously focused on the needs of local communities to fulfill its corporate social responsibility, listen to diverse voices, and provide meaningful assistance.	• Ethics and Integrity • Energy Conservation and Carbon Reduction • Public Welfare Participation	■ Implement ESG principles and pursue sustainable business operations. ■Support disadvantaged groups and participate in community and charitable initiatives ■ Provide regular financial support to children from disadvantaged families ■ Contact Person: Manager Chang Telephone：02-66261166 #533 E-Mail：dy_chang@hiclearance.com.tw	■ No illegal activities reported. ■ No complaints or disputes received from the community. ■ Organized one charitable blood donation event. ■ Sponsored one charity road race organized by a foundation. ■ Donated blood pressure monitors and children's masks to social welfare organizations.

1.3 Sustainability Promotion Task Force

Hi-Clearance Inc. is committed to balancing sound business operations with sustainable development. The Company continues to integrate sustainability management principles into its overall business strategies and day-to-day operational decisions, gradually establishing a comprehensive sustainability governance framework. To systematically advance related initiatives, the Company established its Sustainable Development Practice Guidelines, which were reviewed and approved by the Board of Directors and formally implemented in 2025 as a key management framework for promoting corporate sustainability. Through institutionalized management mechanisms, the Company seeks to embed sustainability principles more deeply into its business activities, enhance corporate governance effectiveness, and strengthen its long-term competitiveness and social value.

To achieve its sustainable development goals, the Company established a Sustainability Promotion Task Force under the authorization of the Board of Directors, with the President serving as its chairperson and overseeing sustainability strategy planning, cross-functional coordination, and implementation. The Sustainability Promotion Task Force is responsible for formulating sustainability policies, integrating internal resources, and implementing various sustainability management initiatives. Through ongoing reviews and continuous adjustments, the Company aims to progressively embed sustainability principles into its corporate culture, promote sound development across the environmental, social, and governance dimensions, and continue advancing toward its goal of sustainable business operations.

◆ Sustainability Promotion Task Force

Chairman (President)

Executive Secretary

Corporate Governance Task Force

Finance Department, Information Section, Annual Report Preparation Staff

- Corporate Governance
- Legal Compliance
- Internal Audit and Review
- Operational Performance
- Risk Management and Control
- Cybersecurity Protection

Environmental Sustainability Task Force

International Trade Section, Personnel and General Affairs Section

- Energy Conservation and Carbon Reduction
- Water Resources
- Wastewater
- Waste
- Supply Chain Management

Employee Care Task Force

Personnel & Administration Section

- Compensation and Benefits
- Labor Relations
- Occupational Health and Safety
- Talent Development
- Human Rights Policy

1.4 Materiality Assessment

15 sustainability issues identified. → 111 valid responses collected for the stakeholder concern survey. → 18 valid responses collected for the impact assessment survey. → 6 material topics finalized.

Based on the results of the previous stakeholder engagement process, the Sustainability Promotion Task Force identified 15 sustainability topics and collected feedback from key stakeholders through online questionnaires to understand their level of concern regarding each topic. A total of 111 questionnaires were received, of which 90 were valid, including 21 from shareholders/investors, 21 from customers, 11 from suppliers/business partners, 33 from employees, and four from community members. The Company analyzed the questionnaires to assess the importance stakeholders placed on each sustainability topic, providing an important basis for identifying material topics.

In addition, Hi-Clearance Inc. invited 18 senior executives to assess the extent to which each topic affects the Company's business development, risk management, and sustainable operations. The Sustainability Promotion Task Force consolidated the two assessment results—the level of stakeholder concern and the impact on the Company's operations—and conducted a cross-analysis to develop a materiality matrix. Following careful discussion and confirmation by the Sustainability Promotion Task Force, six material topics with both high stakeholder concern and significant impact across the environmental, social, governance, and economic dimensions were ultimately identified. These topics serve as the key areas of disclosure in this year's Sustainability Report and the core basis for the Company's future sustainability strategy planning.

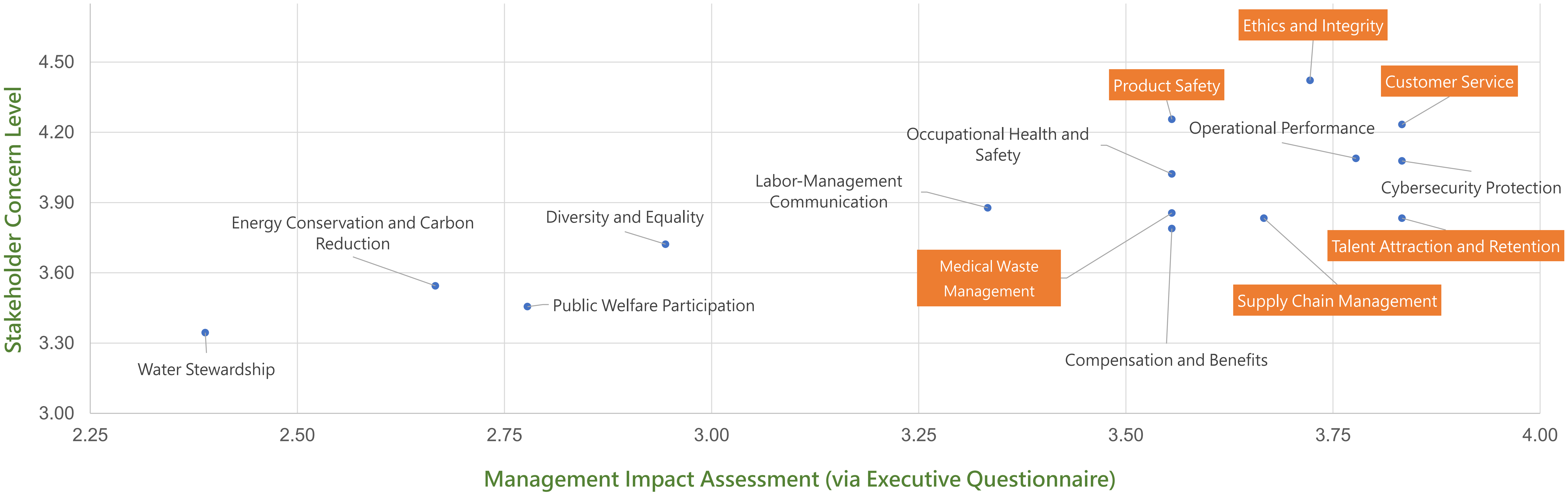
Results of Materiality Assessment

Based on the materiality assessment process, Hi-Clearance Inc. identified the following six material sustainability topics for 2025 : Ethics and Integrity, Customer Service, Product Safety, Talent Attraction and Retention, Supply Chain Management, and Medical Waste Management. The Company will continue to establish management approaches and specific action plans for these material topics. Through regular reviews and continuous improvement, the Company aims to address stakeholder expectations and strengthen its resilience in pursuing sustainable business operations.

◆ material sustainability topics for 2025

Ethics and Integrity | Customer Service | Product Safety | Talent Attraction and Retention | Supply Chain Management | Medical Waste Management

Hi-Clearance Materiality Matrix



◆ Changes in Material Topics Over the Past Two Years

Material Topic								
	Change	↑1	↑2	↑2	Added	Added	-	Excluded
	2025	Ethics and Integrity	Customer Service	Product Safety	Talent Attraction and Retention	Supply Chain Management	Medical Waste Management	
	2024	Compensation and Benefits	Ethics and Integrity	Operational Performance	Customer Service	Product Safety	Medical Waste Management	Occupational Health and Safety

◆ Determination of Material Topics and Boundaries

Note:
● indicates direct impacts, ○ indicates impacts caused by the Company through its business relationships, and ★ indicates impacts contributed to by the Company.

Aspect	Material Topic Prioritization	Impact Dimensions Positive – Benefits / Negative Risks Actual - Whether the impact occurred during the current year Potential - Whether the impact may occur in the future	Internal Boundaries	External Boundaries			Corresponding GRI Standards 2021: General Disclosures / Topic Standards	Report Disclosure Section
			Company	Suppliers	Customers	Local Communities		
Economic Aspect	Ethics and Integrity	【Positive - Actual】 Building a strong reputation and positive corporate image, enhancing consumer trust, promoting product sales and brand value, and helping maintain public confidence, thereby providing an important foundation for the Company' s continued and stable operations. 【Negative - Potential】 Failure to uphold integrity principles may result in declining brand trust, adversely affect the Company' s revenue and market position, increase the risk of legal violations, and potentially lead to legal disputes or financial losses, thereby undermining the Company' s reputation and operational stability.	●	●	●	-	GRI 2-24 Embedding Policy Commitments GRI 2-25 Processes to Remediate Negative Impacts GRI 2-26 Mechanisms for Seeking Advice and Raising Concerns GRI 2-27 Legal Compliance	3.1.4 Ethics and Integrity
Economic Aspect	Customer Service	【Positive - Actual】 High-quality service performance is the key to building customer trust and shaping the corporate brand image. It drives stable business growth and strengthens customer relationships. 【Negative - Potential】 Unstable service performance or significant service failures may result in customer attrition, damage to the Company' s brand reputation, and adversely affect its operating performance.	●	○	●	-	Custom Topic	3.5 Customer Service
Social Aspect	Product Safety	【Positive - Actual】 As a distributor of medical supplies, Hi-Clearance Inc. places strong emphasis on product responsibility and safety management. All products have obtained the required licenses in accordance with applicable laws and comply with relevant safety regulations and quality standards. Product distribution and storage also comply with applicable regulatory requirements, helping safeguard the quality of healthcare and patient safety. 【Negative - Potential】 Quality or safety concerns regarding products may adversely affect patients' user experience and trust in healthcare services, thereby reducing customers' confidence in the Company' s products.	●	●	●	-	GRI 416 Customer Health and Safety GRI 417 Marketing and Labeling	3.6 Product Safety and Responsibility
Social Aspect	Talent Attraction and Retention	【Positive - Potential】 Helps attract talent with professional expertise and industry experience, thereby enhancing the Company' s overall competitiveness and ability to respond to market changes. It also improves employee retention and organizational stability while reducing recruitment and training costs. 【Negative - Potential】 Frequent employee turnover may affect team collaboration efficiency and employee morale, while increasing recruitment and training costs and reducing the efficiency of resource allocation.	●	-	●	-	GRI 401 Employment GRI 404 Training and Education	5.2 Talent Attraction and Retention
Environmental Aspect	Supply Chain Management	【Positive - Actual】 The Company' s major business partners are primarily established and reputable domestic and international brands. Their stable supply and controllable product quality help ensure product quality and supply stability while enhancing the Company' s market competitiveness. 【Negative - Potential】 If suppliers experience insufficient production capacity, quality issues, or delivery delays, the stability of product supply and customer satisfaction may be adversely affected.	●	●	●	-	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	4.4 Supply Chain Management
Environmental Aspect	Medical Waste Management	【Positive - Actual】 The Company assists healthcare institutions with the collection and recycling of medical waste and engages legally authorized recycling facilities for proper handling. By processing the waste into secondary-grade plastic materials, the Company promotes resource circularity and reduces environmental waste. 【Negative - Potential】 If medical waste is not properly classified, stored, or entrusted to legally authorized waste collection and treatment providers in accordance with applicable regulations, it may cause environmental pollution and expose the Company to legal risks and administrative penalties.	●	-	●	○	GRI 306 Waste	4.3 Medical Waste Management

02. About Hi-Clearance Inc.

2.1 Company Profile

Hi-Clearance Inc. is a professional enterprise specializing in the healthcare sector, dedicated to providing high-quality medical equipment, products, and solutions to meet the diverse needs of medical institutions and clients. The Company's business encompasses multiple fields including hemodialysis, respiratory sleep equipment, emergency medical equipment, dental materials, radiology catheters, and home healthcare. Currently, expansion into emerging medical technologies such as AI surgical navigation systems and biomedical materials is underway, while more comprehensive medical professional distribution channels are being established.

The field of hemodialysis is one of the Company's main business areas, providing key products including artificial kidneys, erythropoietin, and blood circuit tubing, helping renal failure patients maintain life and improve their quality of life. At the same time, much focus is placed on the promotion of nutritional products for chronic kidney disease, providing patients with oral and injectable nutritional supplementation solutions. In addition, respiratory sleep products such as oxygen concentrators, ventilators, CPAP (Continuous Positive Airway Pressure) devices, as well as emergency equipment such as defibrillators and emergency occlusion balloon catheters, further demonstrate the Company's professional expertise in critical care.

The Company is also actively expanding into the dental market, providing advanced products such as dental implants and implant surgical navigation equipment to assist dentists and patients in achieving oral health restoration. In the home healthcare field, the Company offers multifunctional testing devices, blood pressure monitors, oxygen concentrators, home nursing products, and more, allowing people to easily manage their health at home.

In the future, Hi-Clearance Inc. will continue to deepen the development of existing medical fields while exploring innovative applications of AI technology and biomedical materials. The Company places great emphasis on the improvement of its logistics system to ensure that the transportation and storage of medical devices meet the highest standards, and actively expands into international markets, such as China and Indonesia, to achieve a global business layout. Through a robust operational strategy and a steadfast commitment to quality, Hi-Clearance Inc. is dedicated to becoming a leader in the medical industry, bringing on a healthier future for the general public.

2.1.1 Major Milestones

1989
- The company was established with a paid-in capital of NT$7,000 thousand, acting as an agent of TORAY's blood dialysis products, engaged in the sales and services of kidney washing medical equipment and consumables.

1995
- Introduced IDEMSA artificial kidney from Spain and started multi-brand marketing.
- Started to act as an agent of TORAY's cardiac catheter series products, setting its foot in the field of cardiology.

1996
- Authorized INFUS from Thailand to manufacture its own HEMOCARE hemodialysis catheters in OEM mode; and started to act as an agent of the hemodialysis catheters manufactured by Bioteque Corporation.
- In response to the rapid growth of the company's business, the main business premises were relocated from the new store to the latest smart office building in Sanchong Tangcheng Industrial Zone.

2000
- Started to act as an agent of TERUMO artificial dermis and other dental materials, setting its foot in the field of oral surgery.
- Renamed from Hi-Clearance Industrial Co., Ltd. to Hi-Clearance, Inc.

2004
- Approved for listing on TPEx.

2009
- The Company's stock was listed for trading on the Taipei Exchange (TPEx).

2011
- Started to act as an agency for TORAY PMX sepsis endotoxin adsorbers in Japan, setting its foot in the field of ICU products.

2012
- To expand the company's business scope, the company invested in Sin Hwa Biotech Co., Ltd. to engage in the sales of respiratory therapy and sleep solution medical equipment.

2014
- Established XinFu Healthcare Corp., to provide medical management services for long-term care institutions.

2017
- Started to act as an agent of TELEFLEX anesthesia related products.
- Formally acting as an agent for the sale of X-Nav surgical navigation equipment in the United States.
- Formally obtained authorization from the world's major brand, Resmed, to start acting as an agent for the sales of its positive pressure respirator and mask series related products.

2018
- Taicha International Trade (Shanghai) Co., Ltd., a 100% mainland Chinese-held sub-subsidiary, officially promoted Japanese Olympus Terumo Biomaterials collagen products to the Chinese market.

2019
- Became a distributor of Mazor Renaissance spinal minimally invasive surgical system.

2020
- Invested in HC-Healthcare Co., Ltd.
- Invested in WS Far IR Medical Technology Co., Ltd.
- Established PT. Hiclearance Medical Indonesia.

2022
- Started to act as an agent for the sale of Gmate (South Korean)'s saliva rapid screening reagent.
- Started to act as an agent for the sale Getinge's respirator products.
- Started to act as an agent for the sale of INION's absorbable bone nail and plate.

2023
- Shulin medical and pharmaceutical logistics warehouse officially commenced operations.
- Obtained medical device GDP, pharmaceutical GDP, and QMS labeling permits.

2024
- Became a distributor of YJ. Biotechnology Co., Ltd. Exosomes.
- Distributor of EPED Inc. RETINAElite nTMS.

2025
- Distributed 3M and Solventum medical supplies, personal care consumer products, and negative pressure wound therapy systems in 2025.
- Distributed Bionime Rightest blood glucose monitoring systems.

2.1.2 Basic Information

Name of Company	Hi-Clearance Inc.
Industry Type	Biotechnology and Medical Care
Headquarters	8F-2, No. 2, Lane 609, Sec. 5, Chongxin Rd., Sanchong Dist., New Taipei City, Taiwan
Capital (Unit: NT$ thousands)	445,210
Equity Structure	Domestic legal entities 39.73% Domestic individuals 49.68% Foreign institutions or individuals 10.59%
Number of employees	Taiwan: 326 persons
Operating Locations	Taiwan (Sanchong Headquarters, Shulin Warehouse, Taichung Service Center, Chiayi Service Center, Tainan Service Center, Kaohsiung Service Center) China (Shanghai) Indonesia (Jakarta)
Main products/services	Trading of medical instruments, consumables, and pharmaceuticals
Annual Revenue (Unit: NT$ thousands)	3 ,810,541

Note: Data compiled as of the end of 2025.

Sales proportion of major products

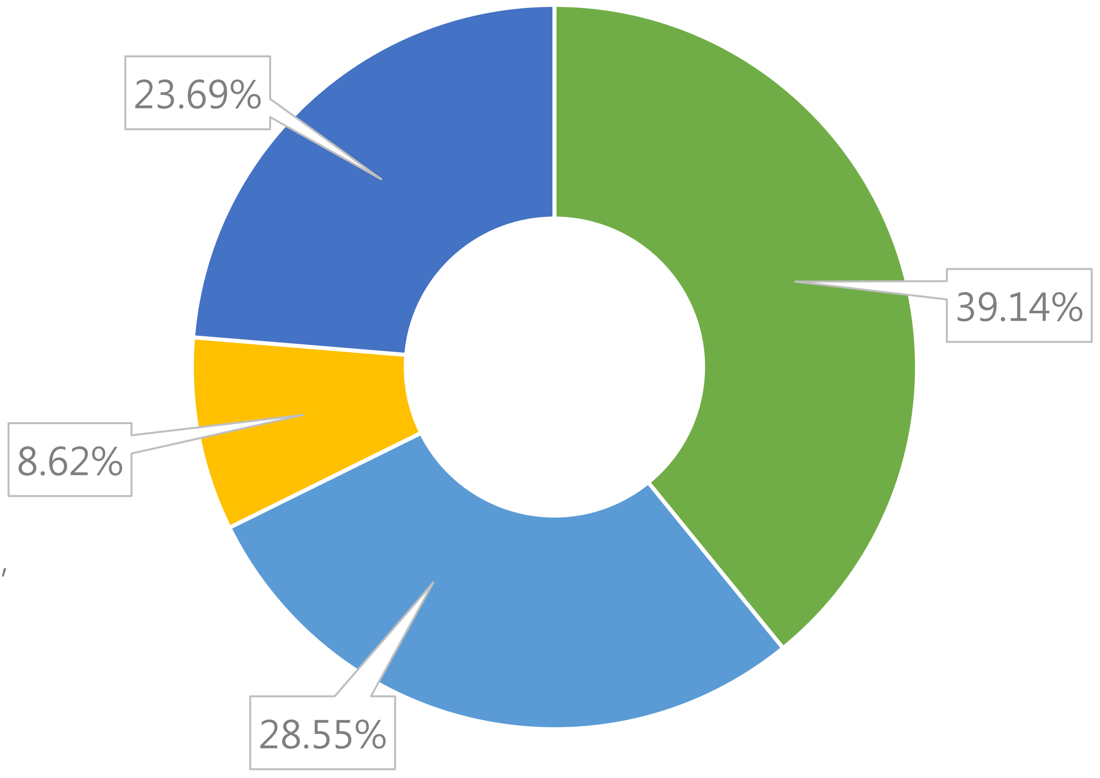
Dialysis machines and dialysis consumables	39.14%
Erythropoietin and liquid medications	28.55%
Respiration and anesthesia	8.62%
Other (medical and healthcare products, catheter materials, dental materials, health supplements, rental income, and service revenue)	23.69%

Revenue Proportion by Region

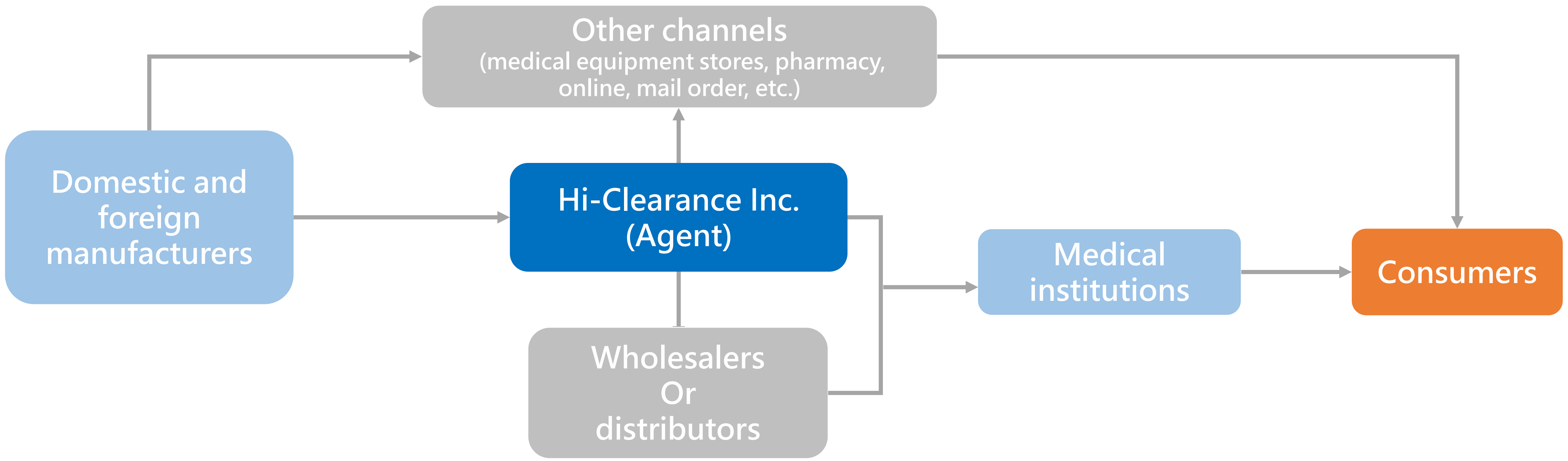
Taiwan	99.78%
Japan	0.01%
Indonesia	0.21%

Sales proportion of major products

- Dialysis machines and dialysis consumables
- Erythropoietin and liquid medications
- Respiration and anesthesia
- Other (medical and healthcare products, catheter materials, dental materials, health supplements, rental income, and service revenue)

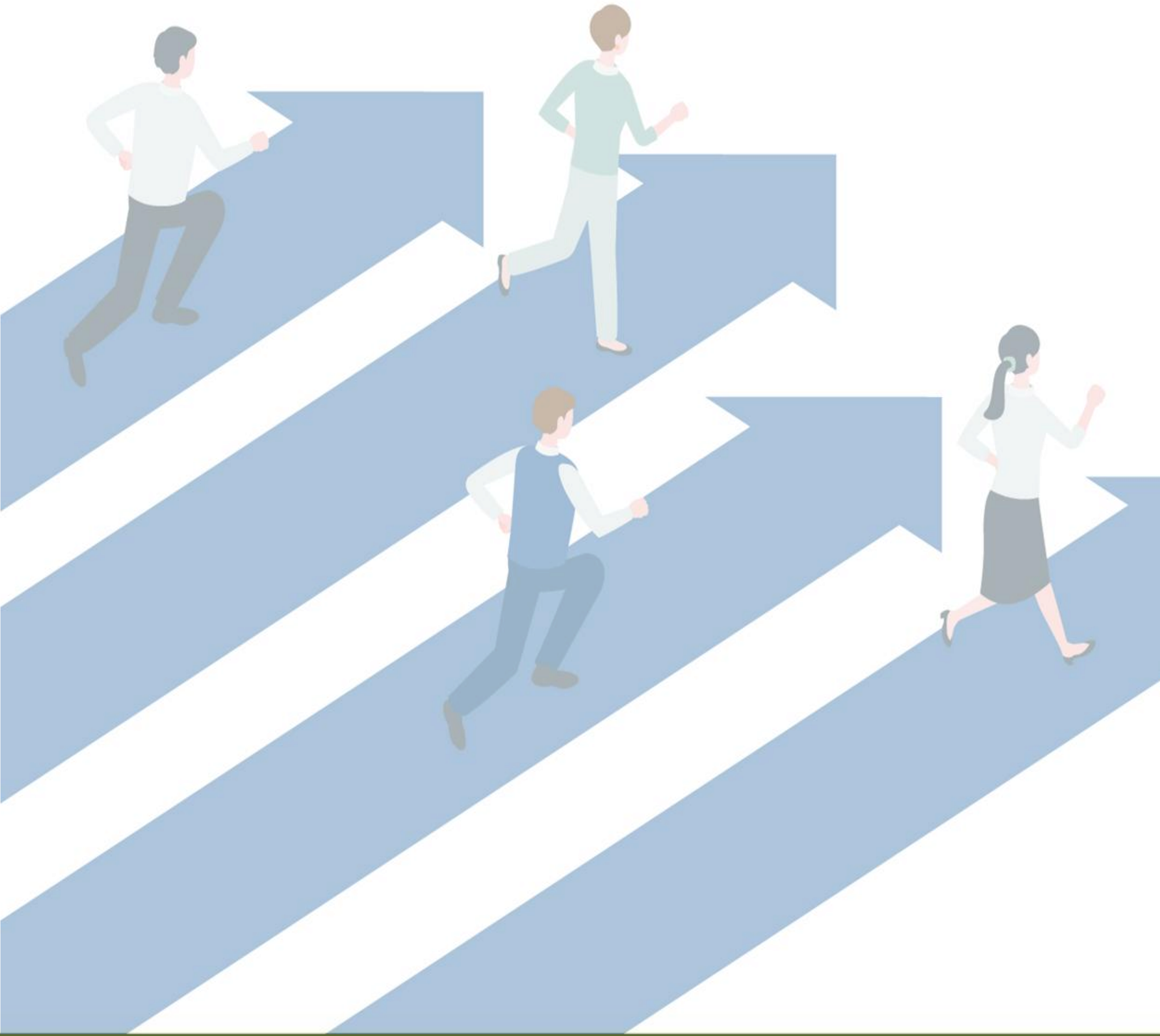


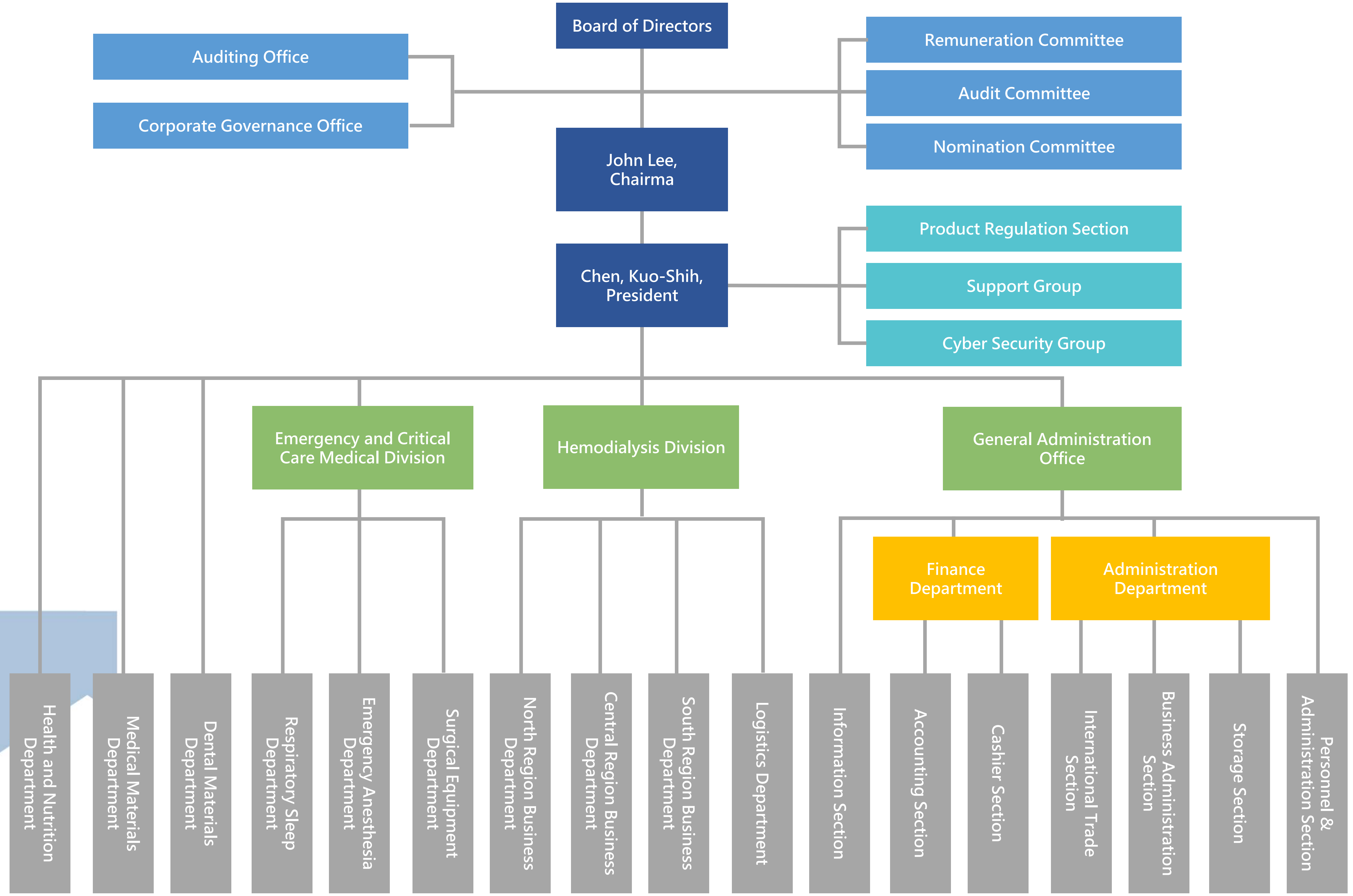
Company Value Chain



Hi-Clearance Inc. Products QR code

Organization Chart





2.2 Management Philosophy

Vision

- Establish a stable, creative, and forward-looking work environment.
- Further develop high-quality products to serve more patients.
- Creating a triple-win result through customer satisfaction, employee happiness, and shareholder satisfaction, thereby contributing back to society at large.

Mission

- The Company is established based on the guiding principles of "Sincerity, Proactiveness, Innovation, and Vision," aiming for "Quality First, Service Supreme, and Customer Satisfaction."
- **Quality First :** Introduce products from world-leading brands to offer customers optimal choices; continually enhancing employee training to elevate the quality of customer service.
- **Service First :** Customer-first approach ensures that every customer can enjoy a complete experience, from pre-sale planning and consultation to professional, convenient, and reliable after-sales service, allowing customers to truly feel our dedication.
- **Customer Satisfaction:** Curate an exceptional workforce, superior product quality, and excellent sales service; enabling customers to feel our professionalism, convenience, care, premium treatment, and trustworthiness.

Strategy

- Continued Development in Existing Fields.
- Expansion into New Medical Fields.
- Establishing a comprehensive logistics system: Medical equipment warehousing and distribution.
- Expanding Into Foreign Markets.

Planning

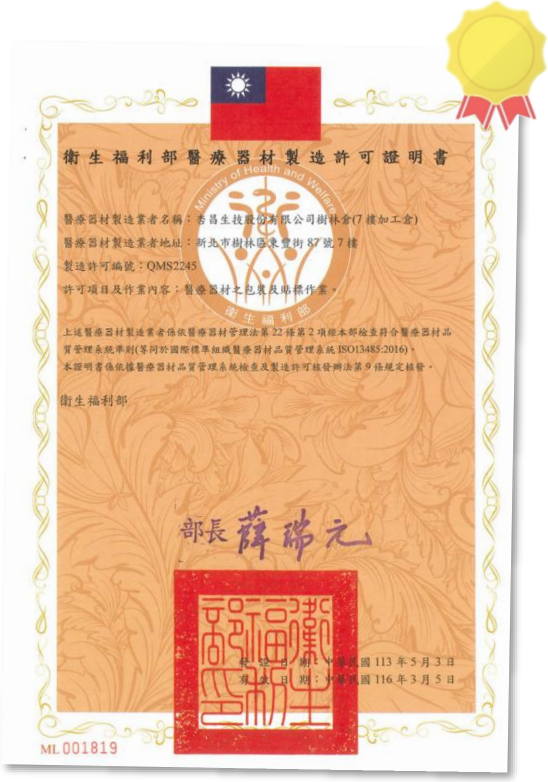
- We continue to strengthen our distribution channels in the Taiwanese medical market, optimize production and sales pathways, expand our operational platform and scale, and provide high-quality services to the public, hospitals, and clinics.
- Following a sustainable development path, we continue to 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.

2.3 Recognitions and Awards

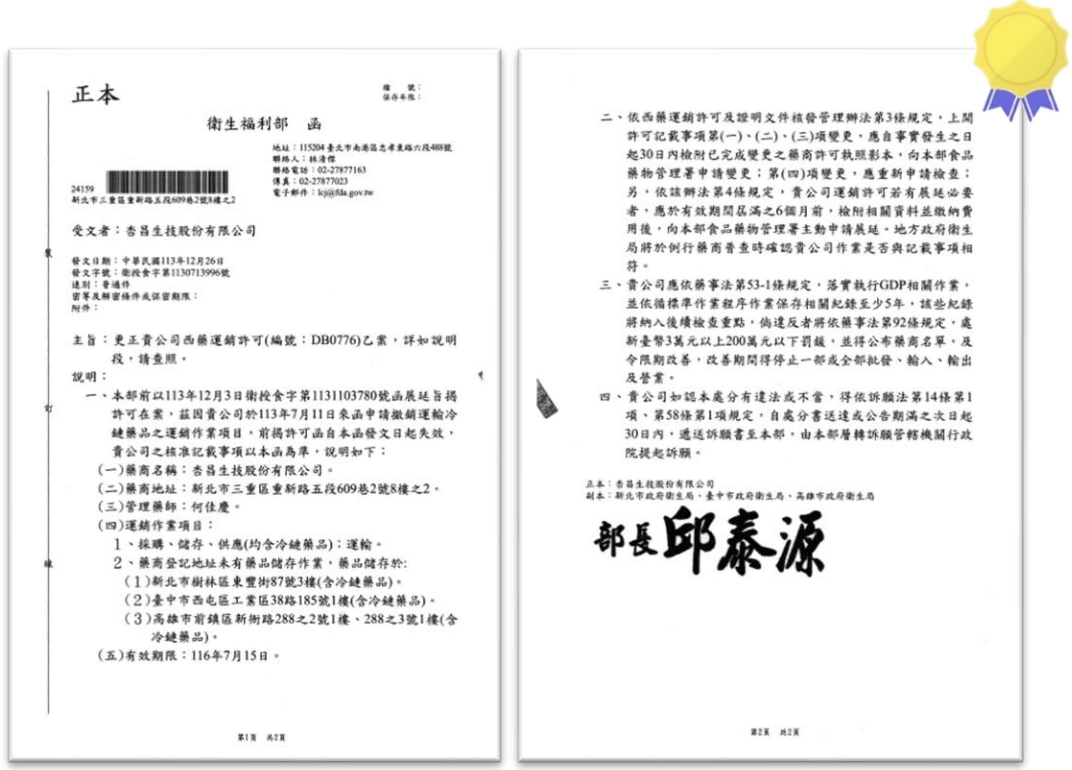
All company-owned warehouses have obtained GDP certification for medical device transportation and Western medicine distribution, issued by the Ministry of Health and Welfare. Operations include: procurement/import, storage, distribution, and sales/supply, with the Western medicine distribution certification covering cold chain pharmaceuticals. This certification covers the Company's warehouses in Shulin, Sanchong, Taichung, and Kaohsiung, demonstrating our commitment to product safety and possession of a comprehensive logistics and warehousing system.

GDP0164

QMS2035



QMS2245



DB0776

According to the results of the 2025 Top 5,000 Large Enterprises in Taiwan survey conducted by the China Credit Information Service Ltd., Hi-Clearance Inc. has been recognized on the list for six consecutive years. This recognition demonstrates the market's continued acknowledgment of the Company's operational scale, business performance, corporate management, and market competitiveness, highlighting its sound and stable operating performance.

The Top 5,000 Large Enterprises in Taiwan ranking is an enterprise ranking survey conducted by China Credit Information Service, Ltd. covering public and private enterprises with annual revenues of at least NT$100 million. First launched in 1970, the survey has a history spanning more than 50 years and is one of Taiwan's most representative and credible corporate evaluation indicators. The survey is conducted based on the principles of fairness, objectivity, timeliness, and accuracy, providing a comprehensive overview of the operating performance of large enterprises in Taiwan and the current state of industrial development. It also serves as an important reference for stakeholders to understand corporate competitiveness and market positioning.

Being recognized among the Top 5,000 Large Enterprises in Taiwan for consecutive years not only represents Hi-Clearance Inc.'s leading position and steady growth within the industry but also demonstrates the Company's long-term efforts to enhance operational efficiency, strengthen corporate governance, and promote sustainable development. Looking ahead, Hi-Clearance Inc. will continue to uphold the principles of ethical business conduct and sustainable development, deepen its core competitiveness, and create shared value for the Company, customers, employees, and stakeholders as it steadily advances toward its goal of sustainable business operations.

China Credit Information Service Top 5,000 Large Enterprises Ranking - 2025 Edition

241
新北市三重區重新路五段609巷2號8樓之2
杏昌生技股份有限公司
李忠良 董事長 親啟
【TOP5000 企業排名通知函】5A-156

恭賀

李忠良 董事長，您好：

久仰 貴公司聲名遠播！回望2024年，各國央行利率調降、人工智慧供應鏈需求強勁，台灣企業因勢利導，加速鏈結各國供應商，奠定企業在地永續經營基礎，國內5000大企業營收飛越43兆門檻創近五年新高，營收成長7.79%穩健上揚。尤其 貴公司在您穩健的經營領導下，再度榮登CRIF 中華徵信所~

2025 年版「台灣大型企業排名 TOP5000」

公民營企業混合排名：第 **1053** 名　服務業經營績效排名：第 **405** 名
服務業營收淨額排名：第 **441** 名　進出口貿易業：第 **38** 名
企業經營績效混合排名：第 **933** 名

CRIF 中華徵信所「台灣大型企業排名」走過半世紀，一路嚴謹詳實記載台灣大型企業的發展軌跡！今年為**第五十五年出版**，嶄新調查全新扉頁。特打造「TOP5000 **大型企業」水晶琉璃獎座**，加贈**【貴司企業簡易報告】**以見證 貴公司傑出之經營。敬邀 鈞座持續珍藏專屬之水晶琉璃獎座及2025年「台灣大型企業排名 TOP5000」**新書**。

謹以最誠摯之心，敬祝 貴公司業務興隆，萬事如意！

順頌

商祺

CRIF 中華徵信所
總經理 敬上

◆ 2025 Rankings

Item	Ranking
Mixed-business revenue ranking	1053 th
Mixed-business operating performance ranking	933 nd
Service industry net revenue ranking	441 rd
Service industry operating performance ranking	405 st
Import and export trade industry	38 th

2.4 Participation in External Organizations

In addition to enhancing its own product competitiveness, Hi-Clearance Inc. also actively communicates with various stakeholders. Through participation in industry-related associations, the Company maintains positive interactions with association members and stays informed of the latest industry development trends.

Name of External Association		Participation Status
MIA	Taipei Measuring Instrument Association	Member
台北市醫療器材商業同業公會 TAIPEI MEDICAL INSTRUMENTS COMMERCIAL ASSOCIATION	Taipei Medical Instruments Commercial Association	Supervisor
IEAT | Since 1947 | 台北市進出口商業同業公會 Importers and Exporters Association of Taipei	Importers and Exporters Association of Taipei	Member

Name of External Association		Participation Status
新北市進出口商業同業公會 New Taipei Importers & Exporters Chamber of Commerce,Taiwan	New Taipei Importers & Exporters Chamber of Commerce	Member
	New Taipei City Western-Pharmacy Trade Association	Member
中華民國醫療器材商業同業公會全國聯合會 TAIWAN FEDERATION OF MEDICAL DEVICES COMMERCIAL ASSOCIATIONS	Taiwan Federation of Medical Devices Commercial Associations	Director

03. Corporate Governance

Ethical governance is one of Hi-Clearance Inc.' s core operating values, reflected in sound Board functions, a robust and effectively implemented internal control system, and transparency and integrity in financial operations. By establishing a sound corporate governance structure, the Company not only helps mitigate operational risks but also fosters a positive corporate culture, thereby enhancing brand reputation and long-term corporate value. Hi-Clearance Inc. complies with applicable laws and regulations and is committed to creating an ethical, responsible, and transparent operating environment. The Company also continuously strengthens its corporate governance mechanisms to safeguard the rights and interests of investors and other stakeholders.

Hi-Clearance Inc.' s corporate governance system is established in accordance with applicable regulations and corporate governance principles. The Board of Directors has adopted the Corporate Governance Best Practice Principles to strengthen the Board' s functions, enhance information transparency, and protect the rights and interests of shareholders and stakeholders. With respect to Board operations, directors are elected in accordance with the Company' s applicable regulations, and an independent director system has been established to strengthen the Board' s oversight function and enhance the quality of governance decisions.

To implement the principles of ethical business conduct and strengthen internal control mechanisms, the Board of Directors has adopted the Internal Material Information Handling and Insider Trading Management Measures, which clearly prohibit directors, managers, employees, consultants, and other individuals with knowledge of the Company' s material nonpublic information from using such information to engage in transactions or short-swing trading for improper gains. The Company has also established comprehensive information disclosure mechanisms and uses multiple channels, including its official website and public information filing platforms, to promptly disclose operating performance, financial conditions, Board activities, and shareholder meeting information. These measures ensure open and transparent disclosure while safeguarding investors' right to equal access to information.

In addition, Hi-Clearance Inc. has established diverse grievance and communication mechanisms. The Stakeholder section of the Company' s website provides dedicated contact persons and communication channels for different stakeholder groups. Through two-way communication, the Company continuously gathers stakeholders' opinions and expectations and promptly responds to their suggestions and concerns. These efforts strengthen mutual trust and continuously enhance the quality of corporate governance and sustainable business performance.

3.1 Governance Practices

Corporate Governance Results

- Chief Accounting Officer was appointed to concurrently serve as the Corporate Governance Officer on June 14, 2023.
- 2025 12th Corporate Governance Evaluation: Ranked in the **6%~20%** tier among TPEx listed companies.
- The evaluation of the Board of Directors' performance resulted in a score of **99.07**
- The performance evaluation scores for the Audit and Remuneration Committees were **100**, respectively.

Hi-Clearance Inc.'s shareholders' meeting, composed of all shareholders, is the Company's highest decision-making body, responsible for resolving major corporate matters and regularly receiving reports from the Board of Directors. The Board serves as the Company's highest governance authority, with all directors diligently fulfilling their duty of care. The President assists the Chairperson in formulating business policies and sustainability strategies, which are then submitted to the Board for review of financial performance, sustainability progress, and overall legal and regulatory compliance. To ensure sound corporate governance operations, the Board of Directors has established an Audit Committee, a Remuneration Committee, and a Nomination Committee. An independent Auditing Office has also been set up to conduct regular internal audits and report findings to both the Audit Committee and the Board.

Hi-Clearance Inc. continuously enhances its corporate governance structure in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies. Internal control mechanisms are designed and implemented based on actual operational needs and are regularly reviewed and adjusted to ensure their ongoing effectiveness. Through a robust internal management system, operational efficiency is enhanced and sustainable business goals are achieved.

On June 14, 2023, the Board of Directors appointed the Chief Accounting Officer to concurrently serve as the Corporate Governance Officer, responsible for assisting directors in performing their duties, arranging training, handling board and shareholder meeting matters in accordance with the law, and supporting the Company's compliance with resolutions passed during meetings. In the 12th Corporate Governance Evaluation conducted in 2025, Hi-Clearance Inc. ranked within the 6%–20% tier among TPEx listed companies, indicating steady progress toward institutionalized and effective governance. The Company will continue striving to enhance overall governance performance.

Meanwhile, the Company's financial statements are regularly audited and certified by KPMG Taiwan. All legally required disclosures are completed accurately and promptly, with designated personnel responsible for external information release. A spokesperson system is also in place to ensure timely and appropriate disclosure of material information for shareholders and stakeholders to reference the Company's financial and operational status.

◆ 2025 Continuing Education Information for the Corporate Governance Officer

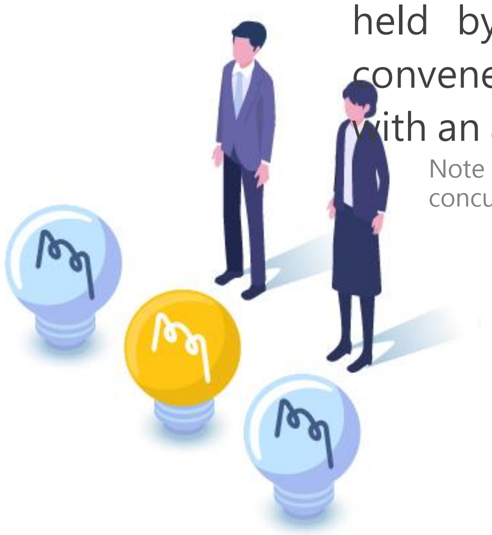
Date/Hours	Training Institution	Course Name
2025.7.9/6 hours	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit
2025.7.22/3 hours	Taipei Exchange (TPEx)	2025 Workshop on Equity Compliance for Insiders
2025.8.22/3 hours	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2025 Taishin Net Zero Summit
2025.12.10/3 hours	Taipei Bar Association	2025 Corporate Governance Forum: Corporate Governance in a Changing Landscape

3.1.1 Board of Directors

The Board of Directors is responsible for planning the Company's overall business strategy and is accountable to shareholders and all stakeholders. All directors faithfully uphold their fiduciary duty and the prudent man rule, exercising their powers with due care. Except for matters that require resolution by the shareholders' meeting as stipulated by law or the Company's Articles of Incorporation, all other key business and governance arrangements are deliberated and decided by the Board of Directors.

Hi-Clearance Inc. has established the Regulations for Board of Directors Elections to maintain the stability and vitality of board operations through regular elections. In compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, no more than one-third of board members concurrently serve as company executives. The Company also actively promotes board diversity. Director selection is based on skills and competencies, with members possessing diverse professional backgrounds and complementary capabilities. In addition to age, gender, and nationality, the board composition includes expertise in medical practice, healthcare management, marketing, as well as legal, accounting, and investment knowledge. Hi-Clearance Inc.'s directors possess both industry-specific expertise and extensive practical experience, with deep familiarity in sectoral developments. The Board currently comprises 12 directors, including 3 independent directors, each serving a three-year term. The Company's Board of Directors is to be re-elected at the general meeting of shareholders on May 26, 2025. The roles of Chairperson and President are held by separate individuals. In accordance with legal requirements, the Board convenes at least once per quarter and held eight meetings during the reporting year, with an average director attendance rate of 98%.

Note : For details regarding the principal educational and professional backgrounds of the Company's board members, their concurrent positions, and the list of major shareholders, please refer to the Company's official website.



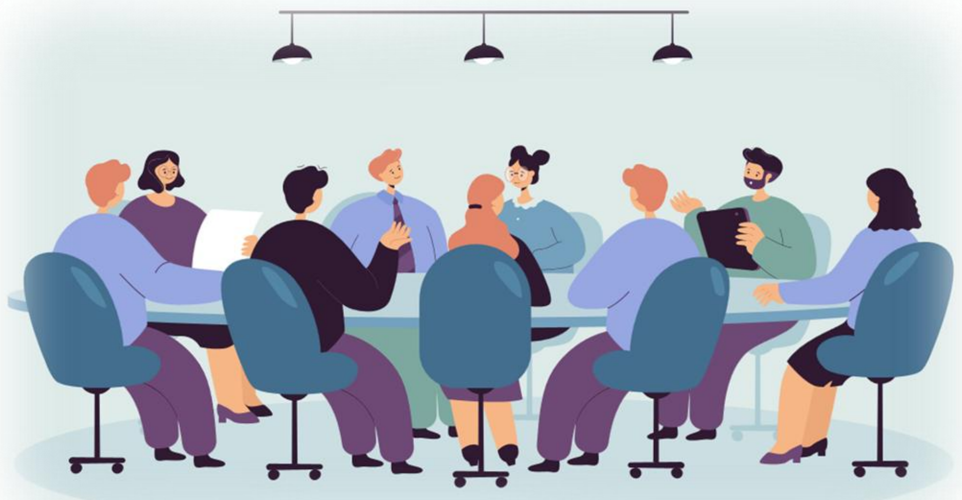
◆ Director Diversity Statistics

Diversity Statistics/Year			2023		2024		2025	
			No. of shareholders	Percentage	No. of shareholders	Percentage	No. of shareholders	Percentage
Director	Gender	Male	9	75.00%	9	75.00%	8	66.67%
		Female	3	25.00%	3	25.00%	4	33.33%
	Age	Under 50	3	25.00%	2	16.67%	2	16.67%
		50-65	5	41.67%	5	41.67%	6	50.00%
		Over 65	4	33.33%	5	41.67%	4	33.33%
	Educational Background	Graduate school	5	41.67%	5	41.67%	6	50.00%
		College/university	6	50.00%	6	50.00%	5	41.67%
		Others	1	8.33%	1	8.33%	1	8.33%

Note: Percentage of female directors = (Number of female directors at year-end / Total number of directors at year-end) × 100%.
Percentage of male directors = (Number of male directors at year-end / Total number of directors at year-end) × 100%.

Hi-Clearance Inc. has established and approved the Rules of Procedure for Board of Directors' Meetings and the Rules Governing the Scope of Powers of Independent Directors to define the responsibilities of directors and independent directors, ensuring their independence in the performance of duties. A conflict-of-interest policy is clearly stipulated: directors must recuse themselves from discussions and are prohibited from voting or acting on behalf of other directors when board resolutions involve their own interests or those of the legal entities they represent, thereby safeguarding fairness and transparency in the decision-making process.

To enhance the overall quality of decision-making and operational efficiency, the Board has adopted the Procedures Governing the Evaluation of the Performance of the Board of Directors, under which annual evaluations are conducted for the Board as a whole, individual directors, and the Audit and Remuneration Committees. Performance evaluations are conducted through self-assessment questionnaires administered by the responsible unit, with an external independent professional organization or team of experts engaged at least once every three years to perform an objective assessment. Evaluation results serve as a key reference for future director nominations or reappointments and also inform decisions regarding individual director compensation, thereby supporting continuous improvement in board performance.



◆ Director Attendance Rate at Hi-Clearance Inc.

Job title	Name	Actual Attendance Rate (%) 4 meetings held	No. of Other Companies Concurrently Serving as Director	Industry/ESG Background and Experience
Chairman	John Lee	100%	26	Industry - Medical management/Investment management Industry - Accounting & finance/Marketing management
Director	Li, Pei-Chang	100%	2	Industry - Investment management Industry - Marketing management
Director	Hsieh, Chih-Fu	100%	3	Industry - Medical management Industry - Marketing management
Director	Wu, Kuo-Cheng	100%	0	Industry - Medical management Industry - Marketing management
Director	Chen, Ping-Chang	100%	1	Industry - Professional medicine/Medical management/Investment management
Director	Tsai, Lien-Shuo	100%	0	Industry - Investment management Industry - Accounting & finance/Marketing management
Director	Chiang, Ping-Hsun	75%	9	Industry - Medical management/Investment management Industry - Marketing management
Director	Chen, Chun-Hung	100%	13	Industry - Investment management Industry - Accounting & finance/Marketing management
Director	Lee, Yi-Hsuan	100%	1	Industry - Medical management/Investment management Industry - Accounting & finance
Independent Director	Chuang, Chien-Yu	100%	9	Industry - Professional medicine/Medical management/Investment management Industry - Accounting & finance/Marketing management
Independent Director	Chen, Hung-Pin	100%	0	Industry - Professional medicine/Medical management/Investment management Industry - Accounting & finance/Marketing management
Independent Director	Yang, Tzu-Hsuan	100%	0	Industry - Investment management Industry - Accounting & finance/Marketing management

Note: The statistics are based on the Board of Directors elected on May 26, 2026.

Evaluation Mechanism for the Performance of the Board of Directors	2025 Performance Self-Assessment Results	Enhancement Plan
◆ Annual Self-Assessment Questionnaire ◆ External Expert Evaluation Conducted Every Three Years	◆ The Board of Directors scored an average of **99.07** points. ◆ The Audit Committee scored an average of **100** points. ◆ The Remuneration Committee scored an average of **100** points.	◆ Organize professional training programs. ◆ Enhance communication between independent directors, internal audit supervisors, and accountants. ◆ Increase board engagement in company operations.

Under the Chairperson’ s guidance on the Company’ s future direction, the President and other members of the management team jointly formulate business strategies and short-, medium-, and long-term operational goals, integrating sustainability objectives into the overall strategy. These plans are reviewed by the Chairperson and subsequently reported to the Board of Directors. Each department regularly and ad hoc engages with stakeholders through established channels. In cases where stakeholder concerns or sustainability issues may pose significant potential negative impacts on operations, the responsible units conduct due diligence across areas including finance, compliance records, environmental pollution, labor rights, and occupational health and safety. While no such impacts have occurred to date and comprehensive investigations have not yet been required, supplier assessments already include human rights, environmental protection, and ethical business practices as mandatory review items. Due diligence results are first reported to the President, who then presents them to the Board of Directors. The Board deliberates and issues resolutions for execution by the respective responsible departments. In 2025, no relevant potential major adverse events occurred; therefore, no reports were submitted to the Board of Directors.

To strengthen risk management and encourage qualified professionals to serve as directors, the Company has maintained Directors and Officers Liability Insurance since 2017. This coverage helps mitigate and distribute the risk of significant losses arising from errors or omissions in the execution of duties, thereby protecting the interests of all shareholders.

Considering the regulatory compliance and governance issues directors may encounter in corporate decision-making, Hi-Clearance Inc. actively encourages and arranges professional training for board members. In the reporting year, directors completed a total of 99 hours of training, of which 42 hours, accounting for 42.42%, were ESG-related.

◆ 2025 Director Training Courses

Course Name	Training Hours
Corporate Governance and Sustainability Workshop	3
Corporate Governance Upgrading Strategy	3
How Non-accounting Background Directors Review Financial Statements	3
Corporate Governance and Sustainability Workshop	3
ESG Evaluation Indicators and Practical Response Strategies	3
Virtual Assets and Money Laundering Prevention	3
Taiwan PMI Manufacturers' Strategy and Outlook for the Second Half of the Year	3
How Directors Supervise the Establishment and Promotion of a Comprehensive Risk Management System in the Company	6
Corporate Governance and Corporate Sustainability Workshop	3
2025 Taishin Net Zero Summit	3
Principle for Financial Service Industries to Treat Clients Fairly	3
Rise of Family Offices and Opportunities for Securities Business	3
ESG 3 Hours - Shaping the New Future of the Securities Industry & Gender Equality	3
Impact of the Latest Amendments to the SFIPC Act on the Responsibilities of Directors and Supervisors	3

Course Name	Training Hours
Outlook on Global and Taiwan Economic Trends for 2026	3
12-Hour Practical Workshop for Newly Appointed Directors	12
12-Hour Practical Workshop for Newly Appointed Directors	12
Training Course for Directors, Supervisors, and Corporate Governance Officers	12
Establishment of Internal Controls for Sustainable Information Management	3
ESG Evaluation Indicators and Practical Response Strategies	3
Opportunities and Challenges of Family Offices	3
Operational Strategy and Outlook under Geopolitical Risks	3
Sustainable Policy and Disclosure Responsibility	3

Note: Green text indicates ESG-related courses.

3.1.2 Functional Committees

Hi-Clearance Inc. has established three functional committees: the Audit Committee, the Remuneration Committee, and the Nomination Committee. Except for those who exercise authority independently under applicable laws and regulations, all parties shall be accountable to the Board of Directors and submit proposed resolutions for board approval.

Audit Committee

The Audit Committee assists the Board of Directors in overseeing management activities, including matters with significant financial impact such as major capital expenditures and material transactions. It ensures the proper presentation of financial statements and the effective operation of internal control systems, with evaluation results submitted to the Board for discussion. The committee maintain close contact and communication with CPAs and internal auditors; external audits complement internal audits. The Board of Directors of Hi-Clearance Inc. approved the Audit Committee Charter and established the Audit Committee, comprising three independent directors. One serves as the convener, and at least one member possesses expertise in accounting or finance. The committee convenes at least once per quarter and held 5 meetings during the reporting year, with a 100% attendance rate.

The head of internal audit holds closed-door meetings with all independent directors on an irregular basis to report on the execution status of internal audits. In 2025, three such meetings were convened. Additionally, independent directors held 5 meetings with the CPAs. In addition to reporting the results of financial statement reviews to independent directors, the accountants also conduct legal compliance briefings and engage in discussions during meetings. To date, communication and collaboration among independent directors, the internal audit supervisor, and the CPAs have been smooth and effective.

Remuneration Committee

To establish a sound remuneration system for directors and managers and to assess the fairness and reasonableness between their performance and compensation, the Company has adopted the Remuneration Committee Charter through board resolution and established a Remuneration Committee composed of three independent directors. In 2025, a total of 3 meetings were held, with a 100% attendance rate by all members.

The primary role of the Remuneration Committee is to establish a performance-linked remuneration system from an impartial and independent standpoint. It regularly reviews the reasonableness of this framework and evaluates the achievement of annual and long-term performance goals by directors and managers. When exercising its authority, the Company's Remuneration Committee shall adhere to the following principles: The Company's remuneration arrangements shall comply with relevant laws and regulations and be sufficient to attract outstanding talent; the performance evaluation and remuneration of directors and management shall take into consideration the time committed by individuals, their responsibilities, achievement of personal goals, performance in other positions held, remuneration given by the Company to persons in equivalent positions in recent years, attainment of the Company's short-term and long-term business objectives, and the Company's financial condition, among other factors, to assess the reasonable correlation between individual performance and the Company's operating performance and future risks; remuneration structures should not incentivize directors and management to engage in conduct that exceeds the Company's risk appetite in pursuit of compensation; the proportion of bonuses paid for short-term performance of directors and senior management, as well as the timing of payment for certain variable remuneration, shall be determined with consideration of industry characteristics and the nature of the Company's business; finally, based on the principle of conflict of interest avoidance, committee members shall not participate in discussions or voting on decisions regarding their own remuneration.

The Articles of Incorporation of Hi-Clearance Inc. stipulate that, in a profitable year, after reserving sufficient amounts to offset any accumulated losses, no less than 1% of the remaining earnings shall be allocated for employee compensation. The Board of Directors shall determine whether this is distributed in stock or cash, and eligible employees of subsidiaries may also be included as recipients. Additionally, no more than 3% shall be allocated for director compensation. The allocation ratios for employee and director remuneration shall be determined by special resolution of the Board of Directors and reported at the shareholders' meeting.

Hi-Clearance Inc. is currently in the early stages of ESG implementation and has not yet linked ESG development goals or performance metrics to the personal compensation of board members and managers. Hi-Clearance Inc. will continue to monitor ESG development trends. Once sufficient experience has been accumulated and internal implementation becomes more mature, the matter will be submitted to the Remuneration Committee for discussion, evaluation, and formulation of relevant measures.

Nomination Committee

To enhance corporate governance quality, the Company has established a Remuneration Committee in accordance with legal requirements and governance best practice principles. The committee is responsible for selecting and reviewing director candidates, and for providing recommendations on board composition, member qualifications, and committee structure. The committee consists of five members, including three directors with independent qualifications. Its composition spans diverse fields such as pharmacy, healthcare, biotechnology, corporate management, and financial administration, thereby enhancing the quality of decision-making in director nominations and organizational development. The current committee members' term runs from November 3, 2023, to November 2, 2026. In 2025, 2 meeting was held, with all members attending in person, resulting in a 100% attendance rate.

The Nomination Committee, authorized by the Board of Directors, faithfully performs its duty of care. Key responsibilities include evaluating the qualifications of director candidates nominated by shareholders or the Board of Directors, reviewing their educational and professional backgrounds, and assessing their integrity. Upon confirming compliance with relevant regulations, the committee submits the recommended list to the Board of Directors for discussion and resolution. When reviewing candidates for independent directors, the committee places particular emphasis on their professional competence and independence. Qualifications are verified in accordance with the Securities and Exchange Act and relevant regulations to ensure that all nominees align with the Company's long-term development goals and shareholder interests.

In addition, the Nomination Committee is responsible for reviewing the composition of the Board's specialized committees, assessing candidates' professional backgrounds and potential conflicts of interest, and providing recommendations for suitable appointments. To strengthen organizational planning and institutional development, the committee also provides amendment recommendations for the organizational regulations of each functional committee. In cases involving conflicts of interest, relevant members are required to proactively disclose such situations and legally recuse themselves from decision-making. The Company has publicly disclosed the organizational regulations, responsibilities, and operational status of the Nomination Committee on its official website and the Market Observation Post System.

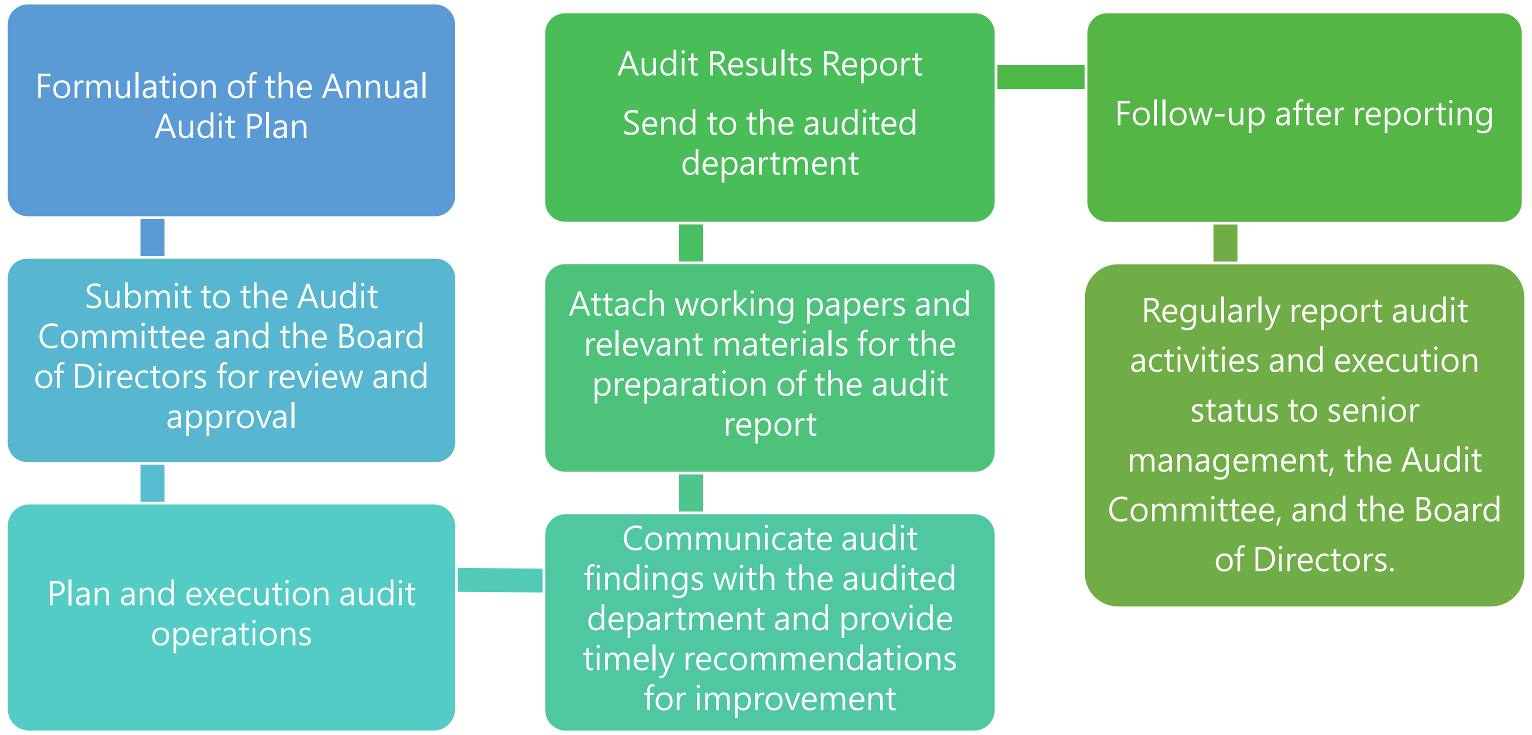
3.1.3 Internal Audit

The purpose of internal audit is to assist the Board of Directors and management in overseeing the quality of the internal control system, identifying deficiencies, evaluating operational effectiveness and efficiency, and providing timely recommendations for improvement. This ensures the continued effective implementation of internal controls and serves as a basis for reviewing and revising the system. In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, Hi-Clearance Inc. designs internal control systems tailored to the operational practices of its business units and subsidiaries, ensuring effective implementation. The systems are continuously reviewed and improved to respond to a rapidly changing environment.

To ensure the independence and impartiality of audit activities, Hi-Clearance Inc. has established an independent Auditing Office under the Board of Directors in accordance with relevant regulations. Dedicated audit personnel are appointed in line with the Company's Internal Audit Organization and Operation Guidelines and report directly to the Board.

In 2004, the Company established the Self-Assessment Procedures for Internal Control System to implement regular self-evaluation of internal controls. Each year, the Board of Directors and management review departmental self-assessment results and audit reports to ensure system effectiveness. The Chief Audit Officer regularly attends board meetings to report on audit execution and, depending on the implementation of the annual audit plan and the significance of issues, participates in Audit Committee meetings to brief independent directors on the operation of internal audit and control systems. Each year, the Auditing Office reviews internal control self-assessment reports from all departments and subsidiaries, along with follow-up results on deficiencies and irregularities. These findings are submitted to the Board of Directors and the President as the basis for evaluating the effectiveness of the internal control system and issuing the related statement. To enhance auditing expertise, the Company continuously arranges for audit personnel to pursue further education and participate in training designated by regulatory authorities. In the reporting year, a total of 2 training participants completed 24 hours of instruction.

◆ Audit Flowchart



In 2025, a total of 66 audit operations were conducted, achieving a 100% compliance rate with no significant deficiencies identified.

3.1.4 Ethics and Integrity

Significance to the Company		• The Board of Directors, executives, and senior management must set aside personal interests and prioritize the interests of all shareholders. The Company's culture of integrity and ethical values is a critical factor in its success or failure and influences every member of the organization. The Company has established a robust internal self-management mechanism to support the design and implementation of various systems, thereby enhancing overall operational performance.
Policy/Commitment		• Formulated the "Integrity Management Operating Procedures and Code of Conduct," upholding the spirit of honest and transparent corporate governance to protect the rights and interests of stakeholders. • Establish a transparent and responsible corporate governance framework, adhering to principles of integrity in management to ensure the legality and ethicality of all business activities.
Objective	Short-term	• Conduct annual training and awareness programs on ethical business practices and the prevention of insider trading to prevent unlawful transactions. • Promote the signing of sustainability commitments by suppliers as part of the supplier management mechanism.
	Mid- to long-term	• Establish effective financial and accounting systems as well as internal control mechanisms, incorporating the management of sustainability information to ensure the implementation of integrity in corporate operations. • Continuously enhance supplier management and collaboration mechanisms.
Responsible Department/ Complaint Mechanism		• Responsible Department : Administration department of the General Administration Office. • Complaint mechanism：wendy_chuang@hiclearance.com.tw
Resources Invested in the Fiscal Year		• The dedicated ethical business conduct unit regularly reports its annual implementation results to the Board of Directors. • Conducted six internal training sessions on ethical business conduct. • Provided the Board of Directors with training and awareness programs on insider trading and changes in shareholdings.
Evaluation Mechanism/Results		• Directors, management, and employees adhere strictly to the principle of integrity, and to date, no violations of this principle have been reported.

Specific Achievements

- **Approximately 320 participants attended ethical conduct training courses and awareness programs during the year.**
- No records of violations related to ethical integrity were received during the year.

Hi-Clearance Inc. upholds the core values of lawful operation and integrity, consistently conducting business with honesty and compliance. The Company is committed to embedding ethical practices into its corporate culture. At the same time, the Company also emphasizes that management should lead by example in practicing integrity, subtly shaping corporate culture through daily actions.

In 2025, a total of six training sessions on integrity were conducted, with a cumulative employee participation of 320 (including virtual attendance). A designated unit further reinforces these values by regularly communicating key messages to all employees via email and administrative meetings.

Internally, the Administration Department of the General Administration Office serves as the dedicated unit for promoting the Company's integrity policy. In 2023, the Company expanded the original Ethical Corporate Management Best Practice Principles—previously developed by the Auditing Office—by formulating the Procedures for Ethical Management and Guidelines for Conduct, which were approved by the Board of Directors and publicly disclosed on the Company's website and in the annual report. The head of the General Administration Office reports annual implementation results to the Board. Integrity-related internal regulations are available online for stakeholder reference (http://www.hiclearance.com.tw/FinancialE.htm) , along with a designated contact channel for stakeholder feedback. Employees may consult the Administration Department via email, phone, or other means if they have questions regarding the Company's integrity policies.

Processing Channels	Email	Processed Cases in 2025
Audit mailbox	jerry_pon108@hiclearance.com.tw	0
HR mailbox	christine_yang101@hiclearance.com.tw	0
Stakeholder section on the company website	http://www.hiclearance.com.tw/Stakeholder.htm	0

◆ Anonymous Reporting and Rewards and Penalties

In 2024, the Company revised its Whistleblowing Management System to establish multiple reporting channels. Internal and external stakeholders may submit reports via the stakeholder mailbox, audit mailbox, or HR mailbox on the company website. Upon receipt, the President initiates a case and assigns the Integrity Task Force or a designated project lead to conduct an investigation, with findings reported to the relevant superior. Outcomes are documented, assigned case numbers, and archived for recordkeeping. If a case involves directors or senior management, it is escalated to the independent directors. Individuals with conflicts of interest must recuse themselves from the investigation process, which shall be conducted thoroughly and with due diligence. Whistleblower identity information must be encrypted and protected; internal whistleblowers must not be subject to dismissal, demotion, pay cuts, or other adverse actions. If a report is verified as valid, appropriate rewards shall be granted to the whistleblower or contributing personnel. Hi-Clearance Inc. received zero whistleblower reports or complaint cases during the year.

In business interactions, all Hi-Clearance Inc. employees are required to ensure that counterparties understand the Company's ethical conduct standards. They must not accept, offer, promise, solicit, or receive any form of improper benefit, whether directly or indirectly, under any name or circumstance. At the same time, the Company also requires employees to avoid engaging in transactions with agents, suppliers, customers, or other business partners involved in unethical conduct. If a counterparty is found to be engaged in dishonest practices, a risk assessment must be conducted promptly, and the party may be designated as ineligible for further dealings, thereby upholding the principles of ethical business conduct and maintaining a fair and transparent commercial environment.

3.2 Risk Management

To mitigate potential risks, Hi-Clearance Inc.'s Board of Directors approved the Risk Management Policy and Procedures in 2023 as the guiding framework for the Company's risk management practices. The management structure is centered around the respective departments with authority and responsibility, as outlined below:

Responsible Department	Risk-related Business Matters
Board of Directors	• The highest governing body for corporate risk management • Responsible for approving the Company's risk management policies, procedures, and framework. • Supervise and ensure the effective operation of the overall risk management mechanism
Audit Committee	• Oversee operational mechanisms related to risk management • Review risk management policies, procedures, and frameworks, regularly examining their applicability and execution performance • Approve risk control priorities and risk levels, and propose improvement recommendations when necessary
Risk Management Task Force	• Responsible for planning, promoting, and implementing risk management-related matters • The President serves as the convener, appointing task force members based on operational activities and risk characteristics, and assigning dedicated units or departmental groups accordingly.
All Operating Departments	• Ensure effective execution of all procedures in alignment with the Company’ s risk management policies. • Identify and analyze risks within the department and provide relevant information. • Promptly receive and respond to regulatory requirements.

The Company's risk management framework is centered around its respective responsible departments, which carry out subsequent risk identification and control activities. Each year, the operational status is formally reported to the Board of Directors (this year's report was submitted on November 7), enabling the corporate governance unit to further supervise, participate in, and oversee the management of actual and potential risks. The Company implements risk responses for specific high-risk items to ensure sustainable operations.

Risk Category	Source Description	Risk Management Implementation Status
Environmental risk	Increase in GHG emissions	● The Company is not a manufacturing enterprise. The primary sources of greenhouse gas emissions are from official vehicle fuel consumption, employee commuting carbon emissions, and daily electricity usage. ● Promote the use of public transportation and reduce daily electricity consumption to minimize energy use. ● Conduct organizational greenhouse gas inventories in accordance with applicable laws and regulations, and improve operational practices after identifying high-carbon activities. ● Replace energy-intensive electrical equipment and expand the installation of solar power generation systems to increase the use and storage of renewable energy. ● Plan new office and facility buildings toward LEED Silver certification to create energy-efficient and sustainable operating spaces.
	Increase in waste treatment volume/decrease in recycling rate	● Continue promoting waste sorting and reduction of general waste. ● Entrust medical waste to qualified waste collection and disposal companies for recycling and treatment, enabling waste to be properly recycled and reused, giving it a second life and converting hazardous waste into non-hazardous waste.
	Water and power shortages	● Install solar power systems to gradually increase the use and storage of green energy, reducing reliance on electricity from Taipower.
	Typhoons, floods, and fires	● Plan natural disaster insurance to mitigate financial impact. ● Consider the area's flood risk when selecting office locations. ● Establish emergency response measures and enhance equipment maintenance to ensure continued operations during extreme weather events. ● Regularly inspect fire protection equipment to safeguard employee safety and minimize property losses. ● Conduct regular fire drills to enhance employees' knowledge and preparedness for disaster prevention.
Human resources risk	Human resources	● The Personnel Section conducts an annual salary survey and provides relevant information to management as a basis for establishing bonus programs, including performance-based, achievement-based, and year-end bonuses. These programs serve as the basis for individual performance evaluations, departmental incentives, and overall company performance awards. ● The Company provides leave policies that exceed statutory requirements. For example, employees receive full pay for up to 12 days of sick leave. The Company also has an Employee Welfare Committee that provides various subsidies and benefits. ● The Company conducts internal and external employee training programs annually to enhance employees' professional skills and strengthen their willingness to remain with the Company, thereby promoting workforce stability.
	Overworking	● The Company arranges free health examinations for employees on a regular basis each year to facilitate the early detection of potential health risks and enhance the effectiveness of health management. ● The Company offers professional occupational health consultations to identify and manage overwork risks, helping employees better balance their workload and overall well-being.
Operational risk	Ethics and integrity	● Conduct annual integrity audits aligned with control points in the internal control workflow. ● Establish information system management regulations. In addition to promoting the importance of integrity through periodic awareness campaigns, system controls can also be implemented to reduce potential operational risks. ● To provide clear guidance for employees, the Company has established various integrity management regulations. Additionally, to prevent unethical conduct, all employees undergo periodic ethics and integrity training at least once a year to reinforce the importance of ethical behavior.
	Credit risk	● Conduct credit checks on customers and suppliers on an as-needed basis and provide recommendations to the business units in advance when any irregularities are identified. ● Regularly monitor publicly available information and changes in exchange rates, interest rates, and other relevant information concerning banks with which the Company conducts business. When necessary, notify the relevant departments to take appropriate preventive measures to minimize potential losses.
	Information security incident	● An Information Security Officer has been appointed, and the Company adheres to cybersecurity management strategies to strengthen incident response capabilities and enhance information security awareness. ● Periodically promote information security management within the Company via email communications. ● Cultivate employees with information security certifications.

Risk Category	Source Description	Risk Management Implementation Status
Operational risk	Product liability	● Identify suppliers with high product quality and establish a comprehensive return and exchange mechanism with the original manufacturers. ● Strengthen understanding of market demand for various products to inform the Company's product introduction decisions. ● Strengthen supplier audits to ensure their products are supported by robust production management systems and that environmental restricted substances control plans are implemented throughout the manufacturing process. ● Obtain GDP distribution permits for medical devices and pharmaceuticals for the Company's warehouses to ensure that the storage and transportation of products comply with regulatory requirements and to enhance the medical device lifecycle management system.
	Supply chain disruption (Short term: Difficulties in arranging shipping schedules when overseas manufacturers are on holiday.)	● Place orders in advance of holidays to allow manufacturers to begin production early and coordinate export schedules with shipping timelines.
	Supply chain disruption (Medium term: Domestic and overseas suppliers may increase product prices due to fluctuations in exchange rates, interest rates, or economic conditions, or product shortages may occur for related reasons.)	● Maintain strong relationships with original manufacturers of key products to delay cost increases as much as possible. Rapidly integrate supplier cost and production data to identify solutions and minimize impact, while ensuring real-time control over materials and production scheduling. ● Identify alternative products with comparable quality and closely monitor material availability to reduce the risk of stock shortages.
	Supply chain disruption (Long term: A rapid increase in demand for core products may tighten manufacturers' supply and increase the risk of shortages.)	● Closely monitor delivery schedules and inventory trends to proactively mitigate stockout risks. ● Increase product inventory levels and adopt multi-source procurement strategies to reduce reliance on single suppliers and enhance supply flexibility.
Financial risk	Foreign exchange risk	● The Finance Department monitors daily changes in bank exchange rates and enters into forward foreign exchange transactions as appropriate to mitigate risks arising from exchange rate fluctuations. ● The Finance Department monitors market exchange rates daily and purchases foreign currencies as needed to meet payment requirements for purchases from foreign currency suppliers, thereby minimizing losses arising from exchange rate fluctuations.
	Interest rate risk	● Regularly evaluate bank interest rates and credit facilities and seek preferential market interest rates whenever possible to reduce the risk of interest losses arising from interest rate fluctuations. ● Monitor changes in interest rates and make appropriate adjustments to fund allocation as needed.
	Accounts receivable risk	● Conduct credit assessments before entering into transactions with customers. ● Implement credit limit controls for customer transactions to reduce the risk of uncollectible accounts receivable. ● The business unit regularly follows up on customer accounts receivable to prevent bad debt losses.
Strategy risk	Market risk	● Provide reasonable authorization for risk management in business operations. ● Stay informed of the latest domestic and international market trends. ● The business unit develops appropriate market research methods to monitor market trends effectively. ● Establish approval tiers for transaction limits; for transactions exceeding the set threshold, departmental supervisors must obtain authorization from the President before execution.
	Investment risk	● Engage in reinvestments, fund lending, endorsements and guarantees, and derivative financial transactions in accordance with company policies and internal control procedures. ● Engage in low-risk derivative financial transactions to meet genuine hedging needs.

3.3 Legal Compliance

To ensure compliance in operations and business activities, each unit regularly reviews applicable domestic and international regulations and updates internal procedures based on the latest legal requirements to enhance consistency and timeliness in regulatory adherence. In addition to regular internal reviews, regulatory updates are also obtained through professional consultants and independent directors. In response to potential disputes or complex issues, the Company may engage external legal counsel to provide professional legal advice and assist in safeguarding its rights.

In terms of corporate governance, the Company has established an Audit Committee, a Remuneration Committee, and a Nomination Committee to oversee the Company's financial operations, internal control systems, and compensation policies. The Company has also adopted the Corporate Governance Best Practice Principles and the Procedures Governing the Evaluation of the Performance of the Board of Directors to encourage active board participation in key decision-making. Additionally, a Corporate Governance Officer is appointed to support board operations and provide professional advice, thereby enhancing board effectiveness. Going forward, the Company will continue to follow the corporate governance evaluation framework and Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, striving to enhance employees' awareness and commitment to legal compliance.

In personnel management, the Company has established integrity-related regulations to promote honesty and uprightness as core values. Through the formulation and implementation of policies, self-assessment, whistleblower mechanisms, and protections for whistleblowers, a robust compliance firewall is built. Management leads by example, requiring all employees to ensure their business conduct complies with laws, company policies, and standards. Regardless of position, rank, or location, all staff must adhere to the Procedures for Ethical Management and Guidelines for Conduct, which cover confidentiality clauses, prohibition of dual employment, avoidance of conflicts of interest, gift-giving and receiving etiquette, and whistleblower protocols—fostering a law-abiding corporate culture and enhancing the Company’s reputation.

In terms of personnel training, the Company regularly conducts regulatory compliance education tailored to various departments and job levels to enhance employees' professional ethics and legal awareness. Training formats include onboarding programs, in-person courses, departmental briefings, external sessions, and email communications, ensuring employees have access to up-to-date regulatory information.

In terms of environmental protection, safety, and health, the Company regards suppliers as partners and is committed to long-term cooperative relationships. In addition to considering suppliers' delivery capabilities, product quality, delivery times, and price competitiveness, the Company has formulated the Supplier Management Policy with a global perspective on sustainable management as its vision. Suppliers are required to jointly commit to environmental protection, occupational safety and health, respect for human rights, and to fulfill corporate social responsibility.

All written contracts between the Company and its suppliers require compliance with applicable laws, integrity in conduct, and respect for human rights throughout the partnership. This includes prohibitions against child labor and forced labor, and bans on discriminatory treatment or any form of bias based on gender, sexual orientation, skin color, race, nationality, language, beliefs, religion, political stance, appearance, or physical or mental disability. Suppliers are expected to provide appropriate working conditions, protect the environment, engage in social welfare, and follow legally mandated management procedures to mitigate operational risks—thereby fulfilling corporate social responsibility and promoting sustainable business practices.

The Company recorded no violations for the year 2025. Should any occur, the responsible unit will promptly notify management and initiate investigation and corrective actions based on internal control and remediation mechanisms to prevent recurrence of similar incidents. To prevent legal violations, the Company conducted awareness and training sessions on regulatory changes and trends. In 2025, a total of 439 participants attended these programs, as detailed in the following statistical table.

◆ Hi-Clearance Inc. Annual Compliance Training

Date	Course	Content	No. of shareholders	Hours
2025.06.12	Ethical Business Conduct	Promote ethical business conduct as the foundation for establishing a sound corporate culture. All levels of the Company, from directors to employees, are required to comply with laws and ethical standards in business activities and are prohibited from offering or accepting improper benefits. The Company also establishes internal anti-corruption and anti-bribery mechanisms, including clear codes of conduct, operating procedures, training, and whistleblower reporting systems, to safeguard shareholder rights and achieve sustainable development.	Approximately 90 participants, from assistant supervisor level to senior manager level, including online participants.	0.5h
2025.06.12	Prevention of Workplace Unlawful Conduct and Sexual Harassment	In response to the fourth edition of the Guidelines for the Prevention of Unlawful Acts in the Performance of Duties issued by the Ministry of Labor in February 2025, strengthen legal education for all employees on the prevention of workplace unlawful conduct and sexual harassment.	Approximately 90 participants, from assistant supervisor level to senior manager level, including online participants.	0.5h
2025.08.04	Contract Execution and Accounts Receivable Collection	Strengthen sales personnel's legal knowledge regarding contract execution and the key considerations for subsequent collection of customer accounts receivable.	Approximately 80 participants, including sales supervisors at the supervisor level and above, including online participants.	1h
2025.09.17	I. Practical Introduction to Corporate Anti-Corruption Investigations (Case Studies on Unethical Conduct and Insider Trading) II. Practical Introduction to Trade Secret Investigations III. Anti-Financial Fraud Awareness IV. Introduction to Information Security	Enhance corporate internal controls and prevent fraud and scams, primarily covering practical investigations of corporate misconduct, such as unethical transactions and insider trading; trade secret protection; prevention of financial fraud; and corporate information security. Methods include case studies, recommendations for strengthening internal controls, and introductions to whistleblower reporting channels to help establish a culture of compliance and effective risk management mechanisms.	Approximately 90 frontline field employees and regulatory affairs personnel, including online participants.	1h
2025.09.25	I. Practical Introduction to Corporate Anti-Corruption Investigations (Case Studies on Unethical Conduct and Insider Trading) II. Practical Introduction to Trade Secret Investigations III. Anti-Financial Fraud Awareness IV. Introduction to Information Security	Enhance corporate internal controls and prevent fraud and scams, primarily covering practical investigations of corporate misconduct, such as unethical transactions and insider trading; trade secret protection; prevention of financial fraud; and corporate information security. Methods include case studies, recommendations for strengthening internal controls, and introductions to whistleblower reporting channels to help establish a culture of compliance and effective risk management mechanisms.	Approximately 60 frontline field employees and regulatory affairs personnel, including online participants.	1h
2025.12.26	Legal Knowledge Required Before and After Sales Contract Execution	Strengthen sales personnel's legal knowledge regarding contract execution and the key considerations for subsequent collection of customer accounts receivable.	Approximately 85 participants, including supervisors at the supervisor level and above in the business unit and deputy manager level and above in the General Administration Office, including online participants.	1h

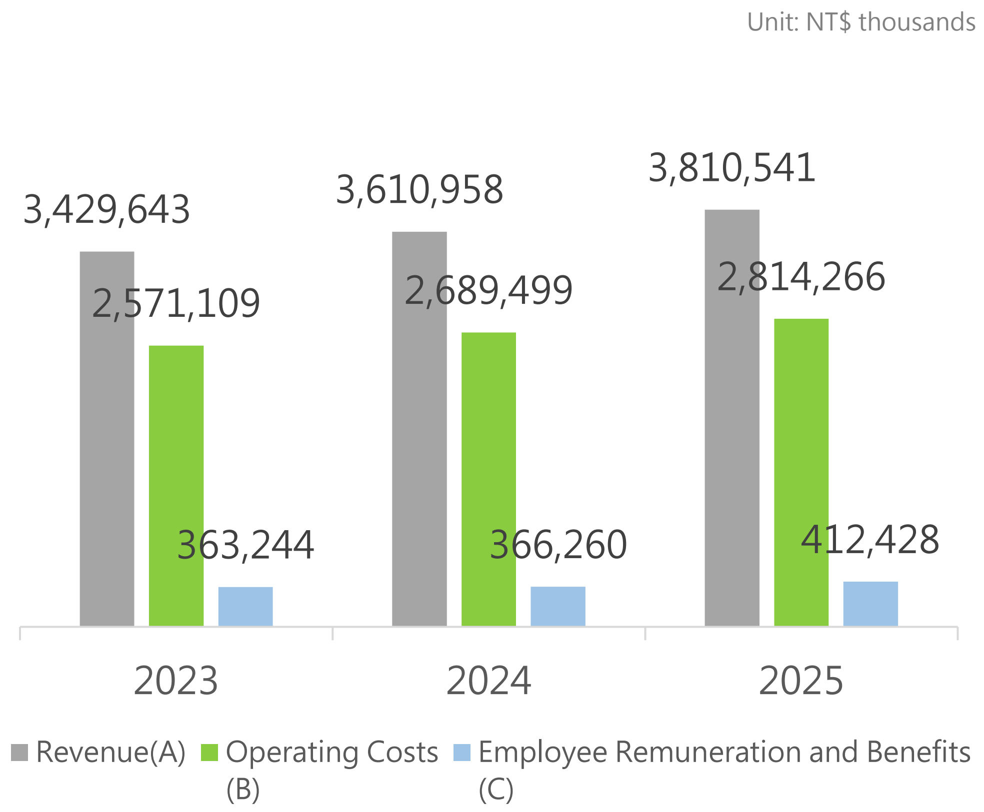
3.4 Operational Performance

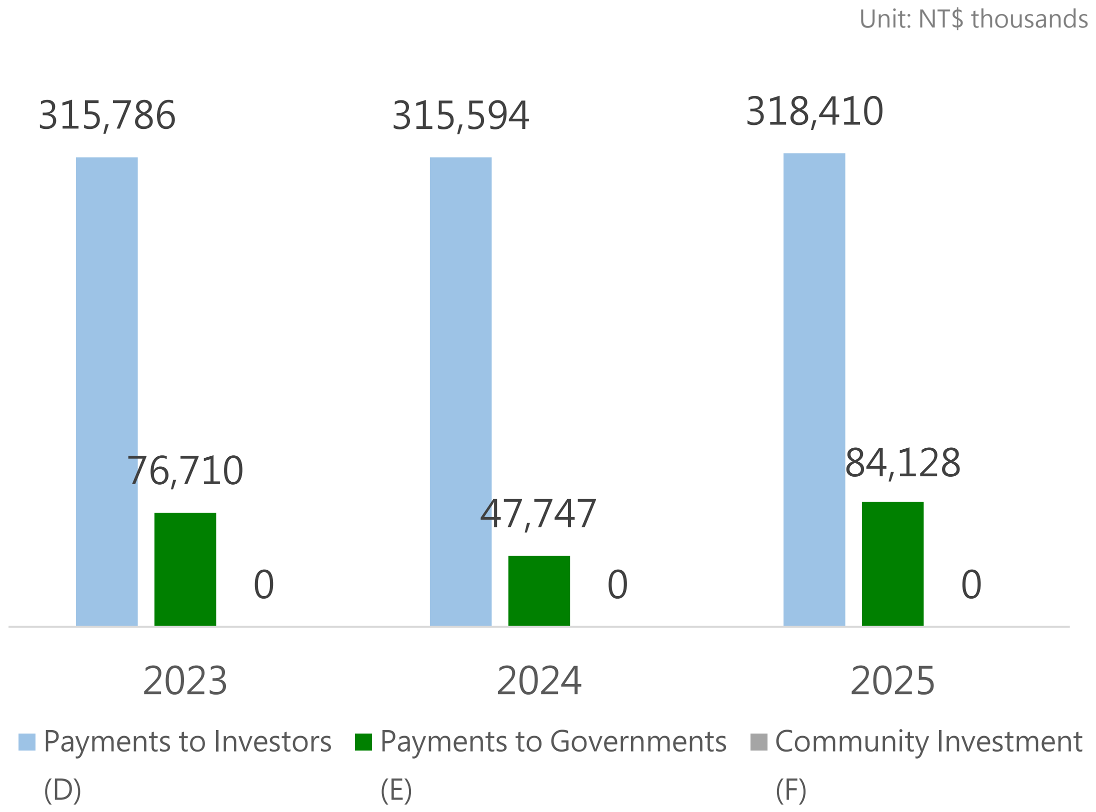
Amidst global healthcare supply chain challenges and a volatile economic environment, Hi-Clearance Inc. has demonstrated robust operational resilience and financial strength, achieving annual revenue of NT$3.810541 billion—a figure that remained stable compared to the previous year. To enhance operational synergies, the company has actively optimized sales and supply chain processes, while dedicating itself to improving service quality and expanding its operational platform. These measures aim to broaden service coverage for healthcare institutions and end-users, thereby solidifying a stable revenue structure. The company continues to pursue multi-sector development, striving to achieve a "triple-win" outcome that delivers satisfaction for customers, fulfillment for employees, and value for shareholders.

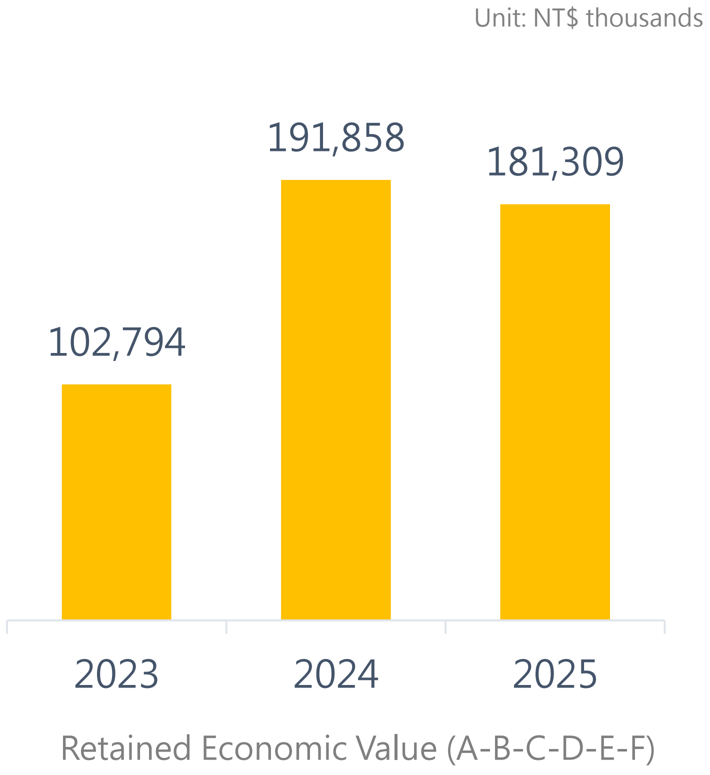
◆ Operational performance of individual

Item	2023	2024	2025
Revenue	3,429,643	3,610,958	3,810,541
Operating Costs	2,571,109	2,689,499	2,814,266
Employee Remuneration and Benefits	363,244	366,260	412,428
Payments to Investors	315,786	315,594	318,410
Payments to Governments	76,710	47,747	84,128
Community Investment	0	0	0
Retained Economic Value	102,794	191,858	181,309

Unit: NT$ thousands







3.5 Customer Service

Significance to the Company		• Our customer-first approach ensures that every customer can enjoy a complete experience, from pre-sale planning and consultation to professional, convenient, and reliable after-sales service, allowing customers to truly feel our dedication and ultimately achieve improved operational efficiency and cost reduction. • Curate an exceptional workforce, superior product quality, and excellent sales service; enabling customers to feel our professionalism, convenience, care, premium treatment, and trustworthiness.
Policy/Commitment		• Continue to strengthen the Company's distribution network in Taiwan's healthcare market, deepen partnerships with healthcare institutions, enhance the integration of sales and production operations and logistics management efficiency, expand the operating platform and business scale, increase market coverage and service capabilities, and provide the public, hospitals, and clinics with higher-quality, professional solutions.
Objective	Short-term	• Creating a stable, creative, and forward-looking work environment and delivering quality products to enhance patient care and share outcomes with employees and the broader public. • Year-on-year increase in customer satisfaction survey participation, with emphasis on customer feedback. • Strengthening the CRM system to enhance service efficiency.
	Mid- to long-term	• Upholding a Service-First philosophy, customers can contact the Company via its official website to inquire about product services, quality, and related issues. • Establish a B2C e-commerce platform to provide customers with a more convenient shopping experience.
Responsible Department/ Complaint Mechanism		• Responsible Department: Administration department of the General Administration Office • Complaint mechanism : wendy_chuang@hiclearance.com.tw
Resources Invested in the Fiscal Year		• Regular internal meetings to analyze and address customer feedback, ensuring the delivery of optimal solutions. • Proactive customer engagement to foster stable and trustworthy partnerships. • Collected 112 customer feedback survey forms to systematically grasp customer opinions and service needs. • Established the Customer Rights Protection Policy and Complaint Procedures for Product and Service Safety to ensure that every consumer can promptly raise and resolve relevant issues through a comprehensive complaint-handling mechanism.
Evaluation Mechanism/Results		• The number of customer complaints increased compared with the previous year, primarily due to a batch of defective products from an original equipment manufacturer during July and August, resulting in an approximately 22.6% increase in customer complaints in the second half of the year compared with the first half. The Company promptly communicated with the manufacturer regarding these issues and completed the necessary corrective measures.

Hi-Clearance Inc. implements a customer-first service philosophy, regarding customer satisfaction as the primary objective. Through a systematic service process, rigorous quality management, and years of accumulated experience, we ensure that every stage—from product consultation to after-sales service—meets the needs of medical institutions and patients. This commitment aligns with the spirit of United Nations Sustainable Development Goal (SDG) 3: "Ensure healthy lives and promote well-being for all at all ages."

The Company provides specialized product training and regular assessments for its sales team and maintenance engineers. This enhances employees' understanding of product features and application knowledge, enabling prompt responses to customer inquiries, improving service quality, and building a professionally competent sales and technical support team. Comprehensive training programs effectively help customers quickly understand product features and operating procedures, reducing complaints and concerns caused by improper use or insufficient information. This, in turn, strengthens customer trust and satisfaction.

In addition, the Company continues to optimize logistics and distribution operations to ensure stable product delivery times and quality, minimizing inconvenience caused by stockouts or delays. In terms of after-sales service, the Company not only provides product usage guidance but also offers maintenance and care recommendations, striving to deliver a comprehensive and reliable product experience for customers.

The Company continuously collects customer feedback through the customer feedback surveys as a key reference for improving service quality. Although the survey did not include a scoring mechanism, no dissatisfaction was observed in the collected feedback, and overall responses were consistently positive. The number of returned survey responses has steadily increased in recent years, indicating rising customer engagement. A total of 355 cases have been recovered over the past three years, demonstrating effective communication between the company and its customers and stable service satisfaction levels.

Number of Customer Feedback Surveys in the Past Three Years	2023	2024	2025
	109	134	112

Customer Communication Channels

- ✓ Irregular product education training and promotion of health education
- ✓ Pre-sales communication and after-sales services
- ✓ Customer feedback mailbox and company telephone
- ✓ Customer feedback surveys

3.6 Product Safety and Responsibility

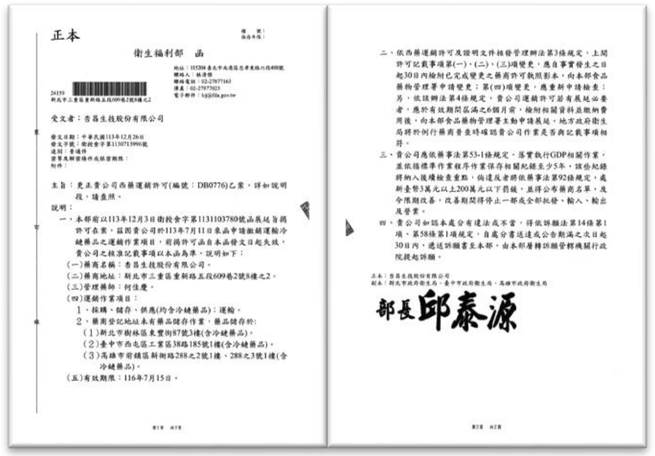
■ 3.6.1 Product Safety

<table>
<tr><td colspan="2">Significance to the Company</td><td>• Ensuring the safety and quality of medical devices is critical to patient health and the Company's reputation and is a key aspect of the Company's core operations. By introducing world-class medical products and continuously strengthening employee training, the Company provides customers with safe, high-quality products and services.</td></tr>
<tr><td colspan="2">Policy/Commitment</td><td>• The Company distributes high-quality medical devices and pharmaceuticals and is committed to selling only products that have been legally approved and licensed. The storage and transportation of products comply with applicable regulatory requirements. The Company implements medical device lifecycle management to ensure the safety and quality of medical products used by patients.</td></tr>
<tr><td rowspan="2">Objective</td><td>Short-term</td><td>• Increasing supplier communication meetings to review and improve product quality.
• Pharmaceutical GDP license to be granted extension approval in 2027.
• Medical device QMS license to be granted extension approval in 2027.</td></tr>
<tr><td>Mid- to long-term</td><td>• Initiate the application process for QMS and GDP certifications upon completion of the Chiayi medical logistics warehouse. In addition, to ensure optimal storage conditions, the Chiayi medical logistics warehouse is designed with a commitment to sustainable operations, aiming for LEED green building certification. We prioritize not only product safety but also minimizing environmental impact.</td></tr>
<tr><td colspan="2">Responsible Department/ Complaint Mechanism</td><td>• Responsible Department: Administration department of the General Administration Office
• Complaint mechanism : ESG@hiclearance.com.tw</td></tr>
<tr><td colspan="2">Resources Invested in the Fiscal Year</td><td>• Obtained an extension of the medical device QMS certification for the Kaohsiung warehouse.
• Conducted more than 70 hours of GDP- and QMS-related training during the year.
• No major product safety incidents occurred during the year.</td></tr>
<tr><td colspan="2">Significance to the Company</td><td>• No product recalls due to medical safety issues occurred in 2025.
• All Ministry of Health and Welfare product licenses remained valid throughout the year.</td></tr>
</table>

Hi-Clearance Inc.'s core products are medical devices and pharmaceuticals. Although the Company is not involved in manufacturing, it maintains full oversight of product quality and user safety throughout the entire lifecycle, from production and storage to final application on patients. According to Taiwan's Medical Devices Act, designated medical devices and their distributors are required to establish a Good Distribution Practice (GDP) system. Wholesale, import, or export activities may only proceed after passing official inspections and obtaining approval. GDP is a set of standards that ensures the quality and safety of medical devices during the distribution process. This encompasses the entire supply chain from production to end users, ensuring that the quality of medical devices remains unaffected throughout transportation, storage, and handling. For imported products, a Quality System Document (QSD) must be submitted to demonstrate that the manufacturer complies with international quality management system standards. The Company is fully compliant with the aforementioned regulations. Below are the relevant certifications obtained by Hi-Clearance Inc. :

1.

Pharmaceuticals GDP: The Taiwan Food and Drug Administration (TFDA) promotes the full implementation of GDP standards among pharmaceutical distributors. When conducting distribution operations, companies must ensure that procurement, storage, and supply activities throughout the supply chain comply with GDP requirements.



DB0776

2.

Medical devices GDP, medical device distribution license: The Medical Devices Act officially came into effect on May 1, 2021. Article 24 of the Act stipulates that designated medical devices and their distributors, as announced by the central competent authority, must establish a GDP system. Wholesale, import, or export activities may only be conducted after passing official inspection and obtaining distribution approval.

GDP0164

3.

Medical device manufacturing license: According to the medical devices Quality Management Systems (QMS), the purpose is to review the quality system of medical device manufacturers to ensure basic requirements such as safety, quality stability, and completeness of records. Although the Company is not a manufacturer, packaging and labeling are integral parts of the production process, and we place equal importance on managing these operations with precision and care.


QMS2035、QMS2245

3.6.2 Product Education and Training

To maintain the integrity of these systems and ensure employees possess the necessary knowledge and skills, Hi-Clearance Inc. continues to promote educational programs. The training plan encompasses both internal professional development and external continuing education.

The internal training courses are primarily designed to maintain professional knowledge related to GDP or QMS, including but not limited to the following:

- Regulations and standards related to medical devices
- Sales and service operational procedures
- Nonconforming product handling and product recall procedures
- Prevention and corrective measures
- Procurement and acceptance procedures

External training courses focus on understanding the latest developments from regulatory authorities, as well as mastering reporting procedures and the use of supporting tools, such as:

- Operation of electronic system for inspection and registration
- Application of the Taiwan Unique Device Identification System (TUDID)
- ISO 13485 internal auditor training
- Declaration practices for medical device source and distribution data
- advanced applications of the digital clinical trial

◆ 2025 Training Hours

Course Content	Course Type	Number of Participants	Hours
GDP	Internal Training	14	5h
GDP	External Training	16	65h
QMS	Internal Training	2	25h
QMS	External Training	14	114h
Pharmaceuticals & Medical Devices GDP	Newcomer	65	6h

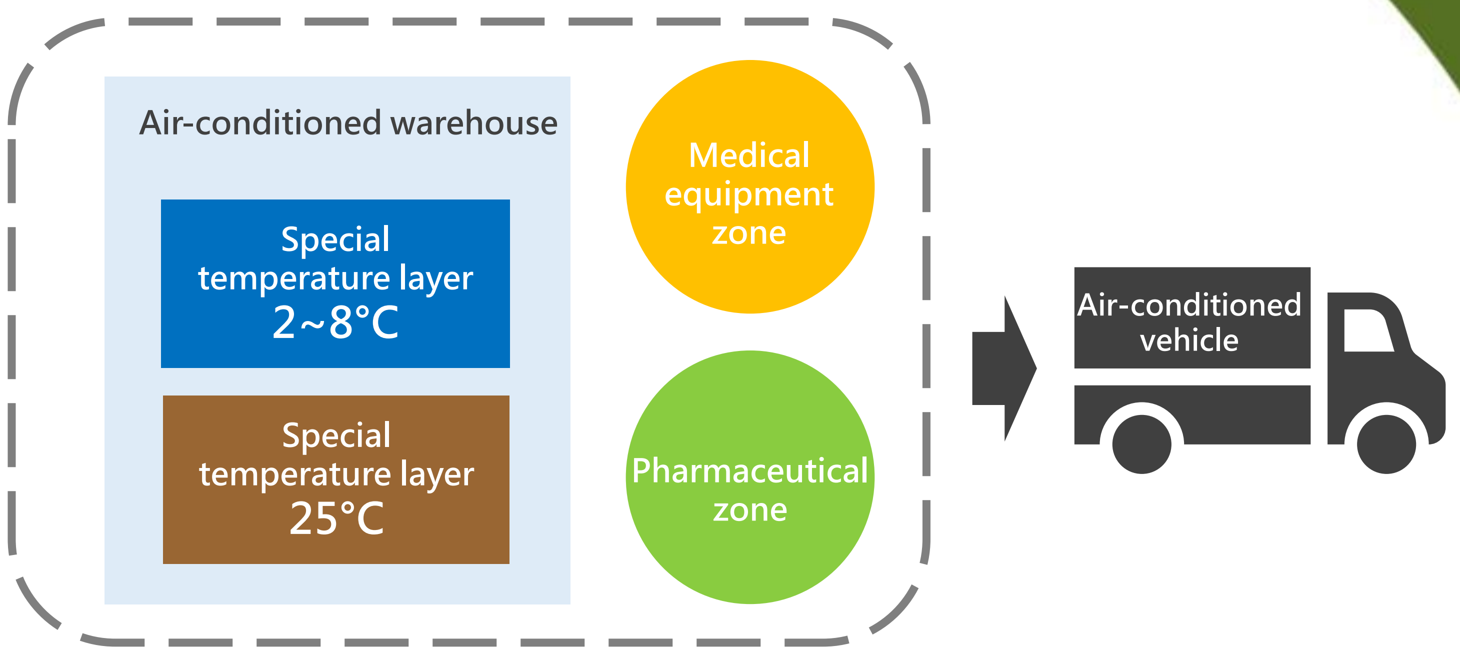
3.6.3 Annual Investments and Performance Outcomes

Item	Quantity	Manpower Investment	Expenditure (Application Fees)	Item
QSD (Input medical device quality system documents)		7	2person-months	420,000
Permit	New	3	2person-months	88,000
	Extension	10	1.5person-months	80,000
	Change	4	1.5person-months	220,000
Pharmaceutical GDP Shulin · Taichung · Kaohsiung	Change	0	0	0
Medical device QMS Kaohsiung	Change	1	1person-months	60,000

◆ Hi-Clearance Inc. 2025 Product Safety Implementation Status

1. Both company-owned and outsourced delivery vehicles are equipped with climate-controlled systems. Regular temperature mapping of cargo compartments and thermometer calibration are conducted to ensure delivery quality.
2. Warehouse space is fully designated as temperature-controlled storage zones. For products requiring specific temperature conditions, dedicated refrigerated units (2–8°C) are installed. Storage areas are organized according to labeled temperature requirements to ensure product quality.
3. To ensure product quality, all storage areas are equipped with continuous temperature recording devices. Based on temperature mapping, long-term monitoring points are established, and temperature and humidity data are recorded regularly to maintain conditions that meet product storage requirements.
4. Temperature mapping and thermometer calibration are regularly conducted in both pharmaceutical and medical device storage areas to ensure proper equipment functionality and compliance with product storage requirements.

Storage space



Note:
The purpose of temperature mapping is to identify the highest-risk areas within the storage zone. By testing multiple points across the area at fixed intervals, it assesses whether temperature conditions can be accurately maintained within the optimal range. Once the monitoring location is confirmed, daily temperature monitoring devices are installed to manage and maintain the environmental conditions of product storage.

◆ Incidents Concerning Marketing Communications

Fiscal Year	Total	Nature (Fines, Warnings, or Violations of Voluntary Codes)	Description of Corrective Actions
2023	1	The promotional content violated the Act Governing Food Safety and Sanitation and was subject to an administrative fine of NT$40,000.	1. Have the Regulation Section assist in reviewing the materials. 2. Conduct internal education and training promotion. 3. Promote self-directed learning through digital advertising courses and relevant regulations to enhance autonomous advertising management and regulatory knowledge.
	1	The promotional content violated medical device advertising regulations and was subject to an administrative fine of NT$200,000.	
2024	1	The promotional content involved violations of the Medical Devices Act and required immediate correction of the advertisement.	
2025	1	The outer packaging of an infrared forehead thermometer did not indicate the manufacturing date, resulting in a fine of NT$30,000.	

Apart from the marketing communication-related incidents listed above, there were no other cases of non-compliance with product and service labeling regulations. In 2025, Hi-Clearance Inc. recorded zero product recalls or removals from shelves due to medical safety issues or preventive recalls stemming from manufacturer quality concerns.

3.7 Information Security

3.7.1 Information Security Policy

Ensure the security of company hosts, network equipment, network communication, and customer privacy, 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.

Commitment: 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.

3.7.2 Responsible Units and Procedures

Information security has become one of the major operational risk concerns for global enterprises. As a result, both corporate organizations and government regulatory bodies are placing increasing emphasis on the management and maintenance of cybersecurity. In response, Hi-Clearance Inc. has established a Cyber Security Group, led by the head of the Information Department as the Chief of Information Security, supported by two dedicated security personnel. This team is responsible for coordinating, planning, executing, and analyzing security incidents, including:

◆ **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.

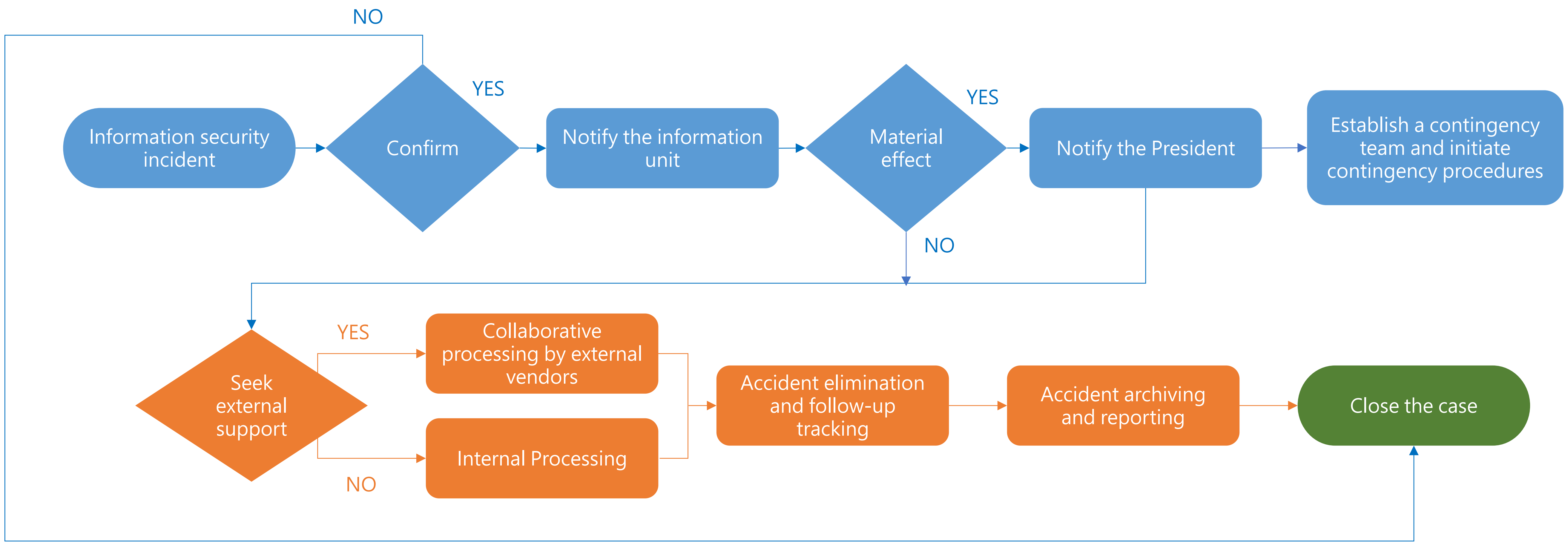
◆ **System protection**

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.

◆ **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.

Reporting and handling of cybersecurity incidents are conducted in accordance with the Company's established procedures. The information security reporting protocol is as follows:



■ 3.7.3 Education on Information Security

Hi-Clearance Inc. continuously strengthens cybersecurity awareness among all employees. In 2025, new hires completed the required information security training courses. For existing staff, a total of 13 awareness sessions were conducted throughout the year, with an average of 2 training hours per person and one cybersecurity incident drill executed. Furthermore, on September 17 and September 25, 2025, the Company invited the Ministry of Justice Investigation Bureau to conduct the Investigation Bureau and Corporate Partners Cooperation Series Promotional Seminar. The seminar lasted a total of 4 hours and covered corporate fraud prevention, anti-fraud measures, and information security awareness. The target audience was frontline employees, with more than 50 employees participating in total.

■ 3.7.4 Annual Investments and Performance Outcomes

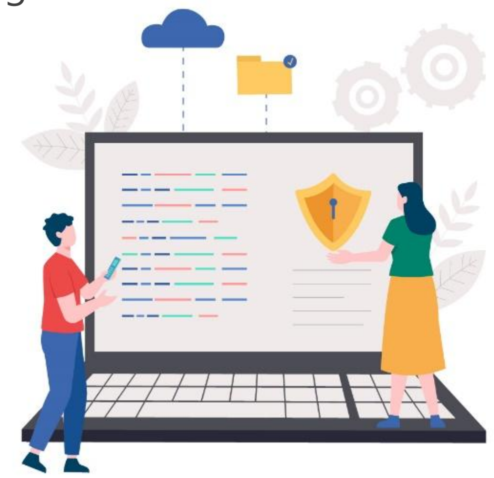
- Prevent external security attacks: Establish security mechanisms, such as firewalls and anti-virus software, and conduct regular maintenance and updates.
- Enhance employee's awareness of salary and security: e.g., advocating for correct concepts of salary and security, current salary and security issues, sharing classic cases, etc., and strengthening the handling of data and emails from unknown sources by employees.
- 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.
- Data security design: Important data shall be regularly and automatically backed up, and backup and reply operations shall not be practiced regularly.
- 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.
- 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 three security personnel.
- Information announcements periodically inform internal employees via email to advocate for information related issues and convey the importance of information security protection.
- 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.
- Information security personnel periodically participate in courses at the Taiwan Academy of Banking and Finance, specifically in courses related to information security education and training, and obtain certificates of completion through online assessments.

◆ Funds invested over the past three years

2023	2024	2025
3,426	4,106	5,106

Unit: NT$ thousands

In 2025, there were zero information security incidents and no complaints regarding customer data breaches. Additionally, audits related to internal control and information cycles revealed no significant deficiencies. Based on this outstanding performance, the Company received positive recognition and a score in the information security category of the corporate governance evaluation.



04. Sustainable Environment

Hi-Clearance Inc. has long upheld environmental sustainability as a core principle. Under the Sustainability Promotion Task Force, the Company has established an Environmental Sustainability Task Force responsible for implementing control measures related to energy consumption, greenhouse gas emissions, and waste management. This task force monitors and reviews key performance indicators, aligning its efforts with government policies and international trends to minimize environmental impact as much as possible.

4.1 Climate Change Risks and Opportunities

In recent years, extreme weather events have become increasingly frequent, and climate change has undeniably become a global challenge faced by all of humanity. Its growing impact on daily life is deeply felt, and for businesses, adapting to the significant disruptions it brings has become an urgent and pressing issue. With rising global awareness of climate-related crises, governments around the world have increasingly prioritized this issue. Through the establishment and revision of national and regional regulations, they have intensified efforts to urge enterprises to incorporate climate change considerations into their operational management. Hi-Clearance Inc. references the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations issued by the Financial Stability Board (FSB) 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 discloses its governance performance in the sustainability report to help stakeholders understand the impacts of climate change on the Company and its response strategies.

Disclosure Framework for Climate-Related Risks and Opportunities	
Governance	• Hi-Clearance Inc.'s climate change-related issues are addressed through cross-departmental integrated discussions led by the Sustainability Promotion 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. • Report the annual status and implementation effectiveness, along with sustainability disclosures, to the Chairman. Under the Chairman’s leadership, cultivate a corporate culture that prioritizes climate issues, demonstrating Hi-Clearance Inc.’s commitment to aligning with international organizations in the fight against global warming.
Strategy	• Hi-Clearance Inc., referencing the TCFD climate-related scenario analysis, has compiled a list of relevant physical risks, transition risks, and opportunities aligned with the Company’s characteristics. This list is documented and discussed during Sustainability Promotion Task Force meetings. To formulate effective response strategies, the Company adopts both quantitative and qualitative climate-related scenario analyses. Tools provided by the Climate Change Integration Platform (TCCIP) are concurrently utilized to support the evaluation of physical climate risk scenarios. In alignment with ISO 31000 Risk Management Guidelines, the Company assesses the impact and likelihood of scenarios outlined in the TCFD final report. The final identification of climate risks and opportunities related to the Company’s operational scope was conducted, with reference to TCFD reports from industry peers. The Company considers a 10-year period for its long-term operational development, defining short-term as 1-3 years, medium-term as 4-6 years, and long-term as 7-10 years. After identification, the major risks and opportunities related to climate change are as follows: (see "Response to Climate Change Risks and Opportunities" for details)

Disclosure Framework for Climate-Related Risks and Opportunities	
Strategy	• **Transition risk - Policy and regulatory risk** The Ministry of the Environment's Climate Change Response Act plans to impose a carbon fee on high carbon emitters starting in 2026. The potential financial impact is an increase in expenditures; however, under the current policies and conditions, the Company has not yet experienced a significant impact. In response to the Financial Supervisory Commission's Sustainable Development Roadmap, the Company is required to report greenhouse gas emissions for the year 2025 and beyond, which will result in increased costs in terms of manpower, time, and expenses. Hi-Clearance Inc. has implemented an action plan incorporating the GHG Protocol greenhouse gas inventory, established carbon reduction targets, and completed third-party verification. • **Physical risk - Immediacy** Due to the increase in extreme weather events, the frequency of typhoons and heavy rainfall has risen, which may cause warehouse flooding resulting in financial losses. The Company has promoted disaster prevention awareness and formulated countermeasures, thereby reducing overall operational risks to a controllable level. Hi-Clearance Inc.'s responsive measures include implementing regular cleaning and maintenance of building and drainage systems, along with establishing emergency response protocols to mitigate immediate risks. • **Opportunity - Energy sources** Install proprietary solar panels to reduce reliance on fossil fuels and mitigate risks from rising electricity costs, decreasing sensitivity to carbon pricing fluctuations such as carbon trading and carbon fees, thereby enabling more stable financial performance. • **Opportunity - Resilience** Establishing a new green building site in central Taiwan has the potential to enhance the market value of assets and is more conducive to long-term operations. It enables continuous operation without disruption amid climate and environmental changes, thereby strengthening brand image and goodwill.
Risk Management	• The Board of Directors serves as the highest governance body for the Company's risk management. It is responsible for approving risk management policies and frameworks, overseeing the effective operation of the overall risk management system, and allocating appropriate resources to ensure the implementation of relevant measures. In accordance with the Company's scale, industry characteristics, and operational activities, risk identification and analysis are conducted with due consideration of corporate sustainability (including climate change) and other relevant aspects, and their applicability is reviewed on a regular basis. In addition, the Company established the "Risk Management Policy and Procedures" in 2023. The status of risk management implementation is reported to the Board of Directors on a regular annual basis. Each operating department is also responsible for managing and responding to risks within its scope of responsibilities, including market, regulatory compliance, internal operations, disaster, information, and financial risks. • Hi-Clearance Inc. continuously monitors climate change risks by collecting data and assessing risk levels for effective management. The Company's risk management system has been approved by the President and integrated into the operations of all departments.
Metrics and Targets	• In late 2025, the Company began implementing the GHG Protocol to promote greenhouse gas emissions inventories. • 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. • The Company has invested a total of NT$6,000 thousand to install a solar power generation system at its self-owned warehouse in Shulin. As of the end of 2025, the system had generated a total of 92,320 kWh of renewable energy. Using 2025 as the baseline, the Company aims to maintain renewable energy generation at no less than the baseline level over the next three years and will assess opportunities to increase generation capacity based on actual conditions. Building on this foundation, the Company will continue to promote long-term energy transition and pursue its goal of achieving net-zero emissions by 2050.

Hi-Clearance Inc. annually assesses the risks posed by climate change through the Sustainability Promotion Task Force. These risks include

(1) changes in regulations, local government policies, and associated costs due to climate change.
(2) disclosure and reduction of greenhouse gas emissions.
(3) the impact of extreme weather events on upstream and downstream transportation.

Identify sources of risk, conduct risk analysis, risk assessment, and risk treatment, continuously improve, and discover opportunities in the process. The 2025 Climate Change Risk and Opportunity Assessment Project List is as follows:

Climate Change Risk Issues	Climate Change Opportunities
Enhancing GHG emission pricing	Adoption of more efficient transportation methods
Strengthening of emission reporting obligations	Utilization of more efficient production and distribution processes
Requirements and regulations for existing products and services	Recycling and reuse
Replacement of existing products and services with low-carbon alternatives	Switching to more energy-efficient buildings
Cost of low-carbon technology transformation	Reduction of water usage and consumption
Changes in customer behavior	Utilizing low-carbon energy
Market information uncertainty	Adoption of incentive policies
Increase in raw material costs	Participation in the carbon trading market
Changes in consumer preferences	Develop and/or increase low-carbon products and services
Industrial stigmatization	Diversification of business activities
Increase in the severity of extreme weather events, such as typhoons and water supply issues	Changes in consumer preferences
Changes in rainfall (water) patterns and extreme variations in climate patterns	Entering new markets
Average temperature increase	Participation in renewable energy projects and implementing energy-saving measures

The Company has established an "Environmental Management System," committing to environmental protection, the reduction of natural resource consumption, and the lowering of carbon emissions. Through a management mechanism focused on continuous improvement, we drive the Company's long-term sustainable development. This policy applies to all offices and employees; implementation is reviewed periodically to ensure the effective execution of environmental protection measures, and relevant results are disclosed on the Company's website or in its sustainability report.

As the Company is not engaged in manufacturing, it does not generate waste gas or wastewater emissions from production processes. In addition to complying with relevant environmental regulations, the Company actively addresses the risks and opportunities that climate change may pose to its current and future operations; it maintains a continuous focus on environmental protection, prioritizing management strategies such as energy conservation, waste reduction, changes in usage habits, and effective operational controls.

1 **Compliance with Domestic and International Environmental Regulations**
The Company strictly complies with all applicable domestic and international environmental protection laws and regulations.

2 **Energy Conservation and Carbon Reduction**
The Company continuously promotes energy conservation and carbon reduction initiatives to enhance energy efficiency, and has introduced greenhouse gas inventory management as a basis for internal carbon emissions management and reduction. Self-generated solar power is sold to Taiwan Power Company, increasing the proportion of domestic green energy use. The planning and design pf new factory offices aim to achieve the U.S. LEED Silver certification for green building.

3 **Water Conservation**
The Company adheres to the principle of minimizing unnecessary water consumption. Through routine management practices and awareness initiatives, it improves water use efficiency and prevents the waste of water resources.

4 **Green Procurement**
The Company gives priority to environmentally friendly and energy-efficient products, incorporating environmental considerations into its procurement practices to reduce environmental impact. Copy paper certified by the Programe for Endorsement of Forest Certification (PEFC) has been fully adopted. The Company is engaged in green procurement reporting.

5 **Waste Reduction**
The Company continues to promote waste sorting, recycling, and reduction management to decrease waste generation and improve resource utilization efficiency. Electronic approval and operational procedures have been implemented to reduce paper usage.

Climate Change Risk and Opportunity Response			
Risks and Opportunities	Impact Timeline	Impact on Company Operations	Measures for Addressing Risks and Opportunities
Compliance with Climate-Related Regulations	Short-term	• Increased expenditures on consulting, guidance, verification, and assurance services. • Increased costs for internal management and employee training. • Potential carbon fee expenses or investments in emissions reduction.	• Conduct greenhouse gas inventories and obtain assurance. Based on the inventory results, analyze carbon emission hotspots and prioritize emissions reduction measures for categories with higher emissions. • Develop dedicated personnel through internal training to reduce reliance on external consultants. • Establish standard operating procedures (SOPs) for greenhouse gas inventories to reduce the need for repetitive training, and gradually implement information systems for data collection and management to reduce manual processing costs. • Continue monitoring developments in the carbon fee system and its potential impact on supply chain costs.
Increased Severity of Extreme Weather Events	Mid-term	• Damage to warehousing facilities and products. • Delays or disruptions in logistics and distribution. • Disruptions to employee commutes and attendance. • Business interruptions.	• Conduct preventive drills in advance, gradually establish emergency response mechanisms, and strengthen disaster prevention measures for warehousing facilities. • Establish safety stock levels and diversify warehouse locations to reduce the risk of disruptions at a single site. • Obtain cargo insurance to reduce the financial risks associated with cargo losses. • Establish diversified logistics partnerships to avoid delivery disruptions caused by extreme weather events affecting a single transportation provider. • Allow employees to work remotely from home or flexibly adjust working hours as appropriate.
Use of Low-Carbon Energy and Implementation of Energy Conservation Measures	Long-term	• Initial investments may be required for the installation or replacement of renewable energy or energy-efficient equipment. • Additional personnel resources may be required to evaluate and manage related energy management measures.	• The Company's self-owned warehouse in Shulin has installed a solar power generation system and sold electricity to Taiwan Power Company in 2025. Although the electricity is not directly used for the Company's own consumption, the installation and operation of renewable energy facilities help increase the share of renewable energy in Taiwan and reduce the power system's reliance on fossil fuels. • The new plant and office facility in Chiayi is planned and designed with the goal of obtaining U.S. LEED Silver green building certification. In the long term, this can help reduce operating costs. Green buildings are environmentally friendly and designed for extended service life, providing advantages in terms of market value and reduced depreciation.

4.2 Energy Management

Hi-Clearance Inc. primarily sells medical products. In its operations, the main source of energy used is electricity, with additional consumption of diesel for warehouse trucks and gasoline for vehicles. Hi-Clearance Inc. uses the individual revenue of the parent company as the unit for calculating intensity, aligning with the boundary of the statistical energy data. This serves as a performance indicator for future management and tracking.

Energy consumption (GJ)	2023	2024	2025
Purchased electricity (GJ)	1253.33	1423.35	3546.56
Diesel (GJ)	251.12	388.47	368.80
Gasoline (GJ)	6231.06	6113.46	368.44
Total energy consumption (GJ)	7735.51	7925.28	4283.80
(Individual) Revenue (NT$ Million)	3,429.643	3,610.958	3,810,541
Energy intensity	2.2555	2.1949	0.0011

Note:
The inventory boundaries for 2023 and 2024 covered only the Company's headquarters and Shulin Warehouse. In addition to fuel consumption by company vehicles, Scope 1 inadvertently included fuel consumption for employees' personal vehicles used for business purposes at the Company's headquarters. Scope 2 electricity consumption was calculated based on the month indicated on each electricity bill.
The 2025 inventory boundary covers all of the Company's operations.

Our company does not operate in an energy-intensive industry and our energy consumption is relatively low compared to the manufacturing sector, we actively implement energy-saving measures, believing that consistent, long-term efforts will yield significant cumulative results. We have drafted an initial "Environmental Management System," and the implementation status for 2025 is as follows:

- Maintain office area temperature at 26°C to reduce air conditioning load.
- Turn off lights during the daily lunch break and operate air-conditioning equipment based on actual occupancy to avoid unnecessary energy consumption.
- Encourage employees to turn off computer monitors and lights when leaving their workstations and shut down computers after work to reduce standby power consumption.
- Prioritize the procurement of products with environmental or energy-efficiency labels, such as printers, lighting fixtures, and cleaning supplies.
- Gradually replace office equipment and other facilities with energy-efficient models.
- Sell self-generated solar power to Taiwan Power Company to increase the share of renewable energy used domestically.
- Design and plan new plant and office facilities with the goal of obtaining U.S. LEED Silver green building certification.
- Participate in the Green Public Procurement reporting program for private enterprises and aim to gradually increase the reported procurement amount.
- Encourage employees to use public transportation for commuting and carpool when traveling on business.
- Promote video conferencing to reduce energy consumption associated with business travel for meetings.
- Encourage employees to conserve water by posting environmental awareness reminders in pantries and restrooms.
- Set water dispensers to sleep mode to reduce electricity consumption and extend their service life.
- Encourage the use of reusable containers and reduce the use of single-use products, such as paper cups and plastic bags.
- Use copy paper certified with environmental labels and encourage the reuse of non-confidential waste paper.
- Digitize approval and operational processes to reduce paper consumption.
- Promote environmental protection knowledge and measures through announcements and email communications.
- Implement a GHG Protocol-based inventory system as a basis for internal organizational carbon emissions management and reduction.

4.2.1 Carbon Emission

Greenhouse gases causing climate change is a significant issue that the entire world must collectively face. The Company is making every effort to cooperate with global initiatives and respond to government policies. Although Hi-Clearance Inc. is not a major carbon emitter, it remains a part of the global community and is equally committed to contributing to the reduction of greenhouse gas emissions. At the end of 2025, the Company implemented a greenhouse gas inventory in accordance with the GHG Protocol to better understand the greenhouse gas emissions generated by its operations. The inventory serves as a basis for evaluating subsequent energy conservation and carbon reduction performance and enables the Company to proactively align with the net-zero transition pathway.

Hi-Clearance Inc. classifies greenhouse gas emissions by source into direct emissions (Scope 1), indirect emissions (Scope 2), and other indirect emissions. Direct emissions are generated by emission sources owned or controlled by the Company; currently, the Company tracks only gasoline and diesel consumption as direct emission sources. Indirect greenhouse gas emissions arise from purchased electricity, all of which is purchased from Taiwan Power Company. As for other indirect greenhouse gas emissions (Scope 3), the relevant emission sources are owned or controlled by other companies or entities. The Company has not yet obtained the relevant emissions data and is currently identifying applicable emission sources. The Company will subsequently disclose Scope 3 greenhouse gas emissions information in accordance with the timeline prescribed by the competent authorities.

◆ Emissions Statistics by Source Type

Type of Emission Source		Scope 1	Scope 2	Total Emissions Equivalent (mtCO2e)	(Individual) Revenue (NT$ Million)	GHG Emission Intensity
		Direct Emission	Indirect Emissions from Energy Use			
2023	Emissions equivalent (mtCO2e)	458.2007	171.9843	629.9458	3,429.643	0.1837
	Proportion (%)	72.71%	27.29%	100%		
2024	Emissions equivalent (mtCO2e)	460.5570	187.4082	647.5951	3,610.958	0.1794
	Proportion (%)	71.08%	28.92%	100%		
2025	Emissions equivalent (mtCO2e)	212.9411	466.9637	679.905	3,810.541	0.1785
	Proportion (%)	31.32%	68.68%	100%		

Note:
The diesel emission factor used for Scope 1 in 2023 and 2024 was incorrect; the data in this table have been corrected.
The inventory boundaries for 2023 and 2024 covered only the Company's headquarters and Shulin Warehouse. In addition to fuel consumption by company vehicles, Scope 1 inadvertently included fuel consumption for employees' personal vehicles used for business purposes at the Company's headquarters. Scope 2 electricity consumption was calculated based on the month indicated on each electricity bill.
The 2025 inventory boundary covers all of the Company's operations.

4.3 Medical Waste Management

Significance to the Company		• In addition to reducing the generation of general industrial waste and minimizing the use of packaging materials, Hi-Clearance Inc. is committed to supporting downstream customers in managing biomedical waste. By improving the reuse rate of medical waste and mitigating environmental impact, the Company creates added value that extends beyond the products themselves.
Policy/Commitment		• Comply with relevant environmental protection regulations and commit to the effective management and disposal of waste generated during operational processes to minimize negative impacts on the environment.
Objective	Short-term	• Ensure that third parties engaged for waste collection, transportation, and disposal comply with applicable standards and regulations. • Enhance employees' awareness and knowledge of environmental protection. • Prioritize the procurement of products with relevant environmental certifications.
	Mid- to long-term	• Increase the volume of medical waste collected and recycled from cooperating healthcare institutions.
Responsible Department/Complaint Mechanism		• Responsible Department: Administration department of the General Administration Office • Complaint mechanism : ESG@hiclearance.com.tw
Resources Invested in the Fiscal Year		• Engage qualified vendors to collect, transport, and dispose of waste. • Conduct waste sorting and environmental protection awareness and education programs. • No major environmental compliance violations occurred during the year.
Evaluation Mechanism/Results		• No violations of environmental laws or regulations occurred in 2025.

■ 4.3.1 Internal Waste

The Company is not part of the manufacturing sector, and its waste consists entirely of general waste, primarily including household garbage, wastepaper, and cardboard boxes. In line with environmental protection principles and a commitment to maximizing resource utilization, the Company actively complies with government policies to promote waste sorting, recycling, and reduction. In terms of waste management and control, the Company ensures that waste is properly handled and prevents improper disposal. Waste generated at the Company's headquarters office building is centrally collected by the building management committee and regularly collected, transported, and recycled by vendors engaged by the business park. Waste generated at Company-owned facilities is collected and handled by legally qualified vendors. Despite workforce expansion at the Shulin Warehouse and Taichung Service Center, annual waste collection volumes remained unchanged. Per capita recycling volume decreased by approximately 32% at the Shulin Warehouse and approximately 9% at the Taichung Service Center, indicating that workforce growth did not result in an additional waste burden and demonstrating effective waste management. All other service centers manage waste in accordance with government requirements.

4.3.2 Downstream Medical Waste

The Company fully recognizes that medical waste generated from the sale and use of its products, if not properly managed, may pose risks to the environment and public health. Accordingly, the Company assumes responsibility for managing the entire product life cycle and proactively engages licensed and professional waste disposal providers to offer medical waste recycling and disposal services to Hi-Clearance Inc. customers—for example, recycling plastic components such as artificial kidney casings and certain dialysis consumables. The Company has engaged Gshine Welltech Corp. (https://www.gishine.com.tw/), a professional firm specializing in medical waste management.

In recent years, Gshine Welltech Corp. has obtained ISO 9001 and ISO 14001 certifications, as well as Class A waste removal, reuse, and treatment permits—meeting Hi-Clearance Inc.' s high standards for partner selection. The firm has an extensive track record of collaboration with major medical institutions nationwide, including Tri-Service General Hospital, Chang Gung Memorial Hospital, China Medical University Hospital, Changhua Christian Hospital, Hualien Tzu Chi Hospital, and the Show Chwan Health Care System, demonstrating its strong expertise and capabilities. Additionally, Gshine Welltech Corp. has implemented ISO 14064-1 greenhouse gas inventory practices, contributing positively to upcoming Scope 3 value chain emission reduction efforts.

tCO_2e

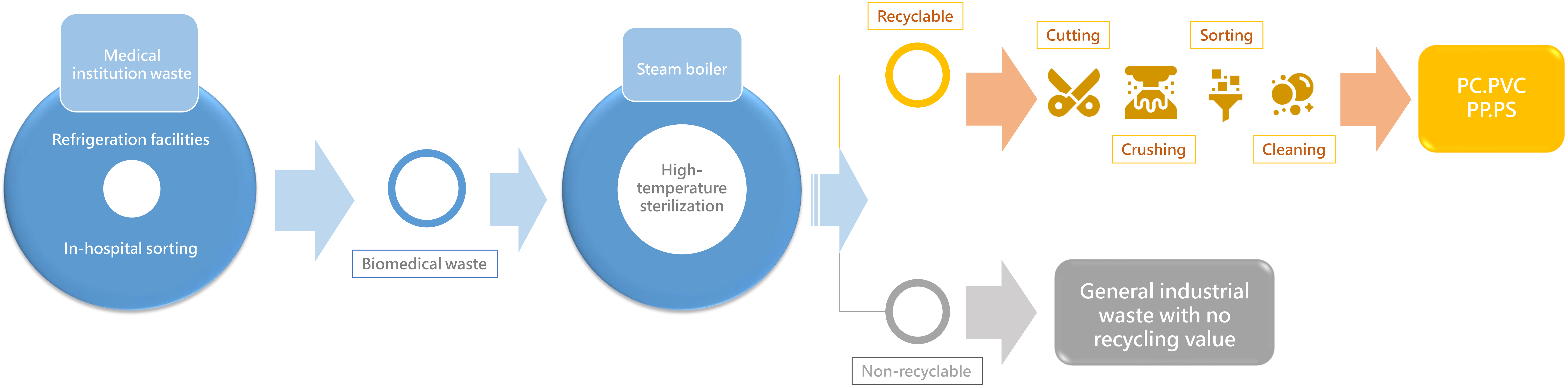
Location	Waste Type		Handling Method	2023	2024	2025
Headquarters Office Building Note 1	General waste		Incineration/recycling (off-site)	9.61	10.35	11.02
Shulin Warehouse	General waste		Incineration/recycling (off-site)	6	6	6
	Unused scrap materials, defective products, and consumables		Incineration (off-site)	19.48	5.74	0.72
Downstream Hemodialysis Medical Institutions Note 2	• General waste R-0201 • Mixed general medical waste D-2101 • Waste sharps C-0504 • Infectious waste C-0514 • Mixed infectious waste C-0599 • Mixed general medical waste D-2199	• Injection syringe • Artificial kidney • Catheters/tubing circuits • Infusion set • Dialysis canister • Soft bag	Off-site post-incineration recovery	295.92	300.78	156.3825

Note1 : The building management committee can only provide data for the entire building; therefore, allocation is estimated based on the number of units, with Hi-Clearance Inc. accounting for 4 out of a total of 41 units.
Note2 : Medical waste is uniformly processed by licensed biomedical waste recycling providers; howerver, detailed breakdowns by category are not yet available.
Note3 : Number of customers participating in recycling in 2024: 35 for yellow bags and 1 for empty containers. Number of customers participating in recycling in 2025: 19 for yellow bags and 2 for empty containers (one customer participated in both programs).

■ 4.3.3 Medical Waste Plastic Recycling

Hi-Clearance Inc. selects recycling-capable partners to process infectious medical plastic waste into reusable resources. Through sterilization, modification, pelletizing, and related technologies, these materials are transformed into PCR recycled plastic pellets certified under standards such as GRS and RCS. The recycled pellets are then used in the remanufacturing of plastic products, demonstrating the Company' s commitment to extended product life cycle management. The recycling and reuse rate is approximately 60%. In 2025, the cumulative volume of plastic waste processed nationwide was approximately 156,382.5 kg, with an estimated 93,830 kg of recycled plastic produced during the year.

Processing Procedures and Steps



4.4 Supply Chain Management

Significance to the Company		• A stable and compliant supply chain helps ensure product quality and timely delivery while reducing operational and regulatory compliance risks.
Policy/Commitment		• Establish long-term partnerships with suppliers and require them to comply with quality, regulatory, and other relevant responsibility requirements while providing safe, high-quality products that meet the Company's needs.
Objective	Short-term	• Strengthen the evaluation and management of new suppliers to reduce supply risks. Require new suppliers to sign a Supplier Social Responsibility Commitment to ensure joint compliance with environmental protection, occupational safety, labor rights, and other relevant requirements.
	Mid- to long-term	• Establish a stable and responsible supply chain through a sustainability assessment mechanism. Require key suppliers to complete and sign the Supplier Social Responsibility Commitment, enhance supply chain transparency, and work together toward sustainable operations while providing higher-quality products.
Responsible Department/Complaint Mechanism		• Responsible Department: International Trade Section, Administration Department • Complaint mechanism : ESG@hiclearance.com.tw
Resources Invested in the Fiscal Year		• Conduct supplier evaluations and regular reviews. • Communicate with key suppliers and work together on improvement initiatives. • Maintain a stable supply of products.
Evaluation Mechanism/Results		• Conducted sustainability questionnaire assessments for major suppliers. The 2025 assessment results were: Grade A – 81%; Grade B – 19%; Grade C – 0%; Grade D – 0%. • Number of major supply disruption incidents: None

Hi-Clearance Inc. fully recognizes that suppliers are key partners in the path toward sustainable business operations and is committed to maintaining long-term, stable relationships with them. Supplier selection is not based solely on price; in addition to evaluating product quality, delivery timelines, and cooperation, Hi-Clearance Inc. also encourages suppliers to prioritize sustainable development and risk management. Since 2024, Hi-Clearance Inc. has incorporated environmental and social criteria into its new supplier selection process. Starting in 2025, new suppliers have been required to sign a Social Responsibility Commitment to confirm their agreement to comply with relevant principles and requirements. This initiative not only helps enhance the quality of supply chain management but also demonstrates externally that, in addition to providing high-quality products, the Company is committed to ensuring that suppliers fulfill their responsibilities for sustainable development.

■ 4.4.1 New Supplier Selection Criteria

Environmental Standards

- Whether an Environmental Management System is in place, such as ISO 14001.
- Whether it possesses licenses or relevant permits issued by the local government, such as Good Distribution Practice (GDP) standards for excellent marketing and distribution.
- Identification and classification treatment of waste.
- Control, preservation, treatment, and recycling of hazardous substances.
- Whether there is a comprehensive sustainable operation plan in place, and no significant violations of regulations.

Social Standards

- Oppose all forms of discrimination and bullying, and treat every employee with fairness and justice.
- Comply with local labor laws on working hours, prohibit child labor, and ensure minimum wage protection.
- Implement preventive safety measures in the workplace to foster a healthy and friendly working environment.
- Establish fair and appropriate grievance channels, conduct objective and effective resolution, and protect whistleblower personal data.
- Promote social responsibility to stakeholders including employees, upstream suppliers, and customers.

Hi-Clearance Inc. maintains stable relationships with its existing suppliers. No new suppliers were added in 2025. All existing suppliers have signed Quality Agreements and agreements concerning Good Distribution Practices to ensure the quality and safety of medical products during transportation. In addition, the aforementioned standards are incorporated into the contractual terms when agreements are executed with suppliers.

	Number of New Suppliers Added	Number of New Suppliers Selected Based on Environmental and Social Standards	Proportion
2023	17	0	0%
2024	9	9	100%
2025	0	0	0%

4.4.2 Key Supplier Evaluation

In addition to the existing annual supplier evaluations, Hi-Clearance Inc. has introduced a sustainability self-assessment questionnaire that scores suppliers across three key areas: labor rights, environmental protection, and social responsibility. This initiative enables the Company to better understand the current status of its partners and serves as one of the reference criteria for determining future collaboration. If the questionnaire reveals areas with room for improvement, Hi-Clearance Inc. will provide relevant information and offer necessary support. As of the end of 2025, no suppliers were terminated for violating company policies, aligning with Hi-Clearance Inc.' s commitment to sustainable operations.

Supplier ESG Audits

Items	2024	2025
Number of Suppliers	25	16
Number of Suppliers Completing ESG Self-Assessments	18	16
Overall Supplier ESG Audit Rate	72.00%	100.00%

"Major suppliers" are defined as those accounting for 90% of the annual total transaction volume. In 2025, there were 16 major suppliers, all of which have completed assessments against environmental and social standards; the results are shown in the table below:

◆ 2025 Supplier Evaluation Results

Grade A	Excellent Supplier	81%
Grade B	Suppliers Eligible for Continued Business	19%
Grade C	Temporarily suspended; reassessed upon improvement	0%
Grade D	Disqualified, immediate termination of business relationship	0%

05. Social Engagement

Hi-Clearance Inc. is committed to fostering a respectful, supportive, diverse, and inclusive workplace. The Company continues to promote gender equality and diversity and inclusion, ensuring that employees are not subject to unfair treatment based on differences in cultural, racial, linguistic, religious, or other backgrounds. The Company also places great importance on employees' fundamental labor rights and is dedicated to creating a workplace characterized by mutual respect and a strong sense of belonging. At the same time, the Company recognizes the importance of employees' long-term development and retention. By providing competitive compensation and benefits and a fair reward system, the Company seeks to ensure that employees feel supported and valued, thereby strengthening their organizational commitment and stability.

In terms of talent development and career advancement, Hi-Clearance Inc. continues to enhance its training and development programs. Based on different job requirements and individual development goals, the Company provides diverse and progressive professional training and learning resources to help employees continuously strengthen their professional capabilities and job performance. The Company also promotes transparent and equitable promotion and development mechanisms so that employees' efforts are recognized and valued. Through clearly defined career paths, the Company supports employees in achieving steady growth and personal fulfillment.

In addition, the Company maintains effective two-way communication channels through regular labor-management meetings, listening to employee feedback and responding and making adjustments as appropriate to foster harmonious and stable labor-management relations. Given the characteristics of the healthcare industry, the Company also continues to prioritize employees' physical and mental well-being and occupational health and safety. It progressively enhances the workplace environment and safety management measures, with the goal of promoting the Company's long-term development in a stable and secure working environment.

5.1 Employee Overview

Hi-Clearance Inc. is committed to fostering a fair, safe, and inclusive workplace by continuously implementing various workplace equality and employee-friendly initiatives. The Company actively works to minimize the risk of any form of unequal working conditions, ensuring that all employees can work with confidence on an equal and respectful basis. The Company places great importance on protecting employees' fundamental rights and incorporates these principles into its daily management systems and human resources policies, with the goal of strengthening workplace fairness and transparency through institutionalized practices.

At the same time, Hi-Clearance Inc. has established comprehensive and diverse grievance channels and procedures, enabling employees to raise concerns appropriately and safely when their rights may be affected, when they encounter workplace concerns, or when they require assistance. The Company also places great importance on the efficiency and confidentiality of grievance handling, ensuring that concerns are promptly received, properly investigated, and appropriately addressed. This helps effectively protect employees' rights while continuously improving workplace communication and management mechanisms to strengthen trust and stability throughout the working environment.

5.1.1 Human Rights Protection

Hi-Clearance Inc. supports internationally recognized principles of fundamental human rights and refers to international human rights standards and frameworks, including the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. These principles and frameworks serve as important references for the Company' s human rights protection initiatives and internal management. Based on these principles, Hi-Clearance Inc. has established and implemented relevant internal management policies and codes of conduct to ensure that its operations at all levels uphold the principles of respecting human rights and protecting labor rights. The Company also continues to strengthen its commitment to corporate social responsibility. Compliance with the Labor Standards Act, the Gender Equality in Employment Act, and the Occupational Safety and Health Act to ensure the protection of statutory employee benefits.

◆ 2025 Human Rights Training Coverage Results

	Total Number of New Hires	Number of Participants	New Hire Training Participation Rate	Total Training Hours
New employees	82	82	100%	20.5h
Current employees	326	166	51%	42h

◆ Relevant measures

- Formulation of the "Regulations for the Prevention and Complaint of Sexual Harassment at the Workplace" and the "Declaration on the Prevention of Unlawful Workplace Infringement."
- Prohibition of child labor.
- Prohibition of forced labor.
- Care for minority and disadvantaged groups.
- Workplace safety: Maintenance of safe and sanitary working conditions.
- Workplace equality: Ensuring that no form of discrimination or differential treatment occurs based on gender, ethnicity, nationality, socioeconomic status, age, marital or family status, religion, political affiliation, appearance, height, or physical or mental disability.
- Compensation decisions follow the same principle, with no differences based on the aforementioned factors.
- Respecting the freedom of assembly and association, as well as the right to collective bargaining.
- Providing anonymous grievance channels.

Hi-Clearance Inc. complies with labor laws and human rights standards applicable at each of its operating locations. The Company incorporates human rights protection and labor rights principles into its daily management practices, employee education, and awareness initiatives. Relevant policies are communicated and explained to both existing and newly hired employees as appropriate to enhance all employees' awareness and understanding of fundamental human rights and labor rights.

To strengthen the implementation of human rights protections, the Company has also established whistleblower and grievance channels for employees to use when their rights may be affected or when suspected violations occur. Designated departments handle and investigate such cases in accordance with established procedures while ensuring the confidentiality and security of whistleblowers' personal information. If a report is substantiated, the Company commits to taking no form of adverse action against the whistleblower, thereby safeguarding the whistleblower's rights and ensuring the legitimacy and accessibility of the reporting channels.

The Company remains committed to fostering a workplace that respects human rights and strengthening the implementation and management of related systems. In 2025, no material violations of human rights-related regulations occurred.

5.1.2 Employee Statistics

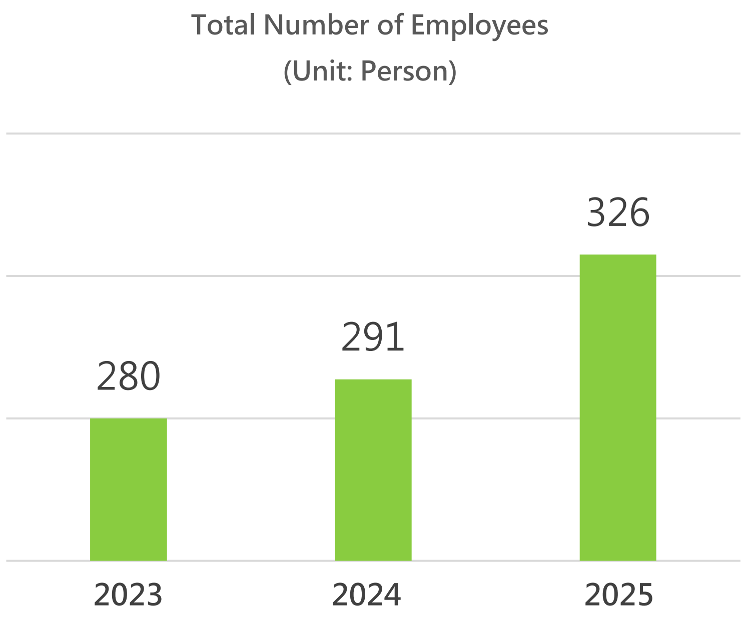
As a leading brand in medical device products, Hi-Clearance Inc. has experienced increased business demand in recent years, driving revenue growth and significantly expanding its need for talent. With competitive compensation and benefits, the Company successfully attracts outstanding professionals to join and contribute to its development.

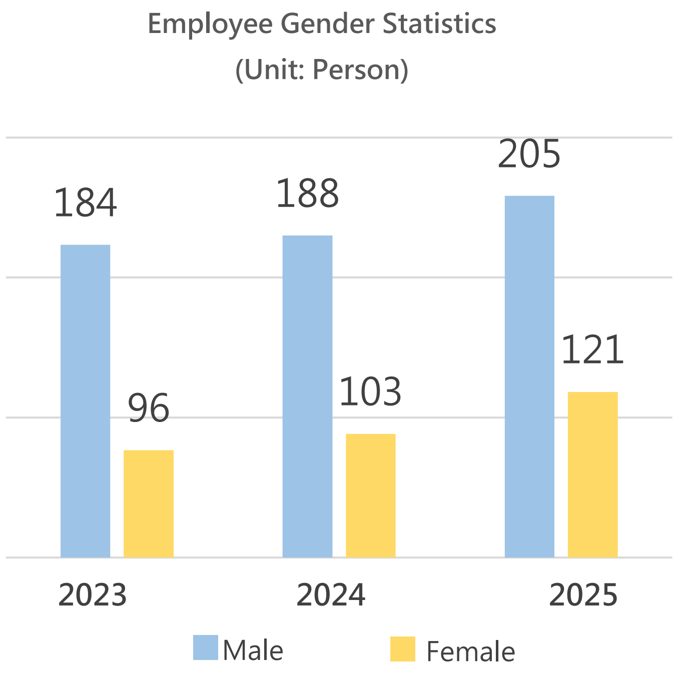
All employees of the Company (i.e., full-time employees) are employed under indefinite-term contracts. The Company provides a long-term and stable working environment, enabling employees to fully dedicate themselves to their work without concerns. This approach helps to secure employees' economic well-being and ensures that there is no discrimination based on gender, age, or race. Over the past three years, the number of female employees at the Company has steadily increased. In terms of age distribution, approximately 70% of employees are between 30 and 50 years old, forming a core workforce of mid-career professionals.

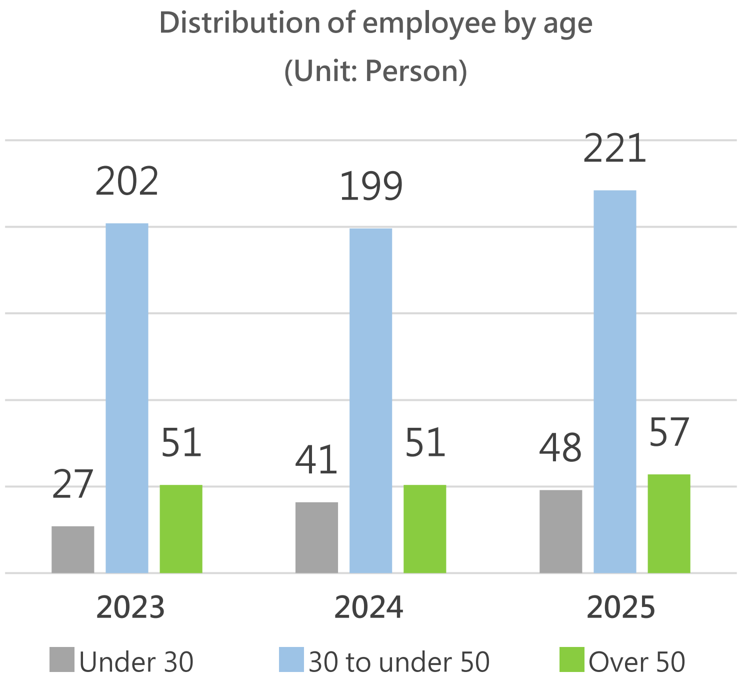
Teams are led by experienced colleagues with substantial practical expertise. The workforce structure remains stable, with a slight and steady increase in employee numbers. There is currently no risk of staffing shortages.

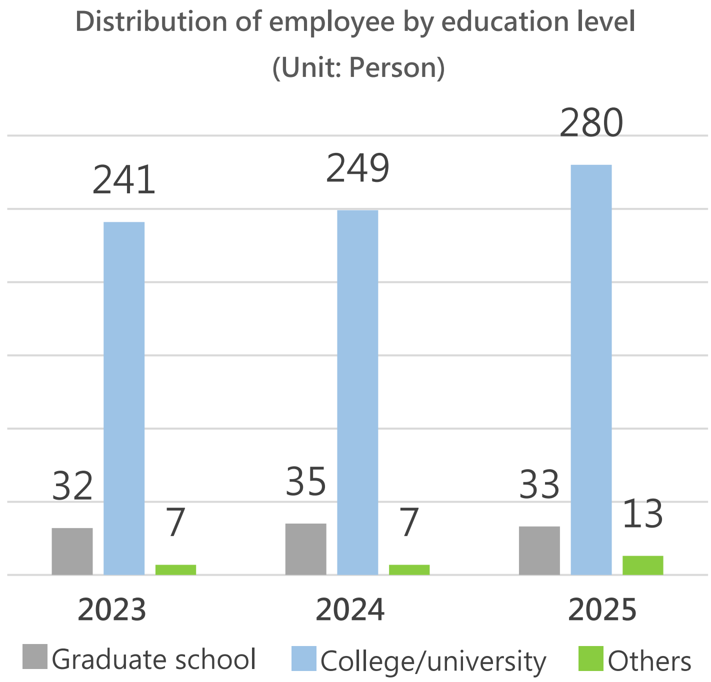
At its Taiwan operations, Hi-Clearance Inc. maintains a 100% rate of appointing local talent to senior management positions. This reflects the Company' s commitment to collaborating with local communities in talent development, attracting skilled professionals to work close to home, fostering local recognition, and contributing to regional economic growth.

At current, the Company has no non-employee workers, as its business model does not require commissioned or contracted personnel. Should such a need arise in the future, the Company will ensure appropriate treatment and uphold their labor rights and occupational health and safety.









Note:
The calculation method is as follows:
Percentage of direct personnel under age 30 = (Total number of direct personnel under age 30 at year-end / total number of employees at year-end) × 100%
Percentage of indirect personnel with graduate-level education = (Total number of indirect personnel with graduate-level education during the year / Total number of employees at year-end) × 100%

◆ Diversity Statistics/Year

Diversity Statistics/Year		2023		2024		2025	
		No. of shareholders	Percentage	No. of shareholders	Percentage	No. of shareholders	Percentage
Gender	Male	184	65.71%	188	64.60%	205	62.88%
	Female	96	34.29%	103	35.40%	121	37.12%
Age	Under 30	27	9.64%	41	14.09%	48	14.72%
	30 to under 50	202	72.14%	199	68.38%	221	67.79%
	Over 50	51	18.22%	51	17.53%	57	17.49%
Educational Background	Graduate school	32	11.43%	35	12.02%	33	10.12%
	College / university	241	86.07%	249	85.57%	280	85.89%
	Others	7	2.50%	7	2.41%	13	3.99%

Amidst a highly competitive talent market, the turnover rate for 2025 saw a slight decrease of 0.98% compared to the previous year, with staff retention remaining stable. Overall, the team structure has maintained a healthy stability, unaffected by significant external market fluctuations, demonstrating the organization's resilience in talent retention.

◆ New Hire and Turnover/Year

Annual Statistics of Employee Hires		2023		2024		2025	
		Total	Proportion	Total	Proportion	Total	Proportion
New Employees							
Age	Under 30	17	6.07%	24	8.25%	8	2.45%
	30 to under 50	17	6.07%	27	9.28%	42	12.88%
	Over 50	2	0.71%	2	0.69%	6	1.84%
Gender	Male	26	9.29%	31	10.65%	29	8.90%
	Female	10	3.57%	22	7.56%	27	8.28%
Educational Background	Graduate school	3	1.07%	3	1.03%	4	1.23%
	College/university	33	11.79%	47	16.15%	45	13.80%
	Others	0	0.00%	3	1.03%	7	2.15%
Location	Northern	23	8.21%	37	12.71%	38	11.66%
	Central	3	1.07%	10	3.44%	7	2.15%
	Southern	10	3.57%	6	2.06%	11	3.37%

◆ Employee Turnover/Year

Annual Statistics of Employee Departures		2023		2024		2025	
		Total	Proportion	Total	Proportion	Total	Proportion
Employee Turnover							
Age	Under 30	10	3.57%	12	4.12%	10	3.07%
	30 to under 50	13	4.64%	29	9.97%	33	10.12%
	Over 50	2	0.71%	2	0.69%	2	0.61%
Gender	Male	18	6.43%	27	9.28%	21	6.44%
	Female	7	2.50%	16	5.50%	24	7.36%
Educational Background	Graduate school	3	1.07%	4	1.37%	3	0.92%
	College/university	21	7.50%	36	12.37%	37	11.35%
	Others	1	0.36%	3	1.03%	5	1.53%
Location	Northern	16	5.71%	32	11.00%	32	9.82%
	Central	3	1.07%	8	2.75%	5	1.53%
	Southern	6	2.14%	3	1.03%	8	2.45%

Note 1:
Data is based on the total number of employees as of year-end (December 31).
Note 2:
New hire rate = (Total number of new employees in the specified category during the year / Total number of employees in the same category at year-end) × 100%.
Turnover rate = (Total number of employees who left in the specified category during the year / Total number of employees in the same category at year-end) × 100%.

5.2 Talent Attraction and Retention

Significance to the Company		• Talented and stable employees are the foundation of the Company's professional services and competitiveness and help enhance overall operational efficiency.
Policy/Commitment		• Provide competitive compensation, comprehensive benefits, and a safe working environment to attract and retain talented employees.
Objective	Short-term	• Regularly review the competitiveness of the Company's overall compensation and benefits compared with those offered by industry peers. • Continue to focus on employee physical and mental well-being and provide a healthy and supportive workplace.
	Mid- to long-term	• Monitor compensation and benefits offered by industry peers and continue to provide benefits that exceed statutory requirements. • Provide diverse learning and career development opportunities to improve employee retention.
Responsible Department/Complaint Mechanism		• Responsible Department: Personnel & Administration Section of the General Administration Office • Complaint mechanism : christine_yang101@hiclearance.com.tw
Resources Invested in the Fiscal Year		• Provide summer internship opportunities. • Provide employee referral bonuses to encourage employees to recommend talented individuals for employment with the Company. • Award a commemorative medal and gift every five years to employees with five or more years of service.
Evaluation Mechanism/Results		• Five summer internship positions were offered in 2025. • Four employees joined the Company through the employee referral program in 2025. • The turnover rate among employees with five or more years of service was below 5%.

Abundant talent is the core driving force behind the Company' s sustainable development. Hi-Clearance Inc. generously rewards employees who deliver strong performance and long-term contributions, thereby attracting more outstanding professionals to remain with the Company. According to the "Information on Full-Time Employees Without Supervisory Responsibilities" disclosed on the Market Observation Post System in 2023, Hi-Clearance Inc.' s employee salaries are significantly higher than the industry average. We uphold the principle of treating employees equally and have established a transparent evaluation and reward system. This fosters a healthy, competitive work environment where colleagues are motivated to enhance their performance. It also strengthens employee retention, builds team cohesion, and encourages active participation in company affairs. In addition to preferential treatment in compensation and benefits, we equally value the capabilities and future development of our employees. The Company has established an education and training program to arrange for staff to pursue further studies, enabling them to continuously improve in their respective professional fields and realize their self-worth. Additionally, Hi-Clearance Inc. has established multiple channels for open dialogue with employees, enabling timely feedback and constructive responses. This approach fosters mutual trust and harmonious labor-management relations.

5.2.1 Compensation and Benefits

Hi-Clearance Inc. has established a performance-driven compensation system that provides remuneration exceeding local regulatory requirements and aligned with market competitiveness, based on the achievement rate of annual operational targets and overall company profitability. To ensure that employee performance is appropriately reflected in compensation, all staff undergo annual evaluations covering both performance and career development. The results are incorporated into promotion and salary adjustment decisions, enabling those with technical potential to deepen their expertise as domain specialists, while those with leadership qualities are cultivated for management roles, supporting diverse career development pathways.

The compensation structure is based primarily on years of service, educational background, and professional competence, and shall never result in disparities in treatment due to physiological or psychological differences. As employees accumulate experience and contributions, their industry knowledge and expertise become increasingly proficient. The Company is also willing to share operational achievements concurrently, as concretely reflected in the fact that the average annual salary of full-time employees who do not hold managerial positions is significantly higher than the industry average. This allows employees to dedicate their skills without concerns, thereby enhancing their loyalty and sense of belonging to the Company.

Fiscal Year	Employee Salary Median (NT$ thousand/employee)	Employee Salary Average (NT$ thousand/employee)	Peer Companies Employee Salary Average (NT$ thousand/employee)
2024	916	1,091	787
2025	900	1,054	798

Note : Data are sourced from the Market Observation Post System and refer to full-time employees who do not hold managerial positions.

Full-Time Employee Benefits

- Year-end bonus
- Holiday bonus/gifts
- Transportation allowance
- Domestic and international travel subsidies
- Marriage · childbirth · funeral subsidies
- Birthday gift voucher
- Full-pay sick leave
- Group insurance and health checkups
- Continuing education subsidy

Employees are provided with a range of welfare measures and a comfortable working environment; all full-time staff are entitled to these benefits regardless of gender, age, religion, marital status, or other personal characteristics. Furthermore, regarding the salaries of frontline employees, the Company's standard wages for all frontline staff, regardless of gender, are higher than the local minimum wage. The salary standards are determined solely based on job position and function, with no differences between genders. Additionally, adjustments are made with reference to the local cost of living.

Grassroots Employees by Region	Gender	Ratio of Standard Salary to Local Minimum Wage
Northern	Male	1.08
	Female	1.08
Central	Male	1.01
	Female	1.01
Southern	Male	1.01
	Female	1.01

Note:
Standard salary refers to the minimum fixed amount paid to employees for performing their duties, excluding any additional compensation such as overtime pay, bonuses, or various allowances.

Significant Operating Locations	Total Number of Senior Executives	Number of Senior Executives Hired from the Local Community	Proportion
Northern	16	16	100%
Central	2	2	100%
Southern	1	1	100%

Note1 : "Senior executives" refers to employees at the manager level and above.
Note2 : Percentage calculation: (Number of senior executives hired from the local community at each operating location ÷ total number of senior executives at each operating location) × 100%.

To build a friendly, equitable, and inclusive workplace, Hi-Clearance Inc. has established internal policies and regulations, including the Employee Handbook, Work Rules, Sexual Harassment Prevention Measures, and Workplace Diversity Policy. These policies clearly protect employee rights in areas such as age, working hours, leave and attendance, and gender, while promoting equal employment opportunities and a supportive workplace culture.

To help employees balance work and family responsibilities and support the government's policies encouraging childbirth, the Company provides childbirth subsidies, as well as on-site nursing consultation services for pregnant employees and dedicated breastfeeding and milk-expressing rooms to create a supportive environment during pregnancy and breastfeeding. The Company also provides family care leave, menstrual leave, prenatal examination leave, maternity leave, and leave for prenatal examinations and childbirth accompaniment. In addition, the Company provides unpaid leave options based on employees' needs, which are available to employees of all genders. The Company also makes every effort to support employees in successfully returning to work after their unpaid leave ends.

In addition, the Company has entered into long-term cooperation agreements with nearby childcare providers to offer employees' children discounted registration fees, along with school supplies such as backpacks, tableware, and bibs. These measures help working parents reduce the burden of childcare. Through comprehensive family support measures and a supportive workplace system, the Company enables employees to balance work and family responsibilities with greater peace of mind. Hi-Clearance Inc. will continue to foster a diverse, equitable, and inclusive workplace where employees of all genders can fully leverage their professional capabilities and collectively strengthen the Company's sustainable competitiveness.

◆ Employee Parental

Employee Parental/Annual Leave	Gender	2023	2024	2025
Employees eligible for parental leave	Male	31	27	19
	Female	18	16	10
Employees who applied for parental leave	Male	0	1	1
	Female	3	5	0
Employees scheduled to resume work post-parental leave	Male	0	1	0
	Female	3	5	1
Employees who actually resumed work post-parental leave (including early return)	Male	0	1	0
	Female	2	2	1
Reinstatement Rate	Male	0%	100%	0%
	Female	67%	40%	100%
Employees who remained employed for 12 months after resuming work post-parental leave	Male	0	1	1
	Female	2	2	1
Retention Rate	Male	0%	100%	100%
	Female	100%	100%	50%

Note:
Reinstatement rate = (Total number of employees who actually resumed work / Total number of employees scheduled to resume work) × 100%.
Retention rate = (Total number of employees still employed 12 months after reinstatement/Actual number of employees reinstated in the previous year) × 100%.

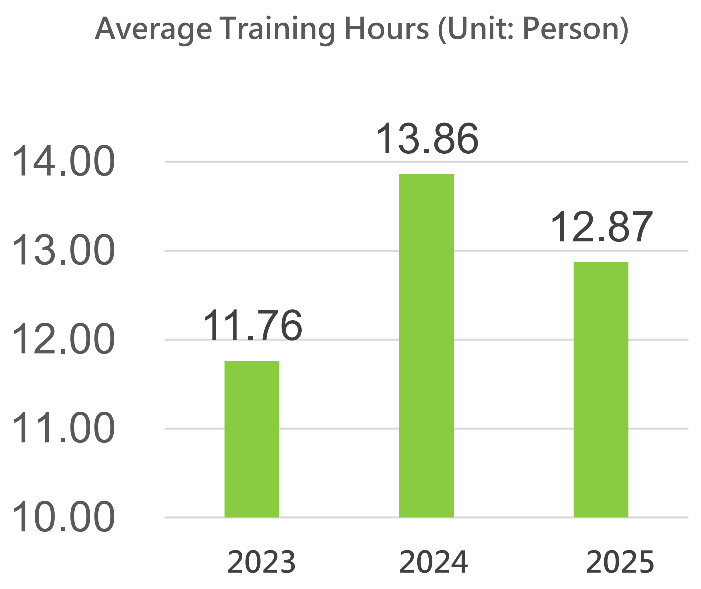
In 2025, a total of 1 employees applied for parental leave, including one male employee. In the year, 1 female employees resumed work. The relatively low rate of female employees returning to work is primarily due to personal career planning and other factors, which the Company respects and supports. Over the past three years, 100% of female employees who resumed work after parental leave have remained employed, demonstrating the stable effectiveness of the Company’ s workplace reintegration system. Employees also highly affirm the overall work environment and support measures.

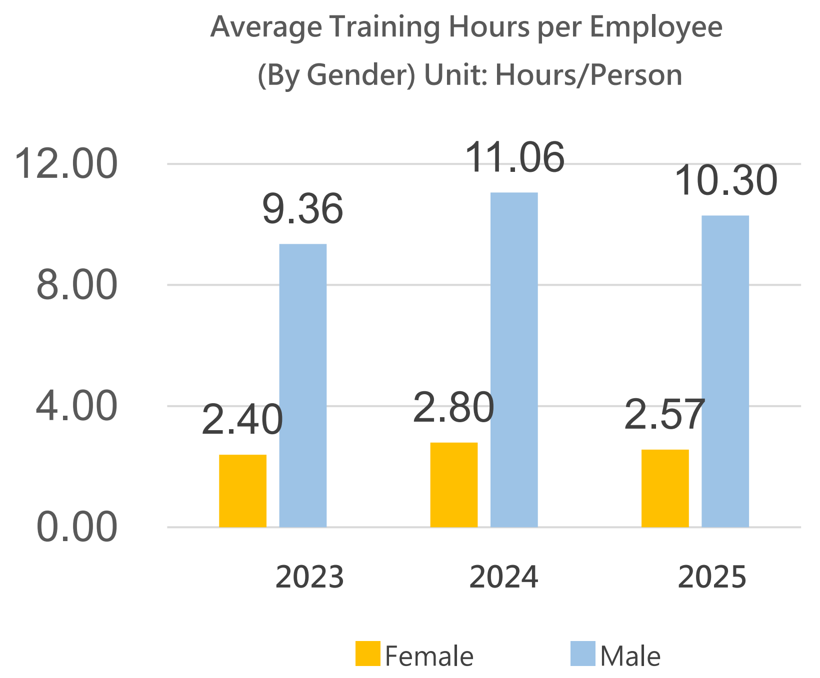
To safeguard employees’ financial planning for retirement, Hi-Clearance Inc. has established a pension system comprising a defined benefit plan (old pension scheme) and a defined contribution plan (new pension scheme), ensuring employees’ rights to receive future pension benefits.

Defined Benefit Plans (Old Pension Scheme)	Hi-Clearance Inc.' s retirement system fully complies with the provisions of the Labor Standards Act. Employees who have served for 15 years or more and are aged 55 or above, or those with at least 25 years of service, may apply for voluntary retirement. Pension benefits are calculated based on years of service: two base units are granted for each full year of service up to 15 years, and one base unit for each additional year beyond 15 years, with a maximum total of 45 base units. The Company has established a supervisory committee and a dedicated pension fund account for contributions. As of the end of 2025, the balance of the dedicated account stood at NT$22,900,000, which is sufficient to meet the pension obligations for personnel eligible for retirement. One employee applied for retirement during the year.
Defined Contribution Plans (New Pension Scheme)	Since July 1, 2005, Hi-Clearance Inc. has contributed no less than 6% of each employee' s monthly salary to the retirement fund in accordance with the Labor Pension Act. These contributions are deposited into individual retirement accounts established by the Bureau of Labor Insurance. In 2025, the total amount allocated to the dedicated account reached NT$15,734,000.

5.2.2 Talent Development

For Hi-Clearance Inc., the driving force behind sustainable corporate development lies in the continuous growth of talent and the accumulation of innovative capabilities. We firmly believe that only through a systematic education and training program combined with a structured career development framework can we ensure the enhancement of human capital and maintain a competitive edge in a rapidly evolving industrial landscape. Accordingly, the Company has made long-term investments to establish a diversified training framework built on new hire training, with professional competencies and leadership development as its core pillars. Annual training plans with a minimum number of required hours are formulated based on strategic priorities, operational goals, and business needs. These plans are dynamically adjusted in response to client requirements and regulatory changes to ensure close alignment between training and practical application. Over the years, the average training hours per employee have consistently exceeded 10 hours.





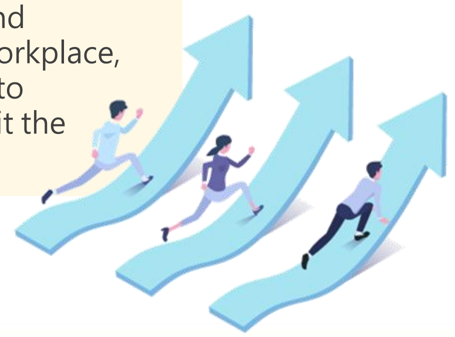
Note:
Average training hours per employee = (Total employee training hours during the year / Total number of employees at year-end)
Average training hours per female employee = (Total training hours of female employees during the year / Total number of female employees at year-end)

Hi-Clearance Inc.' s education and training system adopts a "stepwise cultivation" approach, with tailored learning pathways designed for each stage—from basic onboarding for new employees to professional development for product specialists and leadership training for middle and senior management. Upon onboarding, new employees receive guided orientation on company culture, policies, and safety standards, followed by practical training from their departments to ensure smooth integration into the team. Current employees participate in annual job-specific training programs or cross-departmental knowledge sharing sessions, such as medical device sales expertise and product maintenance techniques, to continuously enhance their skills. For retired employees who have grown with and contributed to Hi-Clearance Inc. over the years, the Company has established a re-employment system, which is subject to mutual agreement, to pass on their valuable experience and mentor the next generation.

The Company respects and cares about the career development of all employees. Except for new employees who have been in their positions for less than six months, all staff members are required to undergo an annual performance evaluation. The results of these evaluations are linked not only to rewards, promotions, and job transfers but also serve as an important reference for training and education.

		Actual Number of Assessed Personnel	Employees in This Category	Percentage
Gender	Male	189	205	92.20%
	Female	101	121	83.47%
Employee category	Field-based units	194	217	89.40%
	Office-based units	96	109	88.07%

Training categories	Description
New employee training	• Objective : Practice correct values, professional competence, discipline, and problem-solving abilities. • Subject : New employees • Total training hours for the new employee training program in 2025 : 164 hours • Cultivation direction : The training focus for new personnel is to assist them in understanding the Company's history, organizational structure, regulations, and management philosophy, as well as to conduct GDP education and training in accordance with relevant laws and regulations.
Professional functional training	• Objective : Sales capability, marketing capability, maintenance capability, customer service capability • Subject : Frontline employee • Total hours of the 2025 Professional Competency Training Program : 3,485 hours • Cultivation direction : Based on their job responsibilities, relevant courses will be arranged, including administrative operation processes, medical industry regulations, sales compliance standards, maintenance skills, and customer service skills. These courses are arranged to develop employees' professional capabilities and enhance their awareness of legal compliance.
Supervisor training	• Objectives : Management Skills, professional competence, marketing skills, cultural literacy, psychological quality • Subject : Supervisory personnel • Total course hours for the 2025 Supervisory Talent Development Program : 546 hours • Cultivation direction : In addition to focusing on the development of leadership and management skills, the program also incorporates more content related to cultural heritage, team building, international perspective, prevention and advocacy against unlawful infringement and sexual harassment in the workplace, talent development, and corporate sustainable development. This aims to cultivate supervisors who lead by example, guide their teams, and exhibit the qualities necessary to exert positive influence.



5.2.3 Labor-Management Communication

Hi-Clearance Inc. is committed to creating a work environment that respects employees, ensures their safety, and promotes two-way communication. The company strictly complies with the Labor Standards Act, the Occupational Safety and Health Act, and the Labor Insurance Act, among other regulations, to safeguard labor rights and interests.

The Company has not established a labor union, nor has it received any requests for collective bargaining agreements, and to date, no collective bargaining agreements have been signed. Nonetheless, the Company does not overlook the importance of labor relations. It has established an Employee Welfare Committee to represent employee interests and advocate for benefits, along with multiple communication channels such as management meetings, one-on-one discussions, a dedicated grievance hotline, and a designated mailbox. When necessary, an ad hoc grievance committee is convened. Legally mandated quarterly labor-management meetings serve as a key platform for two-way dialogue, enabling employees to voice opinions and the Company to build consensus and understand employee needs. In 2025, a total of four labor-management meetings were held to coordinate labor relations. Through regular communication and dialogue between both parties, cooperation was promoted, allowing employees to express their opinions and advocate for improved working conditions with the Company.

The meeting included five representatives each from the labor and management sides. During the meeting, they discussed agenda items such as leave regulations, adjustments to working hours, and attendance contingency plans for climate-related disasters. Additionally, considerations were made for female colleagues working night shifts, providing transportation to ensure their convenience and personal safety. Through the aforementioned approach, employees are informed about the Company's production plans, business overview, and market conditions, enabling them to fully express their opinions. The Company can then respond and systematically transform their suggestions into policies for implementation. Conversely, management can timely grasp the working conditions of employees and construct a friendly workplace based on employee needs.

In the event of major operational changes that could significantly affect employee rights, the Company will strictly comply with the Labor Standards Act and related regulations, providing advance notice and thorough communication based on employees' years of service. Specifically, employees who have worked for more than three months but less than one year must be given a 10-day notice; those employed for one to three years require a 20-day notice; and those with over three years of service must receive a 30-day notice, in accordance with the law. In the event of mass layoffs, the Company will comply with the Act for Worker Protection of Mass Redundancy by notifying the competent authority and relevant parties of the dismissal plan at least 60 days in advance and publicly disclosing the announcement. During the above-mentioned period, in addition to announcements through official channels, the Human Resources Department will also proactively contact affected employees to provide necessary assistance.

Through the collective efforts of all colleagues, Hi-Clearance Inc. has successfully cultivated a work culture characterized by a high degree of mutual trust. In the year 2025, there were no incidents of discrimination, forced labor, child labor employment, or human rights violations. A total of zero labor disputes were recorded. In the future, we will continue to strengthen employees' identification with the Company based on transparent communication and humane management.

5.3 Occupational Health and Safety

■ 5.3.1 Occupational Safety Management System

Hi-Clearance Inc. has established and implemented a workplace safety and health management system in accordance with the Occupational Safety and Health Act and its related subsidiary regulations. This system includes measures such as risk assessment, hazard communication, regular education and training, health checkups, and abnormality tracking. Through institutionalized procedures, the Company continuously monitors and improves implementation to prevent occupational accidents and safeguard employees' physical and mental well-being.

■ 5.3.2 Hazard Identification and Prevention

To prevent unlawful harm in the workplace, the Company conducts a comprehensive risk assessment and management for all employees in accordance with occupational safety and health regulations, and has formulated the Plan for Prevention and Management of Unlawful Infringement in the Performance of Duties. Workplace violence prevention assessments are conducted and tailored to different departments (e.g., administrative and sales units), including investigations of both external and internal risk sources. These assessments cover four major types of unlawful harm risks: physical, verbal, psychological, and sexual harassment.

Hazard Type	Example
Physical violence	Beating, pushing, and kicking
Verbal/psychological violence	Insult, threat, humiliation, exclusion, and discrimination
Sexual harassment	Inappropriate verbal or physical behavior
Stalking and harassment	Surveillance, stalking, and harassing messages

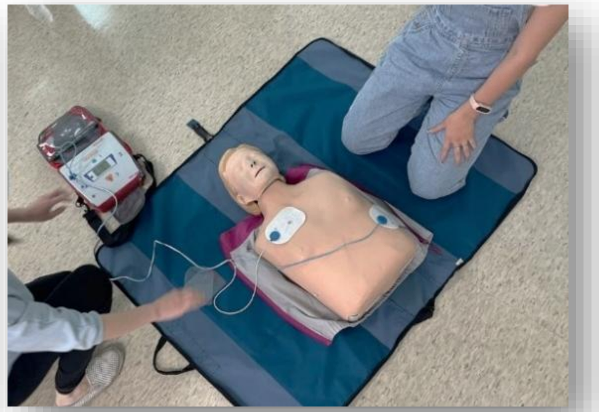
The Company conducts formal risk assessment operations annually, including

- Assessment of 20 items covering solo work, cash handling, and external contact.
- Adopt of a three-axis matrix for risk assessment indicators, determining risk levels (high/medium/low) based on "likelihood" and "severity," with corresponding existing control measures and enhancement recommendations proposed accordingly.
- Control methods include three levels: engineering controls, administrative controls, and personal protective equipment.
- For moderate and higher-risk areas, such as frontline counter service personnel, it is recommended to establish standard operating procedures (SOPs) and provide employee self-protection training.

In addition, the Company has established a workplace unlawful harm prevention system, continuously reviewing risk factors and updating control measures on a rolling basis to ensure that high-risk work conditions, such as night shifts and solo assignments, are incorporated into protection planning. All risk assessment records are reviewed by professional nursing staff and serve as the basis for improving the occupational safety environment and designing training content.

◆ Fire Drills

To strengthen workplace risk identification and safety awareness, fire prevention managers conduct self-defense fire drills every six months and report them to the local fire department. These drills include fire safety lectures, evacuation procedures, emergency reporting protocols, and fire extinguisher operation training. Additionally, personnel are regularly assigned to participate in fire drills, CPR, and AED training organized by the park management center to enhance practical emergency response capabilities. The Company will continue to review the implementation effectiveness of the occupational safety and health system, integrate digital management tools, strengthen preventive health care and work safety management, and steadily advance toward the workplace goal of healthy work environment without occupational accidents.



◆ Fire Emergency Response Measures

Fire incident
↓
Notification to on-site personnel
↓
Firefighting personnel
↓
Firefighting personnel
↓
Safety protection personnel
↓
Emergency response personnel

Notification to on-site personnel

- Report the incident to the fire department and confirm that the report has been filed.
- Emergency broadcast and notification to on-site personnel.
- Contact relevant personnel (according to the emergency contact list, e.g., security company, Taipower, the highest office supervisor).
- Appropriate in-house broadcasting to avoid causing panic.

Firefighting personnel

- Use fire extinguishers and fire hydrants to carry out firefighting operations.

Evacuate other personnel

- Issue evacuation orders on the fire origin floor and the floors above it.
- Open and verify the operation of emergency exits.
- Remove items that create obstacles to evacuation.
- Identify and report individuals who are unable to evacuate in time and require emergency assistance.
- Use ropes and other means to delineate the restricted area.
- Operate evacuation equipment and serve as an evacuation guide.

Safety protection personnel

- **Immediately proceed to the fire-affected area and close the fireproof rolling shutters and fire doors.**
- **Ensure emergency power supply and stop the use of fire and electrical facilities such as boilers.**
- **Activate emergency procedures for elevators and escalators.**

Emergency response personnel

- Establish emergency medical aid stations.
- Conduct emergency treatment of injured personnel.
- Coordinate with firefighting personnel and provide information

5.3.3 Employee Health Promotion

Regular health check-ups

- Arrange annual health screenings are arranged for all employees to support disease prevention and health management.

On-Site Health Services

- Contracted nurse: Arrange on-site services 4 times per month, offering health consultations and basic assessments.
- Contracted physicians: Arrange on-site services four times annually to conduct follow-up and provide recommendations for cases with abnormal health examination results.

Health abnormality follow-up

- Conduct follow-up based on the classification of health examination results, providing necessary consultation or referral assistance.

Daily Health Management

- Electronic blood pressure monitors are installed in the office for employee self-monitoring.
- The bulletin board is updated periodically with health promotion information to enhance health awareness.

Additionally, with on-site medical support, Hi-Clearance Inc. conducts an annual Maternity Health Implementation Form and has established a Maternity Health Protection Plan to safeguard female employees' health during pregnancy and breastfeeding through comprehensive management of hazard identification, health consultations, and suitable job arrangements. The 2025 statistics are as follows:

Female employees
121 persons
accounting for
37.1%
of the total workforce

Female employees in nursing period
3 persons
nursing room usage rate
100%

Female workers of childbearing age
102 persons
(15 – 49years)

5.3.4 Occupational Injury Statistics

Hi-Clearance Inc. has no reported cases of occupational disease; however, in recent years, individual employees have experienced traffic accidents during commuting and infections due to frequent visits to medical institutions as part of their job duties. In line with the principle of balanced reporting and Hi-Clearance Inc.'s commitment to proactively caring for employees' physical and mental well-being, the following disclosures are made voluntarily:

		2023	2024	2025	Description of Hazards and Improvements
Occupational Injury Type	Fall injury	0	1	0	While on duty, an employee tripped and fell due to an unnoticed elevation difference caused by exposed ground piping. The Company has since reinforced safety reminders and awareness efforts, and is monitoring the employee's recovery.
	Commuting traffic accident	1	1	2	Enhance traffic safety awareness campaigns

Survey/Year		2023	2024	2025
Total Cumulative Working Hours		534,656	559,024	625,888
Fatal occupational injury (Note 1)	No. of shareholders	0	0	0
	Proportion	0	0	0
Serious occupational injury (Note 2)	No. of shareholders	0	0	0
	Proportion	0	0	0
Recordable occupational injuries (Note 3)	No. of shareholders	1	2	2
	Proportion	1.87	3.58	3.20
Work-related ill health	No. of shareholders	0	0	0
	Proportion	0	0	0
Recordable work-related ill-health	No. of shareholders	0	0	0
	Proportion	0	0	0

Note 1:
Calculated based on the rate per 1,000,000 work hours.
Note 2:
Serious occupational injury: A severe injury that prevents or significantly hinders an employee from returning to their pre-injury health status within six months. Fatalities are excluded from statistical reporting.
Note 3:
Recordable occupational injuries or illnesses: These include any work-related injury or illness resulting in death, absence from work, restricted duties or job transfer, medical treatment beyond first aid, loss of consciousness, or a significant diagnosis by a licensed healthcare professional—even if none of the above outcomes occur. Statistical reporting must include fatalities and also accounts for minor injuries treated on-site by the employee.

5.4 Community Engagement

3 GOOD HEALTH AND WELL-BEING

Medical Care and Concern: Safeguarding Health Equity

SDG 3: Ensure healthy lives and promote the well-being of all at all ages

Hi-Clearance Inc. has long been committed to social welfare initiatives and upholds the principles of giving back to society and caring for life. The Company encourages employees to actively participate in various charitable activities and continues to integrate corporate social responsibility into its daily operations. The Company believes that active engagement in community initiatives not only strengthens employee engagement and cohesion but also extends its spirit of care to communities across society, creating a positive social impact.

On August 7, 2025, Hi-Clearance Inc. joined the Tangcheng employee blood donation campaign and encouraged employees to participate actively, demonstrating their support for the medical need for blood supplies. The campaign not only demonstrated the Company's commitment to public health issues but also encouraged employees to embrace a spirit of mutual support and care, fulfilling the Company's commitment to giving back to society. Going forward, Hi-Clearance Inc. will continue to participate in and promote diverse charitable initiatives, working with employees to bring greater warmth and positive energy to society.

During the COVID-19 pandemic, Hi-Clearance Inc. recognized the challenges faced by vulnerable groups in accessing preventive care and proactively donated 38,000 saliva rapid test kits to the Taiwan Fund for Children and Families to support the well-being of disadvantaged children. An additional 10,000 kits were donated to the Miner's Son Education Foundation and distributed to 21 orphanages across Taiwan, helping reduce children' s fear of testing through non-invasive methods while easing the financial burden on underprivileged families. Furthermore, we continue to channel medical resources across all regions. In 2025, we donated funds and medical equipment to several nonprofit medical institutions throughout Taiwan, including St. Joseph's Hospital, Show Chwan Memorial Hospital, and Chia-yi Christian Hospital. Total donations for the year amounted to NT$19.04 million, aimed at strengthening primary healthcare, long-term care services, and hospital infrastructure—contributing to a more inclusive healthcare system.

During the Formosa Fun Coast dust explosion incident, Hi-Clearance Inc. swiftly mobilized to donate artificial dermal dressings to burn victims. Leveraging technical support from its original manufacturer, TERUMO, the Company provided high-quality medical care resources to aid the injured. This not only reflects our commitment to urgent social issues, but also underscores the Company' s mission to give back to society through professional medical expertise.

Educational Support: Cultivating Child and Youth Development

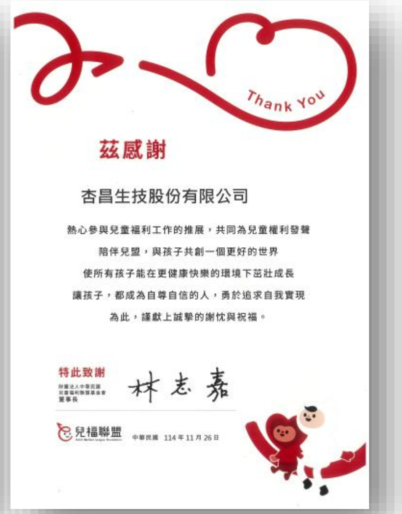
SDG 1: No Poverty, SDG 4: Quality Education, SDG 8: Decent Work and Economic Growth

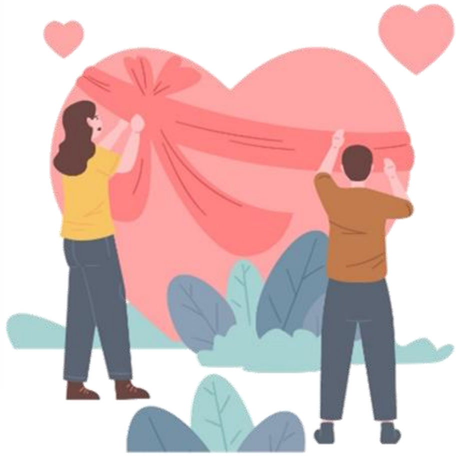
Since 1999, Hi-Clearance Inc. has consistently sponsored three disadvantaged children each year through the Taiwan Fund for Children and Families, maintaining this commitment uninterrupted for over 25 years. In addition to regular economic assistance, we provide children with a stable growth environment through holiday gift money, social work counseling, academic guidance, and employment resource referrals, assisting them on the path to independence. This goodwill initiative, sustained for over two decades, has not only improved the living conditions of children and their families but also brought hope and opportunity to underserved communities. We believe such care plants seeds of warmth in society, fostering a virtuous cycle of compassion.

To cultivate future biotechnology talent, we have partnered with universities such as Chung Yuan Christian University, Yuanpei University of Medical Technology, and I-Shou University to promote internship programs. Through hands-on workplace experience and cross-departmental collaboration, these initiatives bridge the gap between academic learning and practical application, transfer professional knowledge for improving public health, and lay a solid foundation for sustainable industry development.

The Company encourages students to participate in internship programs during the summer vacation. Through practical guidance from department supervisors and hands-on involvement in daily work processes, the program helps students understand workplace culture, acquire practical skills, and thereby grasp the knowledge and expertise required by the industry. At the same time, interns can take this opportunity to interact and communicate with colleagues from various departments within the Company, thereby cultivating cross-departmental communication, collaboration, and problem-solving skills.

To date, the internship program has trained over 20 students, helping them explore career paths while enabling the Company to identify future talent and build a talent pipeline—advancing industry-academia collaboration and mutual growth.





Environmental Initiative: Embracing Biodiversity

SDG 13: Climate Action, SDG 15: Life on Land

Climate change and ecological crises are global challenges. In 2023, Hi-Clearance Inc. actively supported environmental education by organizing a private screening of the ecological documentary Good Morni MIT, inviting over 100 employees and their families. Through the story of Taiwan' s endemic salamander and its threatened habitat, the event deepened public awareness of biodiversity conservation and climate action. Director Mai Chueh-Ming attended in person to share his 17-year filming journey, resonating with attendees and strengthening the Company' s internal commitment to environmental sustainability.

Social Inclusion: Integrating Corporate Resources to Expand Social Impact

SDG 3: Good Health and Well-being—3.8 Achieve universal health coverage

Hi-Clearance Inc. actively collaborates with healthcare, educational, and nonprofit organizations, seeking to expand its social impact through small but meaningful actions.

Date	Location	Course	Number of Participants
2025/6/11	Advantech Neihu Headquarters	Obstructive Sleep Apnea Health Seminar	50
2025/5/28	Advantech Neihu Headquarters	Obstructive Sleep Apnea Health Seminar	50
2024/8/23	Daxi Renshan Community Long-Term Care Institution	CPR + AED and Basic Life Support (BLS) Training Course	12
2024/5/29	Cardinal Tien Junior College of Health and Management	Guidance on the Dental Implant Restoration Process	32

06. Appendices

Appendix 1. GRI Content Index ★Indicates a Material Topic

Statement of Use	Hi-Clearance Inc. has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2025.
GRI 1 Used	GRI 1：Foundation 2021
Applicable GRI Sector Standards	No applicable GRI sector standards at present

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
GRI 2： General Disclosures 2021					
Organization and Reporting Practices	2-1	Organizational details	2.1.2 Basic Information	15	
	2-2	Entities included in the organization’ s sustainability reporting	About This Report	04	
	2-3	Reporting period, frequency and contact point	About This Report	04	
	2-4	Restatements of information	About This Report	04	
	2-5	External assurance	About This Report	04	
Activities and Workers	2-6	Activities, value chain and other business relationships	2.1.2 Basic Information	15	
	2-7	Employee	5.1.2 Employee Statistics	61	
	2-8	Workers who are not employees	5.1.2 Employee Statistics	61	
Governance	2-9	Governance structure and composition	1.3 Sustainability Promotion Task Force 3.1 Governance Practices	09 23	
	2-10	Nomination and selection of the highest governance body	3.1.1 Board of Directors	24	
	2-11	Chair of the highest governance body	3.1.1 Board of Directors	24	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Sustainability Promotion Task Force 3.1 Governance Practices	09 23	
	2-13	Delegation of responsibility for managing impacts	3.1.1 Board of Directors 3.2 Risk Management	24 33	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
GRI 2： General Disclosures 2021					
Governance	2-14	Role of the highest governance body in sustainability reporting	1.3 Sustainability Promotion Task Force	09	
	2-15	Conflicts of interest	3.1.1 Board of Directors	24	
	2-16	Communication of critical concerns	1.2 Stakeholder Communication Channels and Areas of Concern	07	
	2-17	Collective knowledge of the highest governance body	3.1.1 Board of Directors	24	
	2-18	Evaluation of the performance of the highest governance body	3.1.1 Board of Directors	24	
	2-19	Remuneration policies	3.1.2 Functional Committees	28	
	2-20	Process to determine remuneration	3.1.2 Functional Committees	28	
	2-21	Annual total compensation ratio			Confidentiality restrictions/Compensation falls within the Company's confidential scope
Strategy, Policy, and Practice	2-22	Statement on sustainable development strategy	Chairman's Message	03	
	2-23	Policy commitments	3.1.4 Ethics and Integrity 5.1.1 Human Rights Protection	31 60	
	2-24	Embedding policy commitments	3.1.4 Ethics and Integrity 5.1.1 Human Rights Protection	31 60	
	2-25	Processes to remediate negative impacts	3.1.4 Ethics and Integrity	31	
	2-26	Mechanisms for seeking advice and raising concerns	3.1.4 Ethics and Integrity	31	
	2-27	Legal Compliance	3.3 Legal Compliance	36	
	2-28	Membership associations	2.4 Participation in External Organizations	21	
Stakeholder Engagement	2-29	Approach to stakeholder engagement	1.1 Stakeholder Identification 1.2 Stakeholder Communication Channels and Areas of Concern	06 07	
	2-30	Collective bargaining agreements	5.2.3 Labor-Management Communication	69	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
GRI 3：Material Topics 2021					
Material Topic	3-1	Process to determine material topics	1.4 Materiality Assessment	10	
	3-2	List of material topics	1.4 Materiality Assessment	10	
★Operational Performance					
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.4 Operational Performance	38	
	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Risks and Opportunities	48	
	201-3	Defined benefit plan obligations and other retirement plans	5.2.1 Compensation and Benefits	64	
	201-4	Financial assistance received from government	None	-	Not applicable
Market Presence					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2.1 Compensation and Benefits	64	
	202-2	Proportion of senior management hired from the local community	5.2.1 Compensation and Benefits	64	
★ Ethics and Integrity					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.1.4 Ethics and Integrity	31	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	3.1.4 Ethics and Integrity	31	
Custom Topic	Customized	Number of integrity whistleblower reports handled during the reporting year	3.1.4 Ethics and Integrity	31	
★ Customer Service					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.5 Customer Service	39	
Custom Material Topic	Customized	Customer satisfaction survey conducted during the reporting year	3.5 Customer Service	39	
Energy					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2 Energy Management	52	
	302-3	Energy intensity	4.2 Energy Management	52	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
Emission					
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2.1 Carbon Emission	53	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2.1 Carbon Emission	53	
	305-4	GHG emissions intensity	4.2.1 Carbon Emission	53	
★ (Medical Waste Management) Waste					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.3 Medical Waste Management	54	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.3.1 Internal Waste 4.3.2 Downstream Medical Waste	54 55	
	306-2	Management of significant waste-related impacts	4.3.1 Internal Waste 4.3.2 Downstream Medical Waste	54 55	
	306-3	Waste generated	4.3.1 Internal Waste 4.3.2 Downstream Medical Waste	54 55	
	306-4	Waste diverted from disposal	4.3.2 Downstream Medical Waste 4.3.3 Medical Waste Plastic Recycling	55 56	
	306-5	Waste directed to disposal	4.3.2 Downstream Medical Waste 4.3.3 Medical Waste Plastic Recycling	55 56	
★Supplier Environmental Assessment					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.4 Supply Chain Management	57	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.4.1 New Supplier Selection Criteria	57	
	308-2	Negative environmental impacts in the supply chain and actions taken	4.4.2 Key Supplier Evaluation	58	
GRI 414: Supplier Social Assessment 2016	414-1	Screening of new suppliers using social criteria	4.4.1 New Supplier Selection Criteria	57	
	414-2	Negative social impacts in the supply chain and actions taken	4.4.2 Key Supplier Evaluation	58	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
★Talent Attraction and Retention					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.2 Talent Attraction and Retention	63	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.1.2 Employee Statistics	61	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2.1 Compensation and Benefits	64	
	401-3	Parental leave	5.2.1 Compensation and Benefits	64	
	Salary	Disclosure of the number of full-time employees not holding managerial positions, the average and median salary of such employees, and the year-over-year changes for all three metrics.	5.2.1 Compensation and Benefits	64	
Labor Relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.2.3 Labor-Management Communication	69	
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018 Management Policy	403-1	Occupational health and safety management system	5.3.1 Occupational Safety Management System	70	
	403-2	Hazard identification, risk assessment, and incident investigation	5.3.2 Hazard Identification and Prevention	70	
	403-3	Occupational health services	5.3.3 Employee Health Promotion	72	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3.3 Employee Health Promotion	72	
	403-5	Worker training on occupational health and safety	5.3.2 Hazard Identification and Prevention	70	
	403-6	Promotion of worker health	5.3.3 Employee Health Promotion	72	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3.2 Hazard Identification and Prevention	70	
	403-8	Workers covered by an occupational health and safety management system	5.3.4 Occupational Injury Statistics	72	
	403-9	Work-related injuries	5.3.4 Occupational Injury Statistics	72	
	403-10	Work-related ill health	5.3.4 Occupational Injury Statistics	72	

Topic	GRI Standard No.	Title of GRI Standard	Corresponding Sections of the Report	Page No.	Reason for Omission/Necessary Explanation
Training and Education					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employe	5.2.2 Talent Development	67	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2.2 Talent Development	67	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1.2 Employee Statistics	61	
★Product Safety and Responsibility					
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	3.6.1 Product Safety	41	
	416-1	Negative social impacts in the supply chain and actions taken	4.4.2 Key Supplier Evaluation	58	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.6.3 Annual Investments and Performance Outcomes	43	
GRI 417: Marketing and Labeling 2016	417-1	Information on products, services, and labeling	3.6.1 Product Safety	41	
	417-2	Incidents of non-compliance concerning product and service information and labeling	3.6.3 Annual Investments and Performance Outcomes	43	
	417-3	Incidents of non-compliance concerning marketing communications	3.6.3 Annual Investments and Performance Outcomes	43	
Information Security					
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.7.4 Annual Investments and Performance Outcomes	47	

Appendix 2. SASB Sustainability Accounting Standards

Healthcare Industry / Medical Equipment and Supplies

Topic	Code	Metrics	Measurement Unit	Company Response
Affordability and Pricing	HC-MS-240a.2	Disclosure of product pricing information to customers or their agents	Not applicable	Not applicable
	HC-MS-240a.3	Percentage change in the (1) weighted average list price (2) and net price of the product portfolio compared to the previous reporting period	Percentage (%)	Not disclosed at this time
Product Safety	HC-MS-250a.1	(1) Number of recalls announced, (2) Total number of units recalled	Quantity	No product recall incidents occurred in 2025
	HC-MS-250a.2	Products listed in any public medical product safety or adverse event alert database	Not applicable	Not applicable
	HC-MS-250a.3	Number of deaths related to products	Quantity	No product-related deaths occurred in 2025
	HC-MS-250a.4	Number of enforcement actions taken in response to violations of Good Manufacturing Practice (GMP) or equivalent standards, categorized by type	Quantity	No violations of GMP or equivalent standards occurred in 2025
Ethical Marketing	HC-MS-270a.1	Total monetary losses resulting from legal proceedings related to false marketing statements	Expressed Currency	For details refer to "3.6. Product Safety and Responsibility"
	HC-MS-270a.2	Description of ethical guidelines for managing product promotion beyond package inserts and labeling	Not applicable	Not applicable
Product Design and Life Cycle Management	HC-MS-410a.1	Discussion of processes for evaluating and managing environmental and human health considerations related to chemicals in products, in alignment with sustainable product requirements	Not applicable	Not applicable
	HC-MS-410a.2	Total weight of products received through reclamation, reuse, recycling, or donation, categorized by (1) equipment and devices and (2) supplies	Metric ton (t)	Refer to "4.3 Medical Waste Management" for details.

Appendix 2. SASB Sustainability Accounting Standards

Healthcare Industry / Medical Equipment and Supplies

Topic	Code	Metrics	Measurement Unit	Company Response
Supply Chain Management	HC-MS-430a.1	Percentage of (1) individual sites and (2) first-tier supplier sites participating in third-party audit programs for manufacturing and product quality	Percentage (%)	(1) Individual sites – 33% with QMS medical device manufacturing licenses (labeling), 67% with GDP medical device distribution licenses, 50% with GDP pharmaceutical distribution licenses. (2) First-tier supplier locations – all distributed medical devices require manufacturers to provide supporting product safety documentation and obtain TFDA medical device licenses.
	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	Not applicable	Not applicable
	HC-MS-430a.3	Description of risk management related to the use of critical materials	Not applicable	Not applicable
Business Ethics	HC-MS-510a.1	Total monetary losses resulting from legal proceedings related to bribery or corruption	Expressed Currency	No legal proceedings related to bribery or corruption occurred in 2025
	HC-MS-510a.2	Description of the ethical guidelines for interactions with healthcare professionals	Not applicable	Not applicable
Number of Units Sold, Categorized by Product Type	HC-MS-000.A	Sales quantity by product category	Quantity	Refer to "2.1.2 Basic Information" for details.

Appendix 3. Climate-Related Information of TPEx Listed Company

Implementation of Climate-Related Information	
Item	**Implementation Status**
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	Refer to Section 4.1 “Climate Change Risks and Opportunities” of this report for details.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	
3. Describe the financial impact of extreme weather events and transformative actions.	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	
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.	
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.	
9. Greenhouse gas inventory and verification status, reduction targets, strategies, and specific action plans	In accordance with the “Sustainable Development Action Plan for TWSE/TPEx-Listed Companies,” the Company, as a TPEx-listed company with paid-in capital of less than NT$5 billion, is required to adopt the year in which the GHG inventory covering the consolidated financial reporting boundary is completed (2026) as the base year. Based on this base year, the Company shall establish its GHG reduction targets, strategies, and specific action plans in the subsequent year. At present, the Company has only completed the GHG inventory for the standalone entity and has not yet extended the inventory to cover the consolidated financial reporting boundary. Therefore, no specific reduction targets have been established to date. The Company will, in accordance with applicable regulations, progressively formulate relevant carbon reduction management measures upon completion of the required inventory.