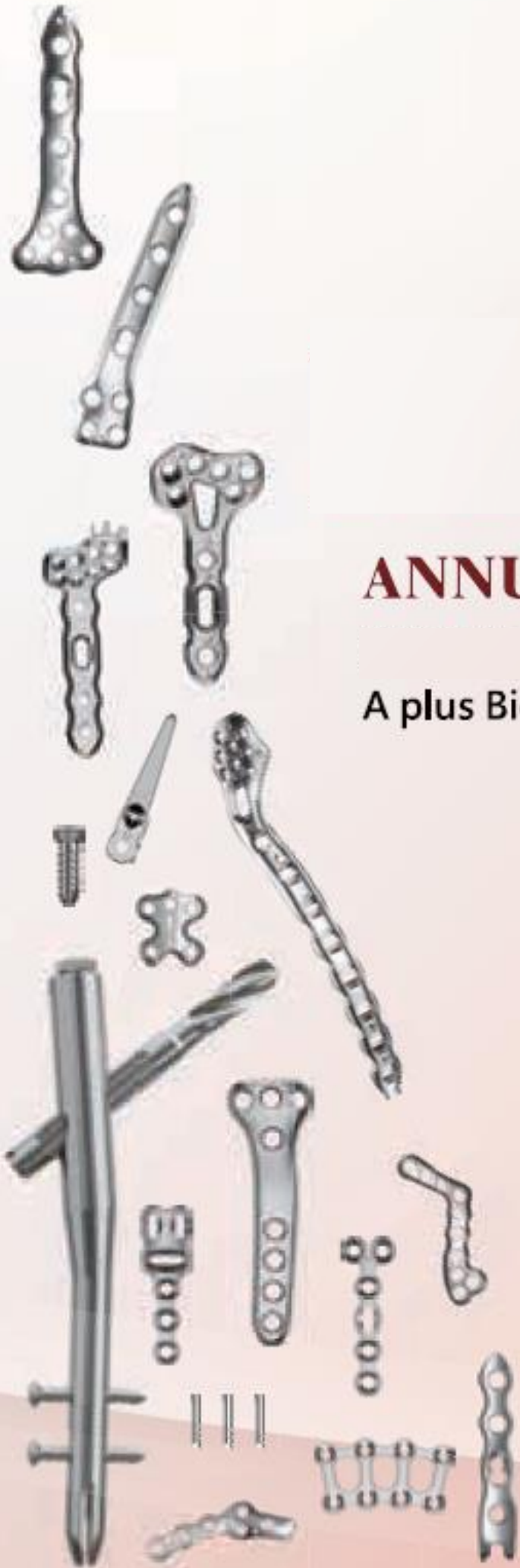




ANNUAL REPORT 2024

A plus Biotechnology Co., Ltd.

Annual Report Inquiry Website

Company Website <https://www.aplusbio.com.tw>

Market Observation Post System: <https://mops.twse.com.tw>

Printed on June 6, 2025

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Information on Listing and Trading of Overseas Securities

None

Company Website

<https://www.aplusbio.com/tw>

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One. Report to Shareholders

Dear Shareholders:

We sincerely thank you all for taking the time to attend this meeting. We also express our heartfelt gratitude for your support and encouragement over the past year toward A Plus. The following is a report on the 2024 business results and the 2025 business plan:

I. 2024 Business Results

(I) Business plan implementation results:

The Company's consolidated operating revenue for 2024 was NT\$769,591 thousand, an increase of NT\$94,544 thousand (14.01%) compared to NT\$675,047 thousand in 2023. Net profit after tax for 2024 was NT\$151,056 thousand, compared to a net loss after tax of NT\$11,305 thousand in 2023, an increase of NT\$162,361 thousand (1,436.19%). Earnings per share after tax for 2024 were NT\$4.99.

(II) Budget Implementation:

None. The Company only set internal budgetary targets for 2024 and did not publicly disclose financial forecasts.

(III) Analysis of financial income, expenditure, and profitability:

Items	Unit: NT\$ thousand		
	2023 (restated)	2024	Increase / decrease in amount and percentage change
Operating revenues	675,047	769,591	94,544
Operating gross profit	460,674	534,778	74,104
Operating profit	167,540	182,459	14,919
Net income attributable to the parent company	(11,305)	151,056	162,361
Earnings per share (unit: NT\$)	(0.37)	4.99	5.36
Gross profit margin (%)	68	70	2
Operating profit margin (%)	25	24	(1)
Net profit margin (%)	(2)	19	21

(IV) Research and development:

The Company continues to develop new designs and materials for trauma fixation products, while also expanding biochemical and surgical peripheral products to increase channel efficiency and broaden product applications and indications. Several new products will gradually enter the market in 2025. In terms of preoperative planning and 3D printing, we continue to develop applications for new anatomical sites and surgical procedures, while investing in AI-assisted preoperative planning solutions. These efforts are expected to shorten planning time and further enhance competitiveness.

II. Summary of the 2025 business plan

(I) Management Approach

1. Focus on innovative R&D:

The Company is committed to developing new products and technologies, improving performance and quality to meet market demand and maintain competitive advantage.

2. Emphasize academic education:

We aim to build a professional image. Internally, we focus on talent development, academic exchange, and skill enhancement. Externally, we promote product knowledge and medical technology through various activities to increase customer trust and loyalty.

3. Provide high-quality medical devices:
The Company strictly controls product quality, establishes a sound quality management system, ensures product safety and efficacy, and complies with domestic and international standards.
4. Advance R&D and agency operations concurrently:
In addition to in-house R&D, the Company cooperates with domestic and foreign manufacturers to jointly develop or distribute advanced medical devices and technologies, meeting diverse customer needs and enhancing channel efficiency.
5. Deepen relationships with existing customers and develop new ones:
Through high-quality products and services, we build long-term, stable cooperation with existing clients. The Company is also committed to exploring new fields and customers, and expanding its market size.
6. Expand international markets:
The Company is committed to exploring new markets and enhancing international presence and global market share.

(II) Forecast sales volume and its basis

The Company expects continued growth in sales volume in 2025. In Taiwan, the usage of self-developed trauma and orthopedic products continues to increase, and new agency products are entering the market, expanding specialty-specific channels. Although centralized procurement policies in China have impacted profits, the Company has implemented measures including new processes, adjusted sales strategies, and introducing non-centrally procured products. These measures have shown results since 2023, and new tender values have increased, with profitability improving. In Southeast Asia, certifications for new products are gradually being obtained. A series of academic seminars and cadaveric workshops will be held to build a platform for exchange between Taiwanese and local physicians. Market strategies will be adapted to local conditions, and training and support for local sales teams will be strengthened to achieve further growth.

(III) Important production and sales policies

In response to the launch of new products and the need to expand sales channels, we will moderately increase production capacity to meet market demand. During this process, the Company will continue to explore new sales channels and markets in orthopedic and surgical fields. Through continuous improvement and innovation, we aim to provide customers with higher-quality and more reliable products and services, gaining greater competitive advantage in the market.

III. Future development strategy

(I) New Product Injection:

A Plus is committed to developing distinctive and differentiated products. This year, new products have continued to be introduced to the market, with the product line covering a broader range of indications to attract more customers. New agency products have also been added to the sales portfolio this year. The addition of both self-developed and agency products not only improves the efficiency of sales channels but also drives the expansion of those channels, providing sustained momentum for the Company's growth.

(II) China Market:

In addition to the ongoing introduction of new processes and techniques, the Company continues to promote high-margin products in China that are not subject to centralized procurement. At the same time, newly introduced non-centralized procurement products have also entered the market this year. Further license applications are underway to continuously launch more high-margin new products, generating greater revenue for the Company.

- (III) International Market:
To avoid falling into price competition with Chinese brands, the Company continues to actively develop and promote uniquely differentiated products to drive sales of foundational products. The Company has also planned several international medical exhibitions and conferences to establish a platform for exchange between Taiwanese and overseas physicians, thereby seeking overseas market opportunities and further advancing international market expansion.

IV. Influence of External Competition Environment, Regulatory Environment, and Overall Business Environment

- (I) Impact of external competition:
Well-known international companies have advantages in terms of established distribution channels, abundant marketing resources, and strong brand recognition, creating competitive pressure on local manufacturers. Additionally, local companies are increasingly introducing products that imitate those of international brands.
In addition to its commitment to quality, A Plus actively engages in academic education and possesses in-house R&D capabilities, allowing it to respond quickly to customer needs and shorten product iteration cycles. It combines the academic engagement of foreign companies with the agility of local firms, resulting in continuous growth in market share.
- (II) Impact of the Regulatory Environment:
In recent years, regulatory standards in advanced countries have become increasingly stringent, including those of the U.S. FDA, EU CE, China CFDA, and Taiwan TFDA. These developments have extended the time required to obtain certifications and increased related costs, raising the barriers and costs of entering the industry. A Plus stays current with the latest regulatory requirements and actively enhances the expertise and experience of its personnel while adopting necessary responsive measures.
- (III) Impact of the Overall Business Environment:
Although global economic, political, and regulatory factors, including pandemics, may temporarily impact the medical industry, the growing aging population and related issues continue to emerge. Incidences of elderly-related conditions such as accidental injuries, joint degeneration, and osteoporosis are rising, increasing demand for orthopedic-related products. At the same time, with continuous advancements in technology and medical device innovation, surgical success rates and treatment outcomes have significantly improved, further driving the development of the medical device market. Therefore, over the long term, the market will continue to expand, and the outlook remains promising.

A Plus Biotechnology Co., Ltd.

Chairperson Sih-Ming Li

General Manager Hsiang-Wei Lo

Two. Corporate Governance Report

I. Information on directors, supervisors, General Manager, Deputy General Manager, senior managers and officer of each department and branch

(I) Information on directors

1. Information on directors

May 2, 2025; Unit: Thousand shares; %

Job title	Nationality or place of registration	Name	Gender Age	Date of Election	Term of office	Date first elected	Shareholdings upon inauguration		Shares currently held	
							Shares	Shareholding ratio	Shares	Shareholding ratio
Chairman	R.O.C.	Sih-Ming Li	Male 61~70 years old	2022/06/30	3	2013/04/12	1,532	5.03	2,234	7.33
Director	R.O.C.	Hsiang-Wei Lo	Male 41~50 years old	2022/06/30	3	2011/11/22	599	1.97	819	2.69
Director	R.O.C.	Kai-Hsing Wu	Male 61~70 years old	2022/06/30	3	2015/06/18	3,901	12.80	4,140	13.59
Director	R.O.C.	Yu-Hung Chen	Male 41~50 years old	2024/06/27	1	2024/06/27	1,133	3.72	1,133	3.72
Independent Director	R.O.C.	Wen-Chun Hung	Male 41~50 years old	2022/11/18	3	2022/11/18	-	-	-	-
Independent Director	R.O.C.	Hsiao-Wen Wang	Female 51~60 years old	2023/06/30	2	2023/06/30	-	-	-	-
Independent Director	R.O.C.	Kuo-Chi Lin	Male 51~60 years old	2024/06/27	1	2024/06/27	-	-	-	-

May 2, 2025; Unit: Thousand shares; %

Job title	Name	Shares currently held by the spouse and minors		Current shareholdings through nominees		Main experience (academic)
		Shares	Shareholding ratio	Shares	Shareholding ratio	
Chairman	Sih-Ming Li	132	0.44	324	1.06	Department of Medical Laboratory Science and Biotechnology, Central Taiwan University of Science and Technology Chairperson, Excelsior Medical Co., Ltd.
Director	Hsiang-Wei Lo	-	-	1,379	4.53	Department of Food Science, Yuanpei University of Medical Technology Business Manager, Zimmer Biomet Taiwan Co. Ltd.
Director	Kai-Hsing Wu	50	0.16	-	-	EMBA, National Taiwan University Master's of Biomedical Engineering, Chung Yuan Christian University General Manager of Greater China, Zimmer, Inc.
Director	Yu-Hung Chen	332	1.09	335	1.10	MBA, University of Notre Dame, USA L.C. Equity Research Corporation/ Manager
Independent Director	Wen-Chun Hung	-	-	-	-	College of Law, National Chung Hsing University Passed the Judicial Yuan's lawyer-to-judge transition selection exam DALDEWOLF Law Firm

Independent Director	Hsiao-Wen Wang	-	-	-	Ph.D., Department of Accounting, National Taiwan University Full-Time Associate Prof., Institute of Accounting, National Central University
Independent Director	Kuo-Chi Lin	-	-	-	EMBA, National Chiao Tung University Special Assistant to the General Manager, Golden Arrow Printing Technology Co., Ltd. Deputy Assistant General Manager, Capital Markets Division, Cathay Securities Co., Ltd. Manager, Underwriting Department, Yuanta Securities Co., Ltd.

Job title	Name	Concurrent positions in the Company and in other companies	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks
			Job title	Name	Relations	
Chairman	Sih-Ming Li	Chairperson, A Plus (Cayman) Holding Inc. Chairperson, A Plus (Shanghai) Trading Co., Ltd. Chairperson, Ho-Ming Investment Co., Ltd. Director, New Best Hearing International Trade Co., Ltd. Executive Supervisor, Taipei Medical Devices Commercial Association Director, Taiwan Federation of Medical Devices Commercial Association	-	-	-	-
Director	Hsiang-Wei Lo	General Manager of the Company Supervisor, A Plus (Shanghai) Trading Co., Ltd. Chairperson, Weikai International Limited. Executive Director, Taiwan Medical Device Innovation and Development Association	-	-	-	-
Director	Kai-Hsing Wu	General Manager, A Plus (Shanghai) Trading Co., Ltd.	-	-	-	-
Director	Yu-Hung Chen	Director and Partner, Triple H Capital CO., Ltd. Chairperson, Jing Hong Capital Co., Ltd. Chairperson, WITH U Technology Limited. Director, Bin Yang Investment Co., Ltd. Chairperson, QUAN WEI Co., Ltd. Chairperson (Corporate Representative), Tian Ji Investment Co., Ltd., Zhongli Fa Ye Co., Ltd., Taoyuan Fa Ye Co., Ltd., Tian Ji Nankao Co., Ltd., Tian Ji Zhubei Co., Ltd., and Tian Ji Yongkang Co., Ltd.	-	-	-	-
Independent Director	Wen-Chun Hung	Attorney at Law, JiuJiu Law Firm Member of the Audit Committee and Remuneration Committee of the Company	-	-	-	-
Independent Director	Hsiao-Wen Wang	Member of the Audit Committee and Remuneration Committee of the Company Full-time Professor, Institute of Accounting, National Central University	-	-	-	-
Independent Director	Kuo-Chi Lin	Member of the Audit Committee and Remuneration Committee of the Company	-	-	-	-

2. Major shareholders of corporate shareholders: Not applicable.

3. Major shareholders of the major shareholders of the corporate shareholder who is a legal person shareholder: Not applicable.

4. Disclosure of information on directors' professional qualifications and independence of independent directors:

Criteria Name	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of other public offering companies where the person serves as an independent director
Sih-Ming Li Chairman	◆ Graduated from the Department of Medical Laboratory Science and Biotechnology, Central Taiwan University of Science and Technology ◆ Currently the Chairperson of A Plus (Cayman) Holding Inc., A Plus (Shanghai) Trading Co., Ltd. And Ho-Ming Investment Co., Ltd.; Director of New Best Hearing International Trade Co., Ltd.; Executive Supervisor of Taipei Medical Devices Commercial Association; Director, Taiwan Federation of Medical Devices Commercial Association ◆ Has over 40 years of experience in the medical device industry and more than 5 years of experience in business and corporate operations ◆ Former Chairperson of Excelsior Medical Co., Ltd.	N/A	None
Hsiang-Wei Lo Director	◆ Graduated from the Department of Food Science, Yuanpei University of Medical Technology ◆ Currently the General Manager of the Company, Supervisor of A Plus (Shanghai) Trading Co., Ltd., Executive Director of Taiwan Medical Device Innovation and Development Association, and Chairperson of Weikai International Limited. ◆ Has over 25 years of experience in the medical device industry and more than 5 years of experience in business and corporate operations ◆ Former Business Manager of Zimmer Biomet Taiwan Co. Ltd.	N/A	None
Kai-Hsing Wu Director	◆ Graduated with an EMBA from National Taiwan University and a Master's degree from the Institute of Biomedical Engineering, Chung Yuan Christian University ◆ Currently the General Manager of A Plus (Shanghai) Trading Co., Ltd. ◆ Has over 35 years of experience in the medical device industry and more than 5 years of experience in business and corporate operations ◆ Former General Manager of Greater China of Zimmer, Inc.	N/A	None
Yu-Hung Chen Director	◆ Graduated with an MBA from the University of Notre Dame, USA ◆ Currently the Chairperson of QUAN WEI Co., Ltd. Director and Partner, Triple H Capital Co., Ltd., Chairperson of Jing Hong Capital Co., Ltd., Chairperson, WITH U Technology Limited. Director of Bin Yang Investment Co., Ltd., and Chairperson (Corporate Representative), Tian Ji Investment Co., Ltd., Zhongli Fa Ye Co., Ltd., Taoyuan Fa Ye Co., Ltd., Tian Ji Nankao Co., Ltd., Tian Ji Zhubei Co., Ltd., and Tian Ji Yongkang Co., Ltd. ◆ Has over 5 years of experience in financial operations ◆ Former Manager at L.C. Equity Research Corporation	N/A	None
Wen-Chun Hung Independent Director	◆ Graduated from the Department of Law, National Chung Hsing University; passed the Republic of China Bar Examination and holds a certification ◆ Currently a member of the Company's Audit Committee and Remuneration Committee, practicing attorney at Jiupin Law Firm, and legal counsel to multiple companies ◆ Has over 5 years of experience in legal affairs and more than 15 years of legal practice	Note 2	None
Hsiao-Wen Wang Independent Director	◆ Graduated with a Ph.D., Department of Accounting, National Taiwan University ◆ Currently a member of the Company's Audit Committee and Remuneration Committee, and a full-time Professor at the Institute of Accounting, National Central University ◆ Has over 5 years of experience in accounting ◆ Former the Dean and Full-Time Associate Prof., Institute of Accounting, National Central University	Note 2	None

Criteria Name	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Number of other public offering companies where the person serves as an independent director
Kuo-Chi Lin Independent Director	◆ Graduated with an EMBA from National Chiao Tung University ◆ Has over 5 years of experience in financial operations ◆ Former General Manager Assistant at Golden Arrow Printing Technology Co., Ltd., Deputy Assistant General Manager of the Capital Markets Division at Cathay Securities Co., Ltd., and Manager of the Underwriting Department at Yuanta Securities Co., Ltd.	Note 2	None

Note 1: None of the Directors or Independent Directors are subject to any of the circumstances specified in Article 30 of the Company Act.

Note 2: Independence of the Independent Directors, their spouses, and their relatives within the second degree of kinship:

- (1) None serve as a director, supervisor, or employee of the Company or any of its affiliated enterprises.
- (2) None hold any shares of the Company.
- (3) None serve as a director, supervisor, or employee of any enterprise with a specific relationship to the Company.
- (4) In the past two years, none have received compensation of NT\$500,000 or more for providing business, legal, financial, or accounting services to the Company or any of its affiliates.

5. Board of directors diversity and independence:

(1) Board diversity

The Company promotes a board diversity policy to enhance corporate governance and support the sound development of the Board's structure and composition. The professional backgrounds and relevant experience of the Board members encompass business judgment, accounting and financial analysis, management capabilities, crisis response, industry knowledge, international market perspective, leadership, and decision-making abilities. This diversity enables the Board to provide well-rounded professional insights that strengthen the Company's operations and overall growth. The proportion of female directors is 14.29%. The Company remains committed to promoting gender equality. The current diversity policy and its implementation status are as follows:

Diversification		Basic composition							Professional background				Professional knowledge and skills						
Name		Nationality	Gender	Employee status	Age				Independent Director's term of office less than 3 years	Accounting	Finance	Law	Industry	Operational judgment	Business management	Crisis management	Industry knowledge	International market perspective	Leadership and decision-making
					31 to 40 years old	41 to 50 years old	51 to 60 years old	61 to 70 years old											
Director	Sih-Ming Li	R.O.C.	Male	V				V					V	V	V	V	V	V	V
	Hsiang-Wei Lo	R.O.C.	Male	V		V							V	V	V	V	V	V	V
	Kai-Hsing Wu	R.O.C.	Male	V				V					V	V	V	V	V	V	V
	Yu-Hung Chen	R.O.C.	Male			V					V			V	V	V	V	V	V
Independent Director	Wen-Chun Hung	R.O.C.	Male			V			V			V		V	V	V	V	V	V
	Hsiao-Wen Wang	R.O.C.	Female				V		V	V	V			V		V	V	V	V
	Kuo-Chi Lin	R.O.C.	Male				V		V		V		V	V	V	V	V	V	V

(2) Independence of the Board of Directors:

The Company has three independent directors, representing 42.86% of the total. All of them have served for less than three years and do not concurrently serve as independent directors in other public entities.

(II) General Manager, Deputy General Manager, Associate, and Heads of Various Departments and Branches

May 2, 2025; Unit: Thousand shares; %

Job title	Nationality	Name	Gender	Date of Election	Current shareholding		Shares currently held by the spouse and minors		Shareholdings by nominee	
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
General Manager	R.O.C.	Hsiang-Wei Lo	Male	2014/07/01	819	2.69	-	-	1,379	4.53
General Manager of Shanghai Subsidiary	R.O.C.	Kai-Hsing Wu	Male	2016/02/01	4,140	13.59	50	0.16	-	-
Head of Accounting and Corporate Governance	R.O.C.	Pei-Jun Ke	Female	2023/12/13	73	0.24	60	0.20	-	-
Assistant of the Business Department	R.O.C.	Wen-Hsien Chou	Male	2023/09/11	125	0.41	31	0.10	-	-
Marketing Manager	R.O.C.	Chu-An Luo	Male	2018/01/01	81	0.27	-	-	-	-
R&D Supervisor	R.O.C.	Ya-Han Zhan	Female	2022/07/01	14	0.05	-	-	-	-
Manager, Audit department	R.O.C.	Ching-Ting Chang	Female	2017/07/17	45	0.15	-	-	-	-

Job title	Name	Main experience (academic)	Concurrent positions in other companies	Managers who are spouses or within two degrees of kinship			Remarks
				Job title	Name	Relations	
General Manager	Hsiang-Wei Lo	Department of Food Science, Yuanpei University of Medical Technology Business Manager, Zimmer Biomet Taiwan Co. Ltd.	Supervisor, A Plus (Shanghai) Trading Co., Ltd. Chairperson, Weikai International Limited. Executive Director, Taiwan Medical Device Innovation and Development Association	-	-	-	-
General Manager of Shanghai Subsidiary	Kai-Hsing Wu	EMBA, National Taiwan University Master's of Biomedical Engineering, Chung Yuan Christian University General Manager of Greater China, Zimmer, Inc.	None	-	-	-	-
Head of Accounting and Corporate Governance	Pei-Jun Ke	Department of Business Administration, National Taiwan University Accounting Manager, Li Peng Enterprise Co., Ltd. Manager of Audit Department, PwC Taiwan	None	-	-	-	-
Assistant of the	Wen-Hsien	Department of Business Administration, Chung Yuan	None				

Business Department	Chou	Christian University Sales Representative, Yao Cheng Enterprise Co., Ltd Business Manager, A Plus Biotechnology Co. Ltd.					
Marketing Manager	Chu-An Luo	Ph.D., Department of Mechanical Engineering, National Central University Master of Mechanical Engineering, National Central University	None	-	-	-	-
R&D Supervisor	Ya-Han Zhan	Master's degree in Mechanical Engineering, National Taiwan University of Science and Technology PhD, Department of Biomedical Engineering, National Yang Ming Chiao Tung University	None	-	-	-	-
Manager, Audit department	Ching-Ting Chang	MBA, Yuan Ze University Chief Auditor, MedFirst Healthcare Services, Inc. Chief Auditor, WAYS Technical Corp., Ltd. Chief Auditor, Shiang Sheng Electronics Co., Ltd.	None	-	-	-	-

(III) If the Chairperson and the General Manager or a person holding an equivalent position (the highest-level manager) are the same person, spouses, or first-degree relatives, the reason, reasonableness, necessity, and corresponding measures shall be described: None.

II. Remuneration of Directors, Supervisors, General Manager and Deputy General Manager in the Latest Year

(I) Remuneration to regular and independent directors

2024; Unit: NT\$ Thousand; Thousand Shares

Job title	Name	Directors Compensation									
		Base compensation (A)		Severance and pension (B)		Remuneration for directors (C) Note 3		Business execution expenses (D)		Ratio of Total Remuneration (A+B+C+D) to Net Income	
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Chairman	Sih-Ming Li	1,588	1,588	—	—	10,155	10,155	162	162	11,905 7.88%	11,905 7.88%
Director	Hsiang-Wei Lo										
Director	Kai-Hsing Wu										
Director	Yu-Hung Chen (Note 1)	1,164	1,164	—	—	—	—	138	138	1,302 0.86%	1,302 0.86%
Independent Director	Wen-Chun										

	Hung										
Independent Director	Hsiao-Wen Wang										
Independent Director	Hong-Wen Wei (Note 2)										
Independent Director	Kuo-Chi Lin (Note 1)										

Note 1: Assumed office on June 27, 2024.

Note 2: Resigned on June 26, 2024.

Note 3: The estimated remuneration for directors and employees for 2024 was approved by the Board of Directors on February 13, 2025, and paid in cash on May 19, 2025.

1. Please state the policy, system, standard and structure of the remuneration to independent directors, and the correlation to the amount of remuneration based on the responsibilities, risks, time invested and other factors: When performing their duties, independent directors shall be paid a fixed monthly remuneration of NT\$30,000, regardless of the Company's operating profit or loss, and paid on a monthly basis. If an independent director also serves as a member of the Remuneration Committee, remuneration shall be paid according to the terms of the appointment contract signed between both parties.
2. In addition to the disclosure in the above table, during the most recent year, no directors of the Company received any remuneration for providing services (such as acting as consultants not in the capacity of employees) to the parent company, any companies included in the financial statements, or any investee companies: None.

2024; Unit: NT\$ Thousand; Thousand Shares

2024, Unit: NT\$ Thousand, Thousand Shares

Job title	Name	Relevant Remuneration Received by Directors Who are Also Employees								Ratio of the Sum of Items A, B, C, D, E, F, and G to Net Income After Tax (%)		Remuneration received from subsidiaries, re-invested businesses or the parent company
		Remuneration, bonus, allowance (E)		Severance and pension (F)		Remuneration for employees (G) Note 3						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
						Cash	Amount in stock	Cash	Amount in stock			
Chairman	Sih-Ming Li	16,625	24,081	216	216	852	—	852	—	29,598 19.59%	37,054 24.53%	None
Director	Hsiang-Wei Lo											
Director	Kai-Hsing Wu											
Director	Yu-Hung Chen (Note 1)											
Independent Director	Wen-Chun Hung	—	—	—	—	—	—	—	—	1,302 0.86%	1,302 0.86%	None
Independent Director	Hsiao-Wen Wang											
Independent Director	Hong-Wen Wei (Note 2)											
Independent Director	Kuo-Chi Lin (Note 1)											

Note 1: Assumed office on June 27, 2024.

Note 2: Resigned on June 26, 2024.

Note 3: The estimated remuneration for directors and employees for 2024 was approved by the Board of Directors on

February 13, 2025, and paid in cash on May 19, 2025.

Remuneration Range Table

Range of remuneration paid to the Company's Directors	Name of director			
	Sum of A+B+C+D		Total of (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial report H	The Company	All companies included in the financial report I
Less than NT\$1,000,000	Yu-Hung Chen; Wen-Chun Hung; Hsiao-Wen Wang; Hong-Wen Wei; Kuo-Chi Lin	Yu-Hung Chen; Wen-Chun Hung; Hsiao-Wen Wang; Hong-Wen Wei; Kuo-Chi Lin	Yu-Hung Chen; Wen-Chun Hung; Hsiao-Wen Wang; Hong-Wen Wei; Kuo-Chi Lin	Yu-Hung Chen; Wen-Chun Hung; Hsiao-Wen Wang; Hong-Wen Wei; Kuo-Chi Lin
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)			-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Hsiang-Wei Lo; Kai-Hsing Wu	Hsiang-Wei Lo; Kai-Hsing Wu	Kai-Hsing Wu	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)			-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Sih-Ming Li	Sih-Ming Li		
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	Sih-Ming Li; Hsiang-Wei Lo	Sih-Ming Li; Hsiang-Wei Lo; Kai-Hsing Wu
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-

(II) Remuneration to supervisors: N/A.

(III) Remuneration of General Manager, and Deputy General Manager

2024; Unit: NT\$ thousand

Job title	Name	Base salary (A)		Severance and pension (B)		Bonus and allowance (C)		Remuneration for employees (D) Note 2				Ratio of Total Remuneration (A+B+C+D) to Net Income		Remuneration received from subsidiaries, re-invested businesses or the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash	Amount in stock	Cash	Amount in stock			
Chief Strategy Officer (Note 1)	Sih-Ming Li	8,228	15,273	216	216	8,396	8,807	852	—	852	—	17,692 11.71%	25,148 16.65%	None
General Manager	Hsiang-Wei Lo													
General Manager of Shanghai Subsidiary	Kai-Hsing Wu													

Note 1: Sih-Ming Li ceased to concurrently serve as Chief Strategy Officer on September 1, 2024.

Note 2: The estimated employee remuneration for 2024 was approved by the Board of Directors on February 13, 2025,

and paid in cash on May 19, 2025.

Remuneration Range Table

Remuneration range for each general manager and deputy manager of the Company	Name of General Manager and Deputy General Manager	
	The Company	All companies included in the financial report (E)
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Kai-Hsing Wu	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Sih-Ming Li; Hsiang-Wei Lo	Sih-Ming Li; Hsiang-Wei Lo; Kai-Hsing Wu
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-

(IV) The remuneration of the top five highest-paid executives: Not applicable.

(V) The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution

Issued on May 19, 2025; Unit: NT\$ thousand

Items	Job title	Name	Amount in stock	Cash	Total	Total amount as a percentage of net profits after tax
Managers	Chief Strategy Officer (Note 1)	Sih-Ming Li	-	1,632	1,632	1.08%
	General Manager	Hsiang-Wei Lo				
	General Manager of Shanghai Subsidiary	Kai-Hsing Wu				
	Head of Accounting and Corporate Governance	Pei-Jun Ke				
	Assistant of the Business Department	Wen-Hsien Chou				
	Marketing Manager	Chu-An Luo				
	R&D Supervisor	Ya-Han Zhan				
	Manager, Audit department	Ching-Ting Chang				

Note 1: Sih-Ming Li ceased to concurrently serve as Chief Strategy Officer starting September 1, 2024.

(VI) Provide a comparative analysis of the total remuneration paid to the Company's directors, supervisors, General Manager, and Deputy General Managers by the Company and all entities included in the consolidated financial statements over the past two fiscal years, expressed as a percentage of the after-tax net income in the standalone financial statements.

Also, explain the Company's remuneration policy, standards, and composition; the procedures for determining remuneration; and the correlation between remuneration and operating performance as well as potential future risks.

1. Total remuneration amount as a percentage of net profits after tax

2023		2024	
The total remuneration to the Directors, Supervisors, General Manager, and Deputy General Managers as a percentage of net income after tax		The total remuneration to the Directors, Supervisors, General Manager, and Deputy General Managers as a percentage of net income after tax	
The Company	All companies in the financial statements	The Company	All companies in the financial statements
Note	Note	20.45%	25.39%

Note: Not applicable, as the Company incurred an after-tax loss in 2023.

2. Remuneration Policy, Standards and Structure, Remuneration Determination Procedure, and Correlation with Business Performance and Future Risks

(1) Remuneration policies, standards and packages

According to the Company's Articles of Incorporation, if there is a profit for the fiscal year, and after offsetting accumulated losses, no less than 1% of the remaining amount shall be allocated as employee remuneration, and no more than 5% as directors' remuneration. The actual allocation ratio for employee remuneration in the past two years was 3%. Directors' remuneration is determined by the Board of Directors based on the level of participation and contributions to the Company's operations, the responsibilities and risks assumed, and prevailing industry standards. Remuneration for Independent Directors is paid as a fixed amount. Managerial remuneration is determined based on the scope of responsibilities of each position, the individual's contribution to the Company, achievement of overall business objectives, individual performance, academic and professional background, and benchmark compensation for similar roles within the industry. The Remuneration Committee proposes the plan, which is then reviewed and resolved by the Board of Directors.

(2) Procedures for determining remuneration

The amount of remuneration distribution shall be assessed and recommended by the Remuneration Committee, and shall be handled after the resolution of the Board of Directors, and shall be reported to the shareholders' meeting.

(3) Association with business performance and future risks

The remuneration of directors and managers is determined with full consideration of their professional competencies and the Company's operational and financial performance. Major decisions by management are made with careful evaluation of various risk factors. The results of such decisions are reflected in the

Company's profitability, which in turn affects the remuneration of directors and managers.

III. Operations of corporate governance

(I) Operations of the Board of Directors

Attendance of 8 (A) Board of Director Meetings in recent year (2024) is described below:

Job title	Name	Number of attendance in person [B]	Number of attendance by proxy	% of attendance in person [B/A]	Remarks
Chairman	Sih-Ming Li	8	0	100	8 attendances required [A]
Director	Hsiang-Wei Lo	8	0	100	8 attendances required [A]
Director	Kai-Hsing Wu	8	0	100	8 attendances required [A]
Director	Yu-Hung Chen	3	0	75	Elected on 2024/06/27 4 attendances required [A]
Independent Director	Wen-Chun Hung	8	0	100	8 attendances required [A]
Independent Director	Hsiao-Wen Wang	8	0	100	Elected on 2023/06/30 8 attendances required [A]
Independent Director	Hong-Wen Wei	3	1	75	Resigned on 2024/06/26 (Note) 4 attendances required [A]
Independent Director	Kuo-Chi Lin	4	0	100	Elected on 2024/06/27 (Note) 4 attendances required [A]

Note: Independent Director Hong-Wen Wei resigned on 2024/06/26, and Kuo-Chi Lin was elected as the new independent director in the by-election at the shareholders' general meeting on 2024/06/27.

Other additional information:

I. If the operation of the Board of Directors falls into one of the circumstances, the date and duration of the meeting, details of proposals, the opinions of all independent directors and how the Company deals with such opinions:

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

The Company has established an Audit Committee, and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable.

(II) Except for the matters above, other board meeting resolutions for which independent directors expressed objections or reserved opinions on record or in a written statement: None.

II. Recusal of directors upon conflicts of interest in proposals being discussed:

Date of Board meeting Term	Contents of the proposal	Reasons for recusal	Participation in voting
2024/01/29 12th meeting of the 5th term	Matters Regarding the Distribution of Year-End Bonuses for Managers in 2023	This matter pertains to the remuneration of managers; therefore, Directors Sih-Ming Li, Hsiang-Wei Lo, and Kai-Hsing Wu were required by law to recuse themselves.	I. As all three directors concurrently serve as managers, Directors Sih-Ming Li, Hsiang-Wei Lo, and Kai-Hsing Wu, being parties with a conflict of interest, duly recused themselves from discussion and voting in accordance with relevant regulations. II. Aside from the aforementioned directors who recused themselves due to conflicts of interest, the remaining directors raised no objections, and the proposal was approved as presented.
2024/03/29 13th meeting of the 5th term	Amendment to the "Regulations Governing the Remuneration	This proposal concerns the remuneration of the Chairperson and managers. Therefore, Directors Sih-Ming Li, Hsiang-Wei Lo,	I. As the Chairperson and two Directors concurrently serve as managers, Directors Sih-Ming Li, Hsiang-Wei Lo, and Kai-Hsing Wu, being interested parties, recused themselves from both the discussion and voting in accordance with

	of Directors and Managers”	and Kai-Hsing Wu were required by law to recuse themselves.	II. conflict-of-interest regulations. Aside from the aforementioned directors who recused themselves due to conflicts of interest, the remaining directors raised no objections, and the proposal was approved as presented.
2024/04/24 14th meeting of the 5th term	Proposal on the Remuneration of the Chairperson of the Board	This proposal involved discussion of the Chairperson’s remuneration; therefore, Director Sih-Ming Li recused himself as required by law.	I. As Director Sih-Ming Li is an interested party in the matter of the Chairperson’s remuneration, he abstained from both the discussion and the vote due to a conflict of interest. II. Except for the aforementioned recusal, the designated acting Chair, Director Hsiang-Wei Lo, solicited opinions from the other attending directors. With no objections raised, the proposal was approved as presented.
	Proposal on the Remuneration of the General Manager	This proposal concerned the remuneration of the General Manager. Therefore, Director Hsiang-Wei Lo, being a related party, recused himself from the discussion and voting in accordance with legal requirements.	I. With Director Lo recused, the Chairperson consulted the remaining attending directors. The proposal was approved without objection. II. Except for the aforementioned recusal, the Chairperson consulted the other attending directors, and the proposal was approved unanimously.
2024/06/19 15th meeting of the 5th term	Proposal to Transfer Treasury Shares to Employees	This agenda item concerned the remuneration of managerial officers; therefore, Directors Sih-Ming Li and Hsiang-Wei Lo recused themselves from the discussion in accordance with the law.	I. As both Directors concurrently serve as managerial officers, Sih-Ming Li and Hsiang-Wei Lo were deemed interested parties and duly abstained from participating in the discussion and voting. II. Aside from the aforementioned directors who recused themselves due to conflicts of interest, the remaining directors raised no objections, and the proposal was approved as presented.
2024/08/09 17th meeting of the 5th term	Allocation of remuneration to directors in 2023	This proposal concerns the remuneration of the Chairperson and Directors. Therefore, Directors Sih-Ming Li, Hsiang-Wei Lo, and Kai-Hsing Wu were required by law to recuse themselves.	I. As the three Directors were deemed interested parties with respect to their remuneration, they duly abstained from the discussion and voting. II. Aside from the aforementioned directors who recused themselves due to conflicts of interest, the remaining directors raised no objections, and the proposal was approved as presented.
	Allocation of remuneration to managerial officers and employees of the Company in 2023	This agenda item concerned the remuneration of managerial officers; therefore, Directors Sih-Ming Li and Hsiang-Wei Lo recused themselves from the discussion in accordance with the law.	I. As both Directors concurrently serve as managerial officers, Sih-Ming Li and Hsiang-Wei Lo were deemed interested parties and duly abstained from participating in the discussion and voting. II. Aside from the aforementioned directors who recused themselves due to conflicts of interest, the remaining directors raised no objections, and the proposal was approved as presented.

III. Information on the Board of Directors’ Self-Evaluation (or Peer Evaluation):

Evaluation frequency	Once a year	Duration of Evaluation (Note)	From 2024/01/01 to 2024/12/31
Evaluation scope	Evaluation method	Evaluation content	
Board of Directors	Self-assessment conducted through written questionnaires by the responsible unit	The 2024 performance evaluation concluded with a 99% score across five major dimensions: Participation in company operations, Quality of Board decision-making, Composition and structure of the Board, Selection and continuing education of Directors and Internal control systems. The results show that Board members possess appropriate	

		professionalism and independence, with operations fully compliant with legal requirements. The Board collectively contributes to achieving corporate objectives and enhancing governance quality.
Functional committees	Self-assessment conducted through written questionnaires by the responsible unit	The 2024 performance evaluation concluded with a 94% score. The Company has established both an Audit Committee and a Remuneration Committee, and both function in compliance with relevant laws and regulations. As of December 31, 2024, a Nomination Committee has not yet been established.
Individual directors	Each Director conducted a self-evaluation using written questionnaires.	The 2024 evaluation concluded with a 96% score. The results reflected strong professional interaction, compliance with qualification requirements, and a well-balanced team with diverse expertise. The composition remains effective and is being maintained.

IV. Reinforced assessments of functional objectives (such as setting up the Audit Committee, promoting information transparency) of the Board of Directors and implementation status of the objectives of the specific year and the most recent year:

- (I) On June 27, 2024, the Company held a shareholders' meeting where one Director and one Independent Director were elected to fill vacancies, in line with corporate governance and gender equality principles, thereby strengthening the Board's functions.
- (II) To enhance Directors' expertise and uphold governance practices, all Directors completed continuing education courses in 2024.
- (III) Since 2022, the Company has purchased Directors and Officers Liability Insurance and continues to review the policy annually to ensure the insured amount and coverage scope meet actual needs.
- (IV) To improve transparency, the Company updated its official website in 2024. In addition to the existing Investor Relations / Corporate Governance sections, a new Sustainability / Stakeholders section was added, disclosing financial and operational information in line with ESG principles.

(II) Operation of the Audit Committee

In the recent 2024 accounting year, there were 8 meetings of Audit Committee held, attendance of Independent Directors is described below:

Job title	Name	Number of attendance in person [B]	Number of attendance by proxy	% of attendance in person [B/A]	Remarks
Independent Director	Wen-Chun Hung	8	0	100	8 attendances required [A]
Independent Director	Hong-Wen Wei	3	1	60	Elected on 2024/06/26 (Note) 5 attendances required [A]
Independent Director	Hsiao-Wen Wang	8	0	100	8 attendances required [A]
Independent Director	Kuo-Chi Lin	3	0	100	Elected on 2024/06/27 (Note) 3 attendances required [A]

Note: Independent Director Hong-Wen Wei resigned on 2024/06/26, and Kuo-Chi Lin was elected as the new independent director in the by-election at the shareholders' general meeting on 2024/06/27.

Other additional information:

- I. For operation of the Audit Committee under the following circumstances, meeting date of the Audit Committee, period, proposal content, independent directors' objections or contents of major proposals, resolution results of the Audit Committee and responses to the opinions of the Audit Committee shall be clearly indicated.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date	Historical	Proposal content	Resolution results
2024/01/29	8th meeting of the 1st term	I. Amendment to the internal control system, internal audit implementation rules, and the decision-making authority table.	Audit Committee: The proposal is approved by all attending members and submitted to the Board of Directors for resolution.
2024/03/29	9th meeting of the 1st term	I. The Company's 2023 internal control system statement. II. Material asset impairment.	
2024/04/24	10th meeting of the 1st term	I. The 2023 remuneration for the CPAs. II. 2023 Business Report and Financial Statements.	
2024/06/19	11th meeting of the 1st term	I. Proposal to Transfer Treasury Shares to Employees. II. Amendment to the internal control system, internal control regulations, and the decision-making authority table.	
2024/08/09	13th meeting of the 1st term	I. The 2024 remuneration for the CPAs. II. The Company's consolidated financial statements for 2024 Q2.	
2024/10/15	14th meeting of the 1st term	I. Propose to approve the period from October 1, 2023, to September 30, 2024. “Internal Control System Statement” regarding the date. II. Amendment to the internal control system, internal control regulations, and the decision-making authority table.	
2024/11/13	15th meeting of the 1st term	I. The Company's consolidated financial statements for 2024 Q3. II. Amendment to the internal control system, internal control regulations, and the decision-making authority table. III. 2025 annual audit plan.	Board of Directors: Approved by all attending directors.

(II) Except for the abovementioned matters, others which have not been passed by the Audit Committee but have been approved by more than two-thirds of all directors:

None.

- II. For avoidance of conflict of interest by independent directors, the name of independent directors, details of proposals, reasons for avoidance and voting results shall be stated: None.
- III. The status of communication between independent directors and internal auditing officers and CPAs: (Should include the material matters, methods and results of communication on the Company's financial and business status, etc.):

(I) Communication between the Audit Committee and the head of Internal Audit:

Date	Historical	Communication matters	Results
2024/01/29	8th meeting of the 1st term	Audit report for December 2023.	Acknowledged; no additional comments.
2024/03/29	9th meeting of the 1st term	I. Internal control self-assessment results for 2023. II. Audit reports for January–February 2024.	
2024/06/19	11th meeting of the 1st term	Audit report for March–May 2024.	
2024/08/09	13th meeting of the 1st term	Audit report for June–July 2024.	
2024/10/15	14th meeting of the 1st term	Audit report for August 2024.	
2024/11/13	15th meeting of the 1st term	Audit report for September–October 2024.	

- The Head of Internal Audit regularly attends Audit Committee and Board of Directors meetings to present audit-related matters and maintains direct communication with both the CPA and Independent Directors as needed. The communication channels are smooth and effective.
- The Head of Internal Audit also submits monthly audit reports to the Independent Directors. No dissenting opinions have been raised by the Independent Directors

regarding the reported items.

(II) Communication Between the Audit Committee and the CPAs

1. The Company's CPAs attend Audit Committee and Board meetings as needed. Independent Directors may communicate directly with the CPAs at any time, ensuring open and smooth communication.
2. The CPAs issued a pre-audit planning letter and a post-audit communication letter for the 2024 consolidated and individual financial statements. They also presented the following matters during the meetings: key aspects of corporate governance, audit report, financial statements (including significant adjustments and related party disclosures) and CPA independence. After thorough discussion, all Independent Directors agreed to approve the proposal.

Date	CPAs seated in the meeting	Proposal content
2024/03/29	Audit Committee	Material asset impairment.
2024/04/24	Audit Committee	2023 individual and consolidated financial statements case.
2024/08/09	Audit Committee	The Company's consolidated financial statements for 2024 Q2.
2024/11/13	Audit Committee	The Company's consolidated financial statements for 2024 Q3.

(III) Corporate Governance – Implementation Status and Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and the Reasons

Evaluation item	Implementation Status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best-practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies?	V		The Company has established the "Corporate Governance Best Practice Principles" and disclosed them on the MOPS and the Company's official website.	No major deviations
II. Shareholding Structure of the Company and Shareholders' equity				
(I) Does the Company have internal operating procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		The Company has established the "Rules of Procedure for Shareholders Meetings" and the "Regulations Governing the Administration of Shareholder Services," and has set up an investor relations section on its official website. Shareholders may contact the Company's spokesperson, acting spokesperson, or the stock personnel of our professional stock agency at any time with any suggestions or concerns. If any disputes or litigation arise, the Company may be notified in accordance with legal procedures, and we will engage our legal consultants to assist in handling the matter.	No major deviations
(II) Does the Company possess a list of major shareholders and beneficial owners of	V		The stock affairs agency provides the shareholders' register, and the Company keeps abreast of the list of major	No major deviations

these major shareholders?			shareholders who actually control the Company and discloses the information as required by law.	
(III) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	V		The Company has established the "Regulations Governing Transactions among the Group Enterprises, Specific Companies, Related Parties, and Affiliated Enterprises" and "Regulations Governing Financial and Business Matters among Related Parties" to implement risk control between the Company and its affiliates, and the appropriate firewall mechanism.	No major deviations
(IV) Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		The Company has established the "Management of Prevention of Insider Trading", "Director Code of Conduct", and "Procedures for Handling Material Inside Information". All directors and managers were notified on October 29, 2024, January 29, 2025, and April 29, 2025, that they should not trade stocks from that date until the publication of the third quarter report for 2024, the 2024 annual financial report, and the first quarter report for 2025.	No major deviations
III. Composition and Responsibilities of the Board of Directors				
(I) Does the board of directors have a diversity policy formulated and implemented?	V		The Company has established the "Corporate Governance Best Practice Principles" to implement a diversity policy for the Board of Directors, and the nomination and election of Directors are in accordance with the "Articles of Incorporation" and the "Regulations Governing the Election of Directors." The members of the Board of Directors possess expertise in various fields and are able to provide valuable insights into the Company's operations.	No major deviations
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?	V		The Company currently has no plans to add other functional committees and will consider establishing them as needed.	No major deviations
(III) Has the Company established its Board Performance Appraisal Measures and the evaluation methods, conducted the performance appraisal regularly every year and provided the results to the board as the reference for directors' remuneration and nomination and renewal?	V		The Company has established the "Regulations Governing the Board Performance Evaluation" and reported the results of the 2024 Board of Directors/functional committee/Director performance evaluation on February 13, 2025.	No major deviations
(IV) Has the Company regularly evaluated the independence of CPAs?	V		The evaluation of the suitability and independence of the CPAs has been approved by the Audit Committee and the Board of Directors on April 24, 2024 and February 13, 2025, respectively.	No major deviations
IV. Have the TWSE/GTSM listed	V		The Company has appointed a Corporate	No major deviations

companies had an appropriate number of competent corporate governance personnel and appointed corporate governance executives to take charge of the affairs related to corporate governance (including but not limited to providing the directors and supervisors with materials necessary for business execution; assisting the directors and supervisors in abiding by laws and regulations, lawfully handling matters regarding matters of the Board of Directors and the shareholders' meetings, and preparing minutes of the Board of Directors and the shareholders' meetings)?			Governance Officer on March 29, 2024, with Pei-Jun Ke, Director-General of General Administration, in charge of command and management. The Company's management unit is the General Administration Division, responsible for the process before, during, and after meetings of the Board of Directors, functional committees, and shareholders' meetings.	
V. Has the Company created channels for communicating with the stakeholders (including but not limited to the shareholders, employees, customers and suppliers), set a special zone for the stakeholders on its website, and appropriately responded to important issues on corporate social responsibilities which arouse the stakeholders' concern?	V		The Company's website has an Investor/Corporate Governance section that clearly lists the contact information for the Company's responsible personnel. Any stakeholder may contact the Company's spokesperson, acting spokesperson, or dedicated personnel at any time via telephone, email, or letter to provide suggestions or raise questions, and the Company's spokesperson, acting spokesperson, or dedicated personnel will assist in addressing and responding.	No major deviations
VI. Does the Company designate a professional stock affairs agency to deal with affairs relating to shareholders' meetings?	V		The Company's stock affairs and shareholders' meeting affairs are handled by the professional stock affairs agency, CTBC Bank, Transfer Agency Department.	No major deviations
VII. Information Disclosure				
(I) Has the Company established a public website to disclose operational, financial, and corporate governance information?	V		The Company has set up an investor relations section on its official website, where it discloses relevant financial, business, and corporate governance information.	No major deviations
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	V		The Company has established an "Investor Relations/Corporate Governance" section on its website, appointed dedicated personnel responsible for information collection and disclosure, and designated both a spokesperson and a deputy spokesperson. When investor conferences are held, presentation materials are also published on the Company's website.	No major deviations
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its	V		As the Company is listed on the Emerging Stock Board, it is required to announce and report its annual financial statements within four months after the end of the fiscal year. The Company has complied with the deadlines for announcing its second-quarter	No major deviations

financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.			financial statements and monthly operating results.	
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	V		(I) Employee Rights and Care The Company protects employee rights in accordance with applicable laws and regulations. It holds quarterly labor-management meetings, provides educational and training programs, and has established an Employee Welfare Committee to promote employee benefits and organize employee activities. (II) Investor Relations and Stakeholder Rights In addition to disclosing financial and business information on the Market Observation Post System (MOPS) and the Company's official website, the Company has implemented a spokesperson and deputy spokesperson system to maintain good investor relations and uphold the rights of stakeholders. (III) Supplier Relations The Company's cooperation with suppliers complies with relevant laws and contractual terms to safeguard the interests of both parties. (IV) Directors' Continuing Education The Company encourages directors to participate in continuing education programs. Please refer to Note 1 for details. (V) Implementation of Risk Management Policies and Risk Assessment Standards The Company conducts its operations in accordance with applicable laws, internal regulations, and internal control systems. Risk assessments and control measures are implemented to manage various operational risks. (VI) Implementation of Customer Policy The Company maintains lawful and contractual cooperation with customers to protect mutual rights and interests and assigns personnel to handle customer communication. (VII) Directors' and Supervisors' Liability Insurance The Company has purchased liability insurance for its directors.	No major deviations

Note 1: Continuing education of directors

Training date	Course organizer	Course name	Training hours	Name and title
2023/04/12	Taiwan Academy of Banking and	Corporate Governance Forum	3	Director Hsiang-Wei Lo

	Finance			
2023/09/22	Taiwan Academy of Banking and Finance	Corporate Governance Lecture – Responsibilities and Duties of Companies and Directors/Supervisors under the Securities and Exchange Act	3	Independent Director Hsiao-Wen Wang
2023/10/04	Taiwan Corporate Governance Association	How Boards of Directors Formulate ESG Sustainability Strategies	3	Independent Director Hong-Wen Wei
2023/11/10		Corporate Governance: Historical Evolution and Latest Developments	3	
2023/12/13	Taiwan Corporate Governance Association	Corporate M&A Practices and Case Analysis	3	Chairperson Sih-Ming Li; Director Hsiang-Wei Lo; Director Kai-Hsing Wu; Independent Director Wen-Chun Hung; Independent Director Hsiao-Wen Wang
2024/09/03	Taiwan Academy of Banking and Finance	Information Security Governance Seminar – Trends in Fintech and Cybersecurity Risks	3	Independent Director Hsiao-Wen Wang
2024/09/05	Securities and Futures Institute	Series for Directors, Supervisors, and Corporate Governance Officers – 2024 Second-Half Business Outlook: Current Landscape, Strategies, and Challenges of Taiwan's Industry Managers	3	Independent Director Kuo-Chi Lin
2024/09/12	Taipei Exchange	Meeting for promoting and explaining insider equity of a listed company	3	Independent Director Wen-Chun Hung
2024/10/15	Securities and Futures Institute	Corporate Governance and Securities Regulations	3	Chairperson Sih-Ming Li; Director Hsiang-Wei Lo; Director Kai-Hsing Wu; Director Yu-Hung Chen; Independent Director Wen-Chun Hung; Independent Director Hsiao-Wen Wang; Independent Director Kuo-Chi Lin
		Trend of Corporate Governance and the Company's Sustainable Development		

(V) Composition, responsibilities and operation of the Remuneration Committee

1. Information on members of the Remuneration Committee

Position	Name	Criteria	Professional qualifications and experience	Independence status	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director (Convenor)	Wen-Chun Hung	Please refer to page 6 of this annual report for disclosure of professional qualifications of directors and independence of independent directors.			0
Independent Director	Hong-Wen Wei (Note 1)				0
Independent Director	Hsiao-Wen Wang				0
Independent Director	Kuo-Chi Lin (Note 1)				0

Note 1: Independent Director Hong-Wen Wei resigned on June 26, 2024. Kuo-Chi Lin was elected as an Independent Director in a by-election at the Annual General Meeting on June 27, 2024.

2. Information on the operations of the Remuneration Committee

- (1) The Remuneration Committee of the Company has 3 members.
- (2) Current term: November 18, 2022 to June 29, 2025.

The Remuneration Committee held six meetings (A) in the most recent year (2024).

Attendance details are as follows:

Job title	Name	Number of attendance in person [B]	Number of attendance by proxy	% of attendance in person [B/A]	Remarks
Convener	Wen-Chun Hung	6	0	100	
Committee Member	Hong-Wen Wei	3	1	60	Resigned on 2024/06/26 5 attendances required [A]
Committee Member	Hsiao-Wen Wang	6	0	100	
Committee Member	Kuo-Chi Lin	1	0	100	Elected on 2024/06/27 1 attendances required [A]

Other additional information:

- I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): None.
- II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: None.

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

Promotion item	Implementation status			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the Company build the governance structure for promoting sustainable development and set full-time (part-time) positions for promoting sustainable development? Does the Board of Directors authorize the senior management to handle related matters and does the Board of Directors supervise the circumstances?	V		To ensure the implementation of the sustainable development goals, the Chairperson has set up an ESG promotion team, which is divided into economic, environmental, and social groups. The General Manager is the responsible person for the ESG promotion team, and supervisors are appointed to serve as members of each group, responsible for effectively integrating the Company's resources, project coordination and data collection, in order to achieve long-term cultivation, dedication, and organization, and promote the Company's sustainable development in a systematic manner.	No major deviations
II. Does the Company perform risk assessments when dealing with environmental, social, and corporate governance-related issues that concern the Company's operations according to the materiality principle and define related risk management policies or strategies?	V		The Company's Board of Directors approved the "Sustainable Development Best Practice Principles" on April 10, 2023, and disclosed it on the official website and the MOPS. The Company's risk policy is implemented by the General Manager convening responsible units to execute risk management measures based on risk type, and routinely carrying out preventative	No major deviations

			measures in accordance with their respective responsibilities to ensure effective risk control. In addition to convening internal meetings, the Company also consults external consultants when necessary to assess Risks and prevent possible threats to its business operations.	
III. Environmental Issues				
(I)	Has the Company set an environmental management system designed to industry characteristics?	V	The Company is engaged in the research and development and production of orthopedic medical devices and currently does not face any environmental management issues specific to the industry. Its headquarters and factory office are located in a building in Zhonghe District, New Taipei City. The production process does not generate waste gas, wastewater, or hazardous substances. The Company complies with the building management committee's regulations regarding electromechanical systems, security, environmental cleanliness, and public spaces, and integrates these with its internal audit, internal control, and quality management (ISO 13485) requirements for synergy and smooth operations.	No major deviations
(II)	Is the Company committed to improving energy efficiency and using recycled materials with a low impact on the environment?	V	The Company is engaged in the R&D and production of orthopedic medical devices, and does not extensively use recycled materials with a low environmental impact. In its daily operations, the Company conserves water and electricity, implements electronic forms, maximizes the use of recycled paper, and practices sorting. These efforts are aimed at energy conservation and carbon reduction.	No major deviations
(III)	Does the Company assess the present and future potential risk and opportunities of climate change in relation to the Company and adopt related countermeasures?	V	The Company assesses the risks of climate change to water and electricity supplies, which are indispensable resources for production. The shortage of water and electricity supply or the increase in overheads caused by climate change may have a negative impact on the Company's production and operating costs. Therefore, apart from introducing greenhouse gas inventories this year, the Company also continued to promote energy-saving projects and monitor various energy consumption and energy-saving indicators.	No major deviations
(IV)	Does the Company make statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulate policies for greenhouse gas reduction, water reduction, or other waste management?	V	The Company has begun conducting a greenhouse gas inventory this year, and while greenhouse gas emissions for the past two years have not yet been tallied, the following measures are being taken to establish energy conservation, carbon reduction, and greenhouse gas reduction: 1. The office air conditioning system is centrally controlled, operating only during work hours. Lights are switched off during lunch breaks, and all non-essential lighting and computer equipment are turned off at the end of the workday to conserve energy and	No major deviations

			reduce carbon emissions. 2. Promote paperless operations to reduce paper consumption and related consumables. 3. Encourage employees to use eco-friendly tableware, implement garbage sorting and recycling. 4. The Company's non-high-energy-consuming industries do not have or use facilities that generate large amounts of greenhouse gas. We have planted trees to increase green spaces and reduce the heat island effect, thereby minimizing our environmental impact. Although the Company has not yet calculated water consumption for the past two years, the design of its medical material cleaning process allows for repetitive cleaning to reduce water usage.	
IV. Social Issues				
(I)	Does the Company formulate relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V	The Company complies with the Labor Standards Act and related laws and regulations, has established an "Employee Handbook," and respects international human rights conventions. The Company has purchased labor group insurance for employees and does not engage in illegal child labor or forced labor. The Company protects the legal rights of employees, and its employment policy provides equal treatment. The Company also holds regular labor-management meetings to safeguard the basic rights and interests of employees.	No major deviations
(II)	Does the Company formulate and implement reasonable employee benefits and measures (including salary, leave, and other benefits), and properly connect its operating performance or results to employee remuneration?	V	The Company follows the Labor Standards Act and related laws and regulations, has established work rules and salary cycles, including remuneration, leave, and other employee benefits, and regularly reviews work performance to adjust employee remuneration every year. The Company gives bonuses based on individual Performance, and in accordance with the Company's Articles of Incorporation, the Company appropriates a certain percentage of employee remuneration based on the Company's operating performance. The Company has established a workplace diversity and gender equality policy. Convene labor-management meetings quarterly to provide group insurance for all employees.	No major deviations
(III)	Does the Company provide employees with a safe and healthy work environment, and provide employees with regular safety and health education?	V	The Company is classified as Class III "Low Risk" in the occupational safety business category. A Class A occupational safety and health supervisor is appointed in accordance with the law, and the occupational safety and health policy is regularly reviewed to meet the requirements of occupational health and safety laws and regulations, and to continuously provide employees with a safe working environment.	No major deviations

			The Company provides employees with a warm, safe, and comfortable working environment, annual health check-up subsidies, public holiday leave, employee group insurance, and a monthly birthday celebration. The Company has 0 work-related injury cases as of 2024 and the date of the prospectus publication.	
(IV) Has the Company established effective career development training programs for employees?	V		The Company encourages employees to pursue further education and training, with the aim of cultivating exceptional talent. Besides offering internal education and training programs, employees are also welcome to apply for external courses to enhance their capabilities and advance their career development. In 2024, the Company organized a total of 882 hours of internal and external training courses – covering quality systems, technology cultivation, new employee training, and occupational safety – with 147 participants.	No major deviations
(V) Has the Company complied with the relevant regulations and international standards and formulated policies for protection of consumers and clients' rights and interests and grievance procedures with respect to consumer health and safety, customer privacy, marketing and labeling of products and services?	V		The Company is engaged in the research and development and production of orthopedic medical devices. The Company's products are certified by the strict laws and regulations of the countries where they are sold before being allowed to market them. The Company also abides by ISO13485:2016, the Medical Devices Management Act, the Medical Devices Advertising Act and its review principles, GMP, GDP, and other related laws and regulations and international standards. Relevant operating procedures are equipped with SOPs and records are retained, and the Company has purchased product liability insurance. The Company has also established a clear Customer complaint handling procedure, maintains good relationships with Customers, and has set up a sustainable development/stakeholder section on the official website to provide contact channels for feedback.	No major deviations
(VI) Has the Company established supplier management policies which require suppliers to comply with regulations on environmental protection, occupational safety and health or labor rights, and reported the implementation?	V		The Company has not yet formulated relevant clauses in its contracts with its main suppliers. However, if a supplier violates the corporate social responsibility policy and causes a significant impact on the environment and society, the Company will evaluate terminating or rescinding the contract. All suppliers of the Company must pass a standard certification procedure before qualifying as suppliers. Materials intended for implantation in the human body require batch-by-batch submission of production inspection data for traceability. Incoming materials are subject to quality assurance inspection before acceptance into the	No major deviations

			warehouse; any failing materials will be returned to the supplier. Suppliers will undergo regular evaluations and on-site audits, and those failing to meet requirements will have their cooperation terminated immediately.	
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainability reports and other reports which disclose the Company's non-financial information? Have the aforesaid reports been assured or certified by a third-party verification agency?	V		The Company's current industrial type, scale, and demand have not yet reached the threshold required by the TWSE and TPEx for preparing a report disclosing the Company's non-financial information, such as a sustainability report. However, the Company is committed to corporate social responsibility and will respond appropriately in the future as the Company develops.	No major deviations
VI. If the Company has adopted its own sustainable development best-practice principles based on the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company's Board of Directors approved the "Sustainable Development Best Practice Principles" on April 10, 2023, and will continue to design and improve innovative trauma products suitable for Asian people, promote the advancement of orthopedic medicine, and fulfill its corporate social responsibility by enhancing information transparency and fostering internal labor-management harmony. This aligns with the spirit of the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies," and the implementation status for 2024 will be reported to the Board of Directors on February 13, 2025.				
VII. Important Information that helps to understand promotion of sustainable development: (I) Environmental protection: Both the office and the factory promote energy conservation and carbon reduction initiatives, encouraging waste sorting and recycling, and the use of reusable chopsticks and cups, to minimize environmental impact. (II) Social Contribution: Providing high-quality, reasonably priced bone plates and agency products, offering physicians more user-friendly tools, enabling smaller surgical incisions for patients, providing better fixation, reducing patient pain, and accelerating recovery time. (III) Public Welfare: The Company is deeply rooted in the biotechnology and medical technology industries, dedicated to the research and development and introduction of products to benefit patients. Simultaneously, the Company actively assists major hospitals and medical associations in strengthening their medical Assets. In 2024, the Company donated a total of NT\$3,209 thousand in Cash and sponsorship. (IV) Consumer rights: strictly control product quality and obtain product liability insurance. (V) Human rights: The Company complies with labor laws and regulations, provides group insurance for all employees, and holds regular labor-management meetings. (VI) Safety and Health: Regular safety education and training are scheduled for employees, and health examination subsidies are provided; product manufacturing and quality inspection procedures have been established to ensure product safety, and the company has obtained ISO 13485 certification.				

(VII) Performance of faithful business operations, the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.

Evaluation item	Implementation Status			Difference and Reason between Ethical Management of the Company and the "Ethical Management Best Practice Principles for TWSE/TPEx Listed Companies"
	Yes	No	Summary	
I. Formulate ethical corporate management policy and plan				
(I) Does the company establish ethical management policies approved by the board and have bylaws and	V		The Company's Board of Directors has approved the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for	No major deviations

	publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?			Conduct" on April 10, 2023, and disclosed them on the MOPS and the official website. The ESG promotion team of the Company continues to promote and implement the ethical corporate management policy in accordance with these principles.	
(II)	Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		The Company's "Procedures for Ethical Management and Guidelines for Conduct" clearly stipulate that dishonest behavior refers to any direct or indirect offering, acceptance, promise or request for improper Gains, or engagement in any other acts in breach of ethics, unlawful acts, or breach of fiduciary duty, in the course of performing business, for the purpose of acquiring or maintaining Gains, as the basis for Analysis and assessing dishonest behavior within the Scope of business. The Company values integrity and ethics. All employees sign the "Employment/Non-Disclosure Agreement" and "Employee Code of Conduct," and participate in regular education and training on ethical management every year.	No major deviations
(III)	Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		The Company's Board of Directors approved the "Procedures for Ethical Management and Guidelines for Conduct" on April 10, 2023, specifically regulating matters Company personnel should pay attention to when conducting business, and requiring full understanding and compliance. For unethical conduct, regardless of level, disciplinary actions are taken according to the "Employee Handbook," and employee complaint channels are provided. Company personnel are required to pay special attention to compliance and avoid violations. The implementation status for 2024 was reported to the Board of Directors on February 13, 2025.	No major deviations
II. The implementation of ethical corporate management					
(I)	Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		The Company evaluates and continuously monitors the integrity records of its trading partners, and the legal department will incorporate clauses on ethical conduct into contracts signed with important trading partners. If any unethical behavior is discovered, the Company reserves the right to terminate or rescind the contract at any time without condition.	No major deviations
(II)	Does the Company have a dedicated unit under the Board of Directors to promote ethical	V		The Company has established the General Administration Division and equipped it with sufficient resources and appropriate personnel	No major deviations

corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?			to handle the amendment, implementation, interpretation, consultation services, and filing and record-keeping of reports and related content, supervise implementation, and report to the Board of Directors at least once a year. The establishment, amendment or abolition of the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" shall be approved by the Board of Directors. The Board of Directors of the Company exercises the duty of care of a prudent manager in supervising the prevention of unethical conduct within the Company, to ensure the implementation of the ethical corporate management policy.	
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		In order to prevent conflicts of interest, the Company requires Directors, managers and their Related parties to maintain a high level of self-discipline, and to actively disclose any potential conflict of interest between themselves and the Company through meetings, written documents, emails or telephone. Regarding the proposals discussed and resolved by the Board of Directors in 2024, Directors shall automatically state any interests involved in the proposals during the Board meeting, and recuse themselves from voting on such proposals. The meeting unit shall keep a detailed record of this process in the minutes of the Board meeting.	No major deviations
(IV) Does the Company establish an effective accounting system and internal control system to implement ethical management and draft relevant audit plans by the internal audit unit based on the risk assessment results of the unethical conduct? Does the compliance of prevention program for the unethical conduct audited accordingly by the internal audit unit or CPAs appointed?	V		The Company has established an effective accounting system and internal control system to ensure the implementation of ethical management. The Audit Office reviews compliance with the aforementioned systems based on the annual audit plan. In addition, the Finance and Accounting Department and the Audit Office communicate with CPAs every year to discuss the accounting system, internal control system, and their implementation status.	No major deviations
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		Please refer to Table 1 for details.	No major deviations
III. The operation of the Company's whistleblower reporting system				
(I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels and designate responsible individuals to handle the complaint received?	V		In the Company's "Procedures for Ethical Management and Code of Conduct," a concrete whistle-blowing system has been established. These measures have been published on the official website and the MOPS. All stakeholders can report issues via the mailbox, letter, and telephone, and responsible personnel will accept the reports.	No major deviations

(II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation?	V		When the Company receives reports of incidents, it shall maintain the rights and confidentiality of the informants in accordance with the investigation procedures and confidentiality mechanism outlined in the "Procedures for Ethical Management and Guidelines for Conduct". From April 26, 2023, until the date of annual report publication, no reports of misconduct were received by the Company through the dedicated reporting mailbox.	No major deviations
(III) Does the Company adopt proper measures to shield a complainant from retaliation for filing complaints?	V		The Company's "Procedures for Ethical Management and Code of Conduct" explicitly require that the identity of the reporting party not be disclosed, in order to ensure the effective operation of the complaint system and protect the reporting party from any adverse actions as a result of reporting.	No major deviations
IV. Enhance Information Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" have been disclosed on the MOPS and the official website, and the effectiveness of their implementation can be found in the annual report.	No major deviations
V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please state the differences between the two and the state of implementation: No significant difference.				
VI. Other important information to facilitate better understanding of the Company's implementation of ethical corporate management (e.g. the Company reviews and amends its ethical corporate management principles): The Company has established an accounting system, audit and inspection procedures, and other operations. It has also established the Corporate Governance Principles and Ethical Corporate Management Principles as guidelines for the management and employees of the Company to follow. Auditors review and revise the Company's internal control system and various measures from time to time, and submit reports to the Audit Committee and the Board of Directors to effectively implement the ethical management system.				

Note 1: Internal and external training on business ethics.

Date	Category	Course name	Training hours	Target
2023/01/05	Internal training	Disclosure procedures and confidentiality following the Company's listing on the Emerging Stock Market; Information security awareness	1	Managerial staff
2023/04/11	Internal training	Ethical Corporate Management Principles, Procedures and Code of Conduct; Sustainable Development Best Practice Principles	1	Managerial staff
2023/06/06	Internal training	Reminder for all units to notify the General Management Office in advance if planning to acquire intangible assets or engage in material transactions	1	Managerial staff
2023/08/11	Internal training	Insider Shareholding Declaration Requirements (including short-swing and insider trading regulations)	1	Board Members (including managerial officers)
2023/05/17 2023/11/01	Internal training	Common violations of the Securities Exchange Act related to changes in insider shareholding	1	Board Members (including managerial officers)
2024/01/29	Internal training	2023 Performance Evaluation Reports for the Board, Functional Committees, and Directors 2023 Ethical Management Implementation Status Report.	1	Board Members
2024/04/11	Internal training	Ethical Corporate Management Principles	1	Managerial staff

2024/07/03	Internal training	Prevention of Insider Trading	1	Managerial staff
2024/08/07	Internal training	Gender Equality in Employment Act	0.5	Managerial staff
2024/08/09	Internal training	Insider shareholding reporting, insider trading prevention, and gender equality regulations	1	Board Members (including managerial officers)
2024/04/17 2024/11/27	Internal training	Common violations of the Securities Exchange Act related to changes in insider shareholding	1	Board Members (including managerial officers)
2025/02/05	Internal training	The Company has established a "Procedures for Handling Material Inside Information" to prevent improper information disclosure and ensure consistency and accuracy in public announcements. All material information and corporate governance disclosures are published in a timely manner on the Market Observation Post System (MOPS) in accordance with relevant laws and regulations.	1	Managerial staff

(VIII) Other important information that helps to understand the Company's corporate governance practices:

The Company has established the "Procedures for Handling Material Inside Information" to prevent improper disclosure of information, ensure the consistency and accuracy of the information announced to the public, and disclose material information and corporate governance information on the MOPS as required by law.

(IX) Regarding the implementation of the internal control system

1. For the statement of internal control, please visit the MOPS website at [<https://mops.twse.com.tw> > Single company > Corporate governance > Company regulations > Internal control/Declaration of internal control]. Enter the year and company code to view the announcement of the statement of internal control.
2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: Not applicable.

(X) Important resolutions of the shareholder meeting and board meeting during the most recent year or during the current year up to the date of publication of the annual report:

Major resolutions of the Shareholders' Meeting for the year 2024 and up to the date of annual report publication.

Meeting type Date of meeting	Resolutions	Implementation status
General Shareholders' Meeting 2024/06/27	Recognition of the 2023 Business Report and Financial Statements	Resolution implemented.
	Approval of the 2023 Earnings Distribution Proposal	The ex-dividend date was set as 2024/07/21, and the cash dividend of NT\$0.93797033 per share was distributed on 2024/08/09
	Approval of the Amendment to the Articles of Incorporation	Handled in accordance with the amended provisions
	Approval of the Company's proposal to conduct a cash capital increase for issuance of new shares as the source of shares for public offering prior to initial listing (TPEX), and to submit to existing shareholders for waiver of subscription rights	Resolution approved
	Approval of the distribution of cash from capital surplus	The ex-dividend date was set as 2024/07/21, and the cash distribution of NT\$1.78776717 per share from capital surplus was completed on 2024/08/09.
	By-election of one Independent Director and one Director Election results: Kuo-Chi Lin was elected as Independent Director; Yu-Hung Chen was elected as Director.	Related matters were handled in accordance with post-election procedures, and the change registration was completed on 2024/07/09.
	Approved the removal of non-competition restrictions on the newly elected directors	Non-competition restrictions have been lifted

Important resolutions of the Board of Directors in 2024 and up to the publication date of the annual report

Meeting Term Date of meeting	Resolutions
12th meeting of the 5th term 2024/01/29	1. Matters Regarding the Distribution of Year-End Bonuses for Managers in 2023 2. Review of the Company's 2024 policy, standards, and structure for Directors' and Managers' remuneration 3. Replacement of lead underwriter 4. Amendments to the internal control system, internal audit implementation rules, and authority matrix

13th meeting of the 5th term 2024/03/29	1. The Company's 2023 internal control system statement. 2. Appointment of Corporate Governance Officer 3. Material asset impairment 4. Amendments to "Audit Committee Charter" 5. Amendments to "Rules of Procedure for Board Meetings" 6. Amendments to "Procedures for Handling Material Inside Information" 7. Amendment to the "Regulations Governing the Remuneration of Directors and Managers" 8. By-election of one Independent Director and one Director and acceptance of nominations 9. Nomination and qualification review for directors and independent directors 10. Removal of non-competition restrictions on the newly elected directors. 11. Amendments to partial provisions of the Articles of Incorporation 12. The Company's plan to apply for TPEX listing 13. Cash capital increase for new share issuance as public offering source before listing, with shareholders waiving subscription rights 14. Signing of "Over-Allotment Agreement" before listing, and coordination of voluntary centralized custody by certain shareholders 15. Share repurchase proposal 16. 2024 Shareholders' Meeting arrangements 17. 2024 budget
14th meeting of the 5th term 2024/04/24	1. Evaluation of the competence and independence of the CPA 2. 2023 CPA remuneration 3. Distribution of employee and director compensation for 2023 4. 2023 Business Report and Financial Statements 5. 2023 earnings distribution proposal 6. Cash distribution from capital surplus 7. Proposal on the Remuneration of the Chairperson of the Board 8. Proposal on the Remuneration of the General Manager 9. Revision of 2024 Shareholders' Meeting arrangements
15th meeting of the 5th term 2024/06/19	1. Formulation of "Regulations Governing the Transfer of Repurchased Shares to Employees" 2. Proposal to Transfer Treasury Shares to Employees 3. Amendments to internal control system, procedures, and authority matrix
16th meeting of the 5th term 2024/06/27	1. Appointment of the Company's Remuneration Committee members
17th meeting of the 5th term 2024/08/09	1. 2024 CPA remuneration 2. Q2 2024 consolidated financial statements 3. Allocation of remuneration to directors in 2023 4. Allocation of remuneration to managerial officers and employees of the Company in 2023 5. Loan application to financial institutions
18th meeting of the 5th term 2024/10/15	1. Financial forecast for Q4 2024 and Q1 2025 2. Amendments to internal control system, procedures, and authority matrix 3. Approval of Internal Control System Statement for the period from 2023/10/01 to 2024/09/30
19th meeting of	1. Q3 2024 consolidated financial statements

the 5th term 2024/11/13	2. Amendments to internal control system, procedures, and authority matrix 3. 2025 Audit Plan
20th meeting of the 5th term 2025/01/08	1. 2024 year-end bonus distribution for managers 2. Review of the Company's 2025 remuneration policy, standards, and structure for Directors and Managers 3. Proposal for real estate acquisition 4. Amendments to internal control system, procedures, and authority matrix 5. Pre-approval of CPAs and affiliated firms providing non-assurance services to the Company, parent, and subsidiaries
21st meeting of the 5th term 2025/02/13	1. Amendment to the "Regulations Governing the Remuneration of Directors and Managers" 2. 2024 employee and director compensation distribution 3. 2024 Internal Control System Statement 4. Restatement of 2023 parent company only and consolidated financial statements, and 2024 Q2 and Q3 consolidated financial statements 5. 2024 Business Report and Financial Statements. 6. Evaluation of the competence and independence of the CPA 7. 2025 budget plan 8. Amendment to "Internal Control System - General Principles"
22nd meeting of the 5th term 2025/03/31	1. Discussion on manager remuneration 2. 2024 Earnings Distribution Proposal 3. Amendments to partial provisions of the Articles of Incorporation 4. Amendment to "Wage Cycle" section of internal control system 5. Cash capital increase for public offering prior to IPO 6. Full re-election of directors (including independent directors) and acceptance of nominations 7. Nomination and qualification review for directors and independent directors 8. Release of non-competition restrictions for new directors and their representatives 9. 2025 Shareholders' Meeting arrangements 10. 2025 CPA remuneration
23rd meeting of the 5th term 2025/05/14	1. Q1 2025 consolidated financial statements 2. 2024 Director compensation distribution 3. 2024 Manager and employee compensation distribution 4. Formulation of "Employee Share Subscription Regulations for Capital Increase" 5. Allocation of employee shares for pre-listing capital increase 6. Proposal on the Remuneration of the Chairperson of the Board

(XI) During the most recent year or during the current year up to the date of publication of the annual report, if board directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

IV. Information on CPA's Professional Fees

- (I) The amount of audit and non-audit remuneration paid to the certified public accountant, its firm and its affiliates, and the content of non-audit services.

Unit: NT\$ thousand

Name of Accounting Firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
PwC Taiwan	Chin-Lian Huang Ming-Chuan Hsu	2024/01/01- 2024/12/31	2,390	2,460	4,850	Non-audit fees include Tax audit fees, review of fair value of stock options, review of internal control system, and consultation services for listing.

1. When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.
2. If the audit public expenditure has decreased by more than 10% from the previous year: None.

V. Information on the replacement of CPA:

1. Regarding the predecessor CPA

Regarding the predecessor CPA					
Date of Change	The Board of Directors approved on August 11, 2023.				
Reasons for replacement and description	Internal organizational adjustment of PwC Taiwan				
Explain whether it was due to the appointer's or accountant's termination or the accountant's declination of the appointment	Party		CPA	Principal of the Company	
	Status				
	The appointment was terminated voluntarily		N/A	N/A	
	No longer accepted (continued) the appointment		N/A	N/A	
Opinions and reasons for the audit report issued in the last two years that are not unqualified opinions	None				
If there is any disagreement with the issuer	Yes		Accounting principles or practices		
			Disclosure of financial reports		
			Scope or steps of audit		
			Other		
	None	✓			
	Description				
Other disclosures: (Disclosures required by Article 10, Paragraph 6, Item 1-4 to 1-7 of the Guidelines)	None				

2. Regarding the succeeding accountant

Name of CPA firm	PwC Taiwan
Name of CPA	CPAs Chin-Lian Huang; Ming-Chuan Hsu
Date of appointment	The Board of Directors approved on August 11, 2023.
The results of the audit on the accounting treatment or accounting principles of specific transactions before the appointment, and the possible opinions to be issued on the financial statements.	N/A
The written opinion of the succeeding CPA to the matters disagreed by the former CPA	N/A

3. The reply of the former CPA to the sub-paragraphs 1 and 2-3, Paragraph 6, Article 10 of the Principles: Not applicable.

VI. Circumstances in which the chairperson, General Manager, or officers in charge of financial or accounting matters of the Company has worked in the firm of the CPA or its affiliated companies within the last year: None.

VII. Any equity transfer or change in equity pledge by a director, supervisor, managerial officer, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report

(I) Changes in shareholdings of directors, supervisors, managerial officers and major shareholders:

Please visit the MOPS website at [<https://mops.twse.com.tw> > Summary Reports > Equity Changes / Securities Issuance > Shareholdings / Pledge / Transfer by Directors, Supervisors, and Major Shareholders > Shareholding of Directors, Supervisors, Managers and Major Shareholders > Summary of Shareholdings of Directors, Supervisors, Managers and Major Shareholders]. Select “Emerging Stock” for the market and “Biotechnology and Medical Industry” for the industry category, then enter the relevant date (year and month) to perform the query.

(II) The counterparties to equity transfers involving directors, supervisors, managers, and major shareholders who are related parties are as follows:

Name	Cause of equity transfer	Date of transaction	Transaction counterpart	Relations between the counterparty of trade and the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares	Shares	Transaction price NT\$/shares
Sih-Ming Li	The allowance for establishment	2024/01/23	Ho-Ming Investment Co., Ltd.	The responsible person of the company is Sih-Ming Li.	40,000	44.68

(III) The counterparties to the pledge of equity held by directors, supervisors, managers, and major shareholders who are related parties: None.

VIII. Relationship information, if among the top ten shareholders any one is a related party or a relative within the second degree of kinship of another

May 2, 2025; Unit: Share

Name	Personal shareholding		Shareholdings by spouse and minor child		Total shareholding by nominee arrangement		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remarks
	Shares	Percentage of Shareholding (%)	Shares	Percentage of Shareholding (%)	Shares	Percentage of Shareholding (%)	Name	Relations	
Kai-Hsing Wu	4,140,679	13.59	50,000	0.16	-	-	None	None	-
Sih-Ming Li	2,234,045	7.33	132,809	0.44	324,000	1.06	None	None	-
Cheng-chi Cheng	1,517,020	4.98	-	-	-	-	None	None	-
Well Harmony International Limited	1,379,809	4.53	-	-	819,166	2.69	Hsiang-Wei Lo	Person in Charge	-
Representative: Hsiang-Wei Lo	819,166	2.69	-	-	1,379,809	4.53			-
Yu-Hung Chen	1,133,000	3.72	332,000	1.09	335,000	1.10	None	None	-
Hsiang-Wei Lo	819,166	2.69	-	-	1,379,809	4.53	Weikai International Limited.	Person in Charge	-
First Venture Capital Co., Ltd.	734,660	2.41	-	-	-	-	None	None	-
Representative: Chien-Chung Li	-	-	-	-	-	-	None	None	-
Aima Investment Co., Ltd.	591,000	1.94	-	-	556,100	1.83	Chin-Tsai Hsieh	Person in Charge	-
Representative: Chin-Tsai Hsieh	556,100	1.83	240,000	0.79	591,000	1.94			-
Chin-Tsai Hsieh	556,100	1.83	240,000	0.79	591,000	1.94	Aima Investment Co., Ltd.	Person in Charge	-
Yung Hong Mei Co., Ltd.	461,900	1.52	-	-	-	-	Fang-Yi Chen	Person in Charge	-
Representative: Fang-Yi Chen	-	-	-	-	461,900	1.52			-

IX. The total number of shares and the consolidated shareholding percentage held in any single investee enterprise by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

December 31, 2024; Unit: thousand shares

Re-invested business (Note)	Investments by the Company		Directors, supervisors, managerial officers, and investments controlled either directly or indirectly		Comprehensive investment	
	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %
A Plus (Cayman) Holding Inc.	25,029	100	-	-	25,029	100
A Plus (Shanghai) Trading Co., Ltd.	-	100	-	-	-	100

The Company reinvested in A Plus (Shanghai) Trading Co., Ltd. through A Plus (Cayman) Holding Inc., with an investment amount of NT\$372,039 thousand.

Three. Capital Overview

I. Source of share capital

(I) Formation of capital stock

Unit: NT\$ Thousand; Thousand Shares

Date	Issuing price (NTD)	Authorized capital		Paid-up Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Using property other than cash as payment of shares	Other
2017.01	10	40,000	400,000	26,143	261,430	Stock option conversion NT\$1,720 thousand	-	Note 1
2017.04	10	40,000	400,000	26,836	268,360	NT\$6,930 thousand of stock shares were converted from share options.	-	Note 2
2018.07	10	40,000	400,000	27,566	275,660	Stock option conversion NT\$7,300 thousand	-	Note 3
2019.12	10	40,000	400,000	28,649	286,490	Stock option conversion NT\$10,830 thousand	-	Note 4
2021.12	10	40,000	400,000	30,471	304,710	Stock option conversion NT\$18,220 thousand	-	Note 5
2022.12	10	80,000	800,000	30,471	304,710	The extraordinary shareholders' meeting on November 18, 2022 approved the amendment to the Articles of Incorporation to increase the authorized capital.	-	Note 6

Note 1: Approved by the New Taipei City Government Department of Economic Development, Letter No. 1068000885 dated January 9, 2017.

Note 2: Approved by the New Taipei City Government Department of Economic Development, Letter No. 1068022082 dated April 13, 2017.

Note 3: Approved by the New Taipei City Government Department of Economic Development, Letter No. 1078044793 dated July 17, 2018.

Note 4: Approved by the New Taipei City Government Department of Economic Development, Letter No. 1088086193 dated December 19, 2019.

Note 5: Approved by the New Taipei City Government Department of Economic Development, Letter No. 1108092619 dated December 24, 2021.

Note 6: Approved by the New Taipei City Government Department of Economic Development, Letter No. 1118086596 dated December 5, 2022.

(II) Type of share

May 2, 2025; Unit: Shares

Type of share	Authorized capital			Remarks
	Outstanding shares	Shares yet to be issued	Total	
Common stock	30,471,000	49,529,000	80,000,000	TPEX stocks

(III) Offering and issuance of securities under the general declaration system: None.

II. List of major shareholders

List the names of shareholders with a stake of 5 percent or more, or the top ten shareholders in terms of shareholding, and the number and percentage of shares held by each

May 2, 2025 Unit: Share

Name of major shareholder	Number of shares held	Shareholding ratio %
Kai-Hsing Wu	4,140,679	13.59
Sih-Ming Li	2,234,045	7.33
Cheng-chi Cheng	1,517,020	4.98
Weikai International Limited.	1,379,809	4.53
Yu-Hung Chen	1,133,000	3.72
Hsiang-Wei Lo	819,166	2.69
First Venture Capital Co., Ltd.	734,660	2.41
Aima Investment Co., Ltd.	591,000	1.94
Chin-Tsai Hsieh	556,100	1.83
Yung Hong Mei Co., Ltd.	461,900	1.52

III. Dividend policy and implementation status

(I) Dividend policy of the Company

If the Company has earnings in a fiscal year, the earnings shall first be used to pay taxes and to offset accumulated losses. Then, 10% of the remaining earnings shall be set aside as legal reserve, unless the legal reserve has already reached the Company's paid-in capital. A special reserve may also be set aside or reversed in accordance with laws or operational needs. Any remaining earnings, together with undistributed earnings from prior years, shall be used as the basis for a distribution plan. If dividends are to be distributed in the form of new shares, the plan must be submitted to the Shareholders' Meeting for approval before distribution. If dividends are to be distributed in cash, the plan must be approved by the Board of Directors and then reported to the Shareholders' Meeting.

The Company considers its industry characteristics, operational growth, future capital needs, long-term financial planning, and shareholder demand for cash inflow when determining its dividend distribution. Based on annual earnings and after considering overall development, financial planning, funding needs, and industry conditions, dividends may be distributed in the form of cash or stock, subject to Shareholders' Meeting approval. However, the total amount of dividends distributed in the year shall not be less than 5% of the distributable surplus. The proportion of cash dividends shall not be less than 10% of the total dividends distributed in the year.

(II) Dividends already (proposed to be) distributed this year

According to Article 18-1 of the Company's Articles of Incorporation, the 2024 earnings distribution plan was approved by the Board of Directors on March 31, 2025.

NT\$121,884,000 was allocated from distributable earnings, and a cash dividend of NT\$4 per share was declared, with the payment made on May 19, 2025.

IV. Impacts of Proposed Stock Dividends on the Company's Business Performance and Earnings per share (EPS)

Not applicable, as no stock dividend was distributed in fiscal year 2024.

V. Remuneration to employees, directors, and supervisors

(I) Percentage or scope of remuneration of employees, directors and supervisors stipulated in the articles of association

If the Company records a profit in a given year, no less than 1% shall be allocated as employee compensation and no more than 5% as director remuneration. However, if the Company has accumulated losses, such losses must be covered first. The aforementioned employee compensation may be distributed in cash or stock and may include employees of the Company and employees of its subsidiaries who meet certain criteria. All matters regarding the distribution of employee and director remuneration shall comply with relevant laws and regulations and must be approved by the Board of Directors.

(II) Accounting measures adopted in case of any difference between the basis for estimating the amount of remuneration for employees, directors, and supervisors, basis for calculating the number of shares included in the distribution of remuneration for employees, and the actual value distributed and their estimates of the current term:

1. The basis for estimating the amount of remuneration to employees, directors, and supervisors for the current period:

The estimated amounts of employees' compensation and directors' remuneration for the current period are based on the percentages stipulated in the Articles of Incorporation. These amounts, 3% for employees' compensation and 5% for directors' remuneration, are estimated based on pre-tax income before the distribution of employees' compensation and directors' remuneration.

2. Calculation basis for the number of shares distributed as employee remuneration:
The Board of Directors resolved to distribute employee bonuses in cash.

3. The accounting treatment for any difference between the actual distributed amount and the estimated amount.

If the actual distribution amount resolved by the Board of Directors differs from the estimated amount, it will be regarded as a change in accounting estimate and recognized as profit or loss for the year of the Board of Directors' resolution.

(III) Remuneration distribution passed by the Board of Directors

1. Remuneration to employees and that to directors/supervisors distributed in cash or stock.
If the amount of expenses recognized is different from the amount estimated for the year, the difference, the cause and treatment of the difference shall be disclosed:

On February 13, 2025, the Board of Directors approved the distribution of cash remuneration to employees for NT\$6,093,262 and remuneration to Directors for NT\$10,155,435. The aforementioned amount is no different from the estimated amount recognized as expenses for the year.

2. Percentage of employee stock-based compensation to total net income and total employee compensation

The Board of Directors resolved to distribute employee bonuses in cash.

(IV) The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number, amount and share price of shares distributed); if there is a difference from the recognized remuneration of employees, directors and supervisors, state the difference, the reason and the handling situation: No difference.

The actual remuneration distributed in the previous year was NT\$1,428,783 for employees and NT\$2,381,305 for directors. There was no difference between the actual and recognized amounts.

VI. Buyback of the Company's shares

(I) Execution completed

December 31, 2024		
Buyback Batch	First trench	Second trench
Purpose of buyback	Transfer of shares to employees	Transfer of shares to employees
Buyback period	2023/01/31-2023/03/30	2024/04/01-2024/05/31
Buyback price range	NT\$38 to NT\$60	NT\$40 to NT\$60
Type and quantity of shares already bought back	288,000 ordinary shares	285,000 ordinary shares
Amount of shares already bought back	NT\$14,152,908	NT\$16,259,292
Ratio of repurchased shares to expected repurchased shares (%)	48%	95%
Quantity of shares already cancelled and transferred	288,000 shares	285,000 shares
Cumulative holding of the company's shares	0 shares	0 shares
Ratio of cumulative holding of the company's shares to total number of issued shares (%)	0%	0%

(II) The implementation is still in progress: None.

VII. Issuance of corporate bonds (including overseas corporate bonds): None.

VIII. Issuance of preferred shares: None.

IX. Global depositary receipt handling: None.

X. Status of employee stock option plan and employee restricted stock

- (I) The annual report shall disclose the unexpired employee stock options issued by the Company as of the date of publication, and the effect on shareholders' equity: As of the date of publication of this annual report, the Company has not issued any unexpired employee stock options.
- (II) The names of managers who have obtained employee stock warrants and the top ten employees with the largest number of employee stock options as of the date of publication of the annual report: As of the date of publication of this annual report, the Company has not issued any outstanding employee stock options.
- (III) Handling of new shares with restricted employee rights: None.

XI. Handling of new shares for M&A or transfer of other companies' shares: None.

XII. Implementation of capital utilization plan: None.

Four. Operational Overview

I. Business contents

(I) Business scope

1. Main contents and business ratios

The Company is mainly engaged in the research and development, manufacture, and sales of medical devices for skeletal trauma. The primary products are bone plates and screws used in the treatment of fractures or dislocations caused by trauma. These devices help reposition and stabilize broken bones to allow natural healing. Currently, the Company's bone plate products are applicable to various body parts, including the limbs, fingers/toes, wrists, ankles, shoulders, ribs, and pelvis (see figure below).

The Company's bone plates are designed and developed based on the skeletal curvature parameters of Asians, unlike most products from major European and American manufacturers, which are primarily designed for Caucasian anatomy. This makes the Company's products more suitable for Asian users. It is also the world's first company to focus exclusively on developing products based on Asian skeletal curvature. These products feature an interlocking design and are made of titanium alloy, marketed domestically and internationally under the "Aplus" brand. Currently, the domestic market accounts for over 75% of total revenue.

Building upon trauma orthopedic products, the Company integrates technologies such as medical imaging analysis, image reconstruction, biomechanics, digital modeling, and additive manufacturing to develop customized surgical guiding tools. These tools assist physicians with preoperative planning, intraoperative navigation, and postoperative fixation for various osteotomy and corrective surgeries. They significantly enhance surgical accuracy, shorten procedure time, and improve success rates. They are currently used in complex procedures such as trauma fractures, degenerative knee arthritis, and corrections in other body areas.

In addition to self-manufactured products, the Company also distributes orthopedic fillers and biologics from domestic and international suppliers, including artificial bone substitutes, hemostatic powders, and platelet-rich plasma (PRP) joint cavity injections, used for orthopedic treatments.

Sales percentage of main products in 2024:

Product items	% of Net Operating Revenue
Orthopedic trauma and correction devices	82.92
Distributed orthopedic medical products	17.08
Total	100.00

2. Current product (service)

- (1) Trauma Products: Internal fixation plates, screws, pins, intramedullary nails, cables, external fixators.
- (2) Correction Products: Knee osteoarthritis correction systems, hallux valgus correction systems, additive manufacturing surgical aids.
- (3) Distributed Products: Artificial bone substitutes, cell therapy products, hemostatic agents, breathable casts, disposable surgical tools, carbon fiber bone plates.
- (4) Spine Products: Spinal fixation systems, intervertebral fusion devices.

3. Planned new product (service) development

- (1) Polymer composite implants
- (2) Bridging-type plate systems
- (3) AI-assisted preoperative planning system

- (4) Additive manufacturing implants
- (5) Ankle joint correction systems

(II) Industry overview:

1. Current status and development of the industry

Clinical treatment of orthopedic diseases generally includes drug therapy, physical therapy (rehabilitation), and invasive treatment (surgery). Invasive treatments involve implanting medical devices into the human body to fix, support, or replace damaged or deformed bones, joints, or cartilage, restoring patients' mobility and flexibility.

Orthopedic implants are categorized into three major types: trauma fixation implants, joint implants, and spinal fixation implants. Other implants include those for soft tissue repair, reconstruction, and replacement, as well as bone fillers. With recent advancements in regenerative medicine, orthopedic biologics made from the patient's own substances are now used in clinical treatments. These involve culturing autologous cells or tissues outside the body and injecting or implanting them back into the patient. These cells promote regeneration or secrete growth factors, allowing damaged bone or cartilage to heal while reducing foreign body sensation and the pain associated with invasive surgery.

The following is an analysis of the orthopedic trauma medical device industry relevant to the Company:

Fractures caused by severe external force or long-term pressure are called "traumatic fractures" or "stress fractures". Fractures can also be caused by internal pressure or weakened bones, such as rib fractures from excessive coughing, osteoporosis, osteogenesis imperfecta, or metastatic cancer, referred to as "pathological fractures".

Most fractures can heal naturally over several months. Therefore, treatment focuses on stabilizing the injured area for proper bone alignment and healing. Fixation methods include external fixation (conservative) and internal fixation (surgical):

- ① External fixation tools, such as plaster casts or braces, are used for minor or specific fractures. They maintain bone alignment until healing, usually taking 8 weeks.
- ② Internal fixation tools involve surgical implantation of plates and screws to stabilize the fracture and promote healing. This is the standard method today. Intramedullary nails can also be placed inside long bones for fixation.

Bone plates are the most commonly used internal fixation tools. The first internal bone plate was designed by Belgian surgeon Robert Danis in 1949. Based on his design, the AO/ASIF (Association for the Study of Internal Fixation) in Switzerland developed the compression plate in 1963. In 1969, the Dynamic Compression Plate (DCP) was introduced, applying pressure across fracture ends to enhance healing. This was a major advancement in fracture treatment. With improvements in medicine, materials science, and casting technology, the Locking Compression Plate (LCP) was introduced in 1999, greatly improving fixation and marking a milestone in fracture treatment and healing. Traditional DCP plates rely on screws to press the plate against the bone, using friction to stabilize. If the plate does not conform well to the bone, stability is reduced. LCP plates have threaded holes that interlock with screws, creating a rigid fixed-angle structure, providing strong support and withstanding higher loads—especially useful in bones with defects. Modern locking plates offer better materials and anatomically contoured designs for bone curvature. However, due to cost, Taiwan's National Health

Insurance does not reimburse them. Patients must pay out of pocket for better surgical outcomes. According to the National Health Insurance Administration's 2019 audit, locking plates not covered by insurance accounted for 81% of all bone plates used, indicating that locking plates have become the mainstream in domestic clinical fracture treatment.

The Company primarily serves the domestic market, with about 25% of its revenue from exports, mostly to China. Below is a summary of the trauma bone material market in Taiwan and China:

① Domestic Market

According to the Ministry of Health and Welfare's National Health Insurance Medical Statistics Yearbook, statistics from 2018 to 2022 on outpatient and inpatient (including emergency) medical expenses show the health insurance points and patient visits for fractures of the forearm, femur, and lower leg (including ankle). In 2021, due to the Level 3 COVID-19 alert in Taiwan and enhanced epidemic control measures (including work-from-home and online classes), people had fewer outdoor activities, reducing fracture cases. As a result, both health insurance points and patient visits dropped that year. In other years, the number of fracture patients exceeded 280,000, and the health insurance points increased year by year.

**Medical Statistics on Fractures of the Forearm,
Femur, and Lower Leg (including Ankle) in Taiwan from 2018 to 2022**

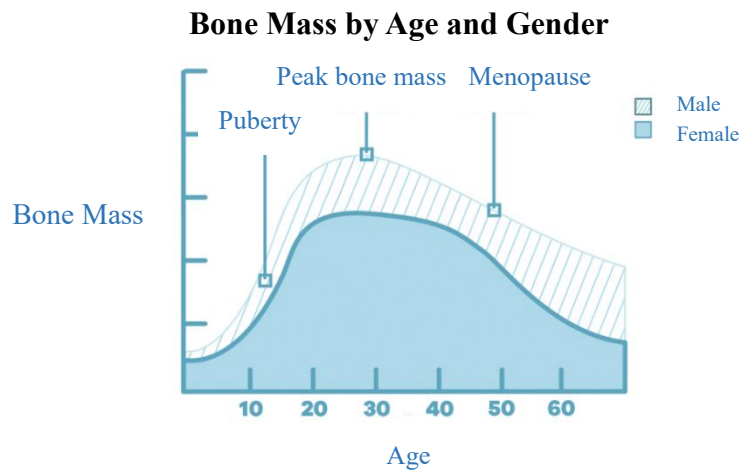
	2018	2019	2020	2021	2022
National Health Insurance Points (thousands)	5,751,202	6,010,692	6,118,734	6,097,588	6,532,712
Number of Patients (ten thousands)	28.08	28.41	28.25	27.34	28.25

Source: National Health Insurance Annual Report, compiled by Uni-President Securities.

A closer look at the number of patients treated for fractures of the forearm, femur, and lower leg (including ankle) over the past five years reveals that the proportion of elderly patients aged 65 and over was 40.27%, 41.62%, 42.11%, 44.26%, and 45.03%, showing an increasing trend each year. In comparison, according to the Ministry of the Interior's statistics, the proportion of Taiwan's elderly population aged 65 and over in 2023 was 18.35%. This shows that the proportion of fracture patients aged 65 and above has consistently exceeded 40%, significantly higher than the proportion of the general elderly population, indicating a strong positive correlation between age and the occurrence of fractures.

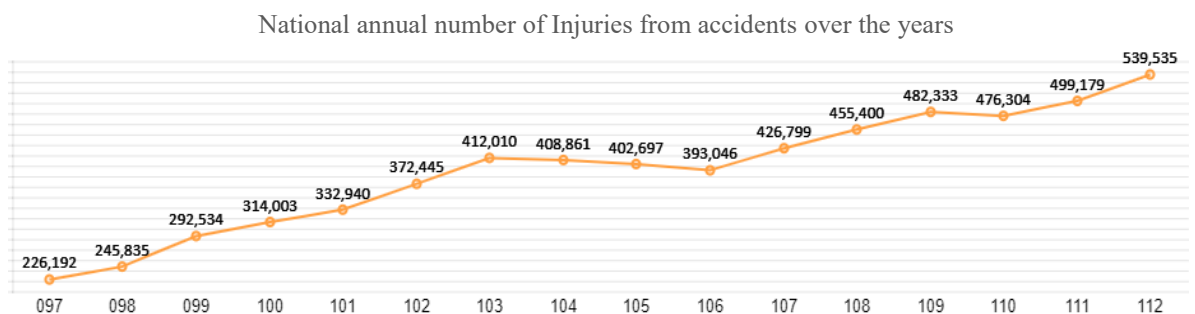
Further analysis of elderly fracture patients by gender shows that, in the past five years, the proportion of women aged 65 and over was 72.70%, 73.36%, 72.70%, 73.97%, and 74.16%, respectively. The number of elderly female patients seeking treatment for fractures was more than 2.5 times that of elderly males. After menopause, women experience a sharp drop in estrogen, leading to accelerated bone loss (see figure below), making them more susceptible to osteoporosis than men. Osteoporosis patients are prone to fractures caused by minor impacts such as falls, bumps, sneezes, or sudden posture changes. This is especially true for older adults whose muscle strength, balance, coordination, and vision are deteriorating, factors that all contribute to a higher risk of fractures. Therefore, it is evident that fractures in elderly individuals aged 65 and over

are mostly due to bone loss and minor trauma, rather than high-impact injuries.



Due to dietary habits and physical constitution, Asians tend to consume less milk and dairy products, resulting in lower calcium intake and, consequently, a higher risk of osteoporosis than Westerners. Asians generally have lower bone mineral density and a higher prevalence of osteoporosis. Osteoporotic fractures frequently occur in the hip, spine, wrist, and proximal humerus. According to the International Osteoporosis Foundation (IOF), Taiwan has the highest incidence of hip fractures in Asia and ranks 9th globally. As the aging population in Taiwan grows, the number of osteoporosis patients and high-fracture-risk individuals is expected to increase further.

In addition, trauma caused by traffic accidents is the leading cause of fractures in Taiwan. According to statistics from the Directorate General of Highways under the Ministry of Transportation and Communications, only in 2017 did the number of traffic accident injuries fall below 400,000. In each of the past five years, the number of injuries has exceeded 450,000, reaching a record high of nearly 540,000 last year.



Source: Directorate General of Highways, Ministry of Transportation and Communications.

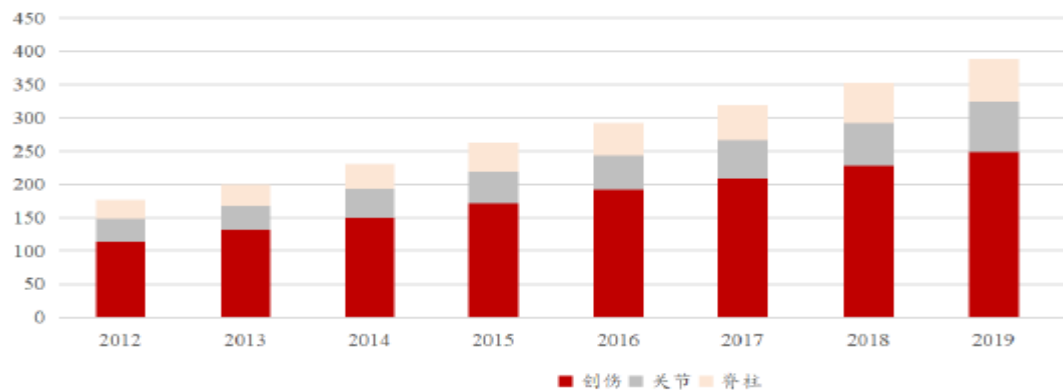
Taiwan's traffic environment has been labeled a "pedestrian hell" by CNN. Motorcycles are the most widely used mode of transportation in Taiwan, and the recent boom in food delivery services has likely contributed to the increase in traffic accidents. Among trauma injuries from accidents, fractures are the most common. With persistently high accident rates and a record-high number of injuries, medical demand related to trauma fractures is bound to rise.

② China Market

China's population aged 65 and over increased from 119 million in 2010 to 191

million in 2020, a 60% increase. Their proportion of the total population rose from 8.87% to 13.50%. Given the high correlation between age and the incidence of orthopedic diseases, this demographic shift has led to surging demand for orthopedic implants among the elderly. Coupled with increased income levels, heightened health awareness, and changes in medical-seeking behavior, the volume of orthopedic surgeries has grown substantially. Orthopedic surgeries in China rose from 1.77 million cases in 2012 to 3.89 million cases in 2019, an increase of nearly 120%. Among them, trauma surgeries dominated: in 2019, out of 3.89 million orthopedic surgeries nationwide, 2.49 million were trauma surgeries, accounting for 64%.

Orthopedic Surgeries in China (2012–2019)

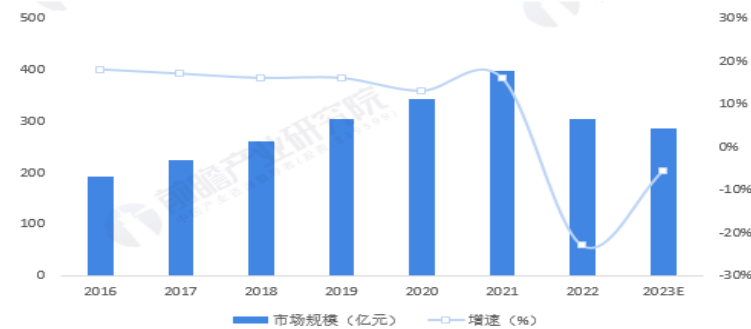


Source: BOC International (China) Co., Ltd.

Orthopedic surgery volume in China has steadily increased over the past decade, currently reaching about 4 million cases per year. Consequently, China’s orthopedic implant industry has grown rapidly in recent years. According to the China Medical Device Blue Book, the market size for orthopedic implants in China grew from RMB 19.3 billion in 2016 to RMB 39.7 billion in 2021, with a compound annual growth rate (CAGR) of 19.0%.

As China faces a rapidly aging population, it also struggles with high prices for drugs and high-value medical consumables, placing a heavy burden on the medical insurance fund and patients. In May 2018, the State Council of China established the National Healthcare Security Administration (NHSA), which oversees the medical insurance fund and centralized procurement of medical services. It has launched a series of volume-based procurement programs targeting high-use or high-cost items in clinical practice, aiming to reduce prices by leveraging procurement volume. In 2022, centralized procurement in the artificial joint and trauma implant categories resulted in significant hospital price reductions. This contraction reduced the overall size of the two largest orthopedic segments, leading to a decline in the orthopedic implant industry as a whole. According to the China Medical Device Blue Book, the orthopedic implant medical device market in China dropped to RMB 30.4 billion in 2022, down 23.43% from the previous year. In 2023, as spinal implant procurement was successively implemented across regions in China, the market is expected to decline further.

China's Orthopedic Implant Market Size



资料来源：《中国医疗器械蓝皮书》 前瞻产业研究院

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2. The correlation among the upstream, midstream and downstream industries:
The main raw materials used in this industry are titanium, stainless steel, and high-polymer composite materials. After undergoing research and development, design, and manufacturing processes, the final products are sold directly to distributors or hospitals for clinical use in surgeries. Upstream raw materials are sourced from suppliers approved by the Company and must meet international standards. Manufacturing is conducted in certified medical device production facilities. Besides in-house R&D and production capabilities, the Company also collaborates with academic and testing institutions from the midstream segment to develop various innovative products tailored to clinical needs. Finally, the products are sold to downstream distributors and hospitals.

Upstream – Raw Material Supply	Metal raw material suppliers	Polymer raw material suppliers	Semi-finished equipment parts suppliers
Midstream – R&D and Manufacturing	Academic research institutions	Commissioned testing units	Production and manufacturing units
Downstream – Product Sales	Distributors	Agents	Medical institutions

3. Development trends and competition of products

(1) Product development trends

A. Trauma Fixation Implants

Orthopedic trauma implants and instruments have advanced rapidly over the past few decades. Implants have evolved from simple bone screw fixations to plate fixations. With improvements in processing technology, plates have diversified in form, featuring reduced contact surfaces, special curvatures, anatomical shapes, and designs tailored to specific functions. The interface between screws and plates has evolved from compression fixation to locking systems, and more recently to variable-angle and continuous thread locking systems. Materials have also progressed from conventional metals, stainless steel, and titanium alloys to PEEK, ceramics, and carbon fiber. Absorbable implant materials are now also available on the market. These innovations are all aimed at providing surgeons with more user-friendly tools that allow for smaller surgical wounds, better fixation, reduced patient pain, and faster recovery.

As the quality of life improves in Asia, demand for high-end medical products continues to rise. The Company is a qualified manufacturer of high-quality plate and screw systems, designing trauma products best suited to Asian

anatomy based on bone curvature specific to the region. In the future, the Company will continue to expand its product lines to address more trauma treatment needs across different anatomical regions and will keep developing materials that better match bone characteristics, extending fatigue life and accelerating bone healing.

B. Customized Surgical Guides

Customized medicine has become a major trend in modern healthcare. With the growing popularity of 3D printing, many clinical practices are adopting this technology. Surgical guides are one of the most actively developed components of precision orthopedic medicine. Unlike navigation equipment, hospitals typically do not need to invest in additional devices. Instead, customized surgical guides can be created using medical imaging data for specific body parts and individual patients. This improves surgical accuracy and convenience while significantly lowering healthcare costs.

In orthopedic surgeries, every patient's bone structure is unique. Performing accurate cuts and adjustments manually requires extensive clinical experience and subjective judgment. Although computer navigation during surgery can greatly enhance precision, the equipment is expensive and not widely adopted. By introducing preoperative computer-assisted planning and customized 3D-printed surgical guides tailored to each patient, surgeons can perform procedures based on pre-set cutting angles, positions, and depths. This improves surgical accuracy, shortens operation time, and significantly lowers the cost of precision medicine. This is particularly beneficial for complex orthopedic deformity correction surgeries.

Currently, treatment options for degenerative knee osteoarthritis include total or partial knee replacement and osteotomy correction surgery. The latter corrects bone deformities to restore proper biomechanics in the knee, alleviating symptoms while preserving the native knee, hence called "knee-preserving" surgery. Traditional osteotomy planning relies on 2D X-rays, limiting precision and increasing preoperative workload for surgeons. This often results in lower surgical efficiency and success rates, leading patients to prefer joint replacement. To significantly improve the precision of osteotomy and angle correction, the Company uses CT scans to build 3D models of patients' bones. These models provide accurate measurements and allow for surgical simulation. Customized guides or tools are designed and 3D printed for each patient. During surgery, the guide is fitted onto the bone surface, directing exact cut locations, orientations, and depths. Built-in alignment rods confirm correction angles, significantly improving accuracy and success rates in knee-preserving surgeries.

The Company's 3D-printed customized surgical guides are widely applicable, not only in knee osteotomy (knee-preserving surgery), but also in fracture reduction, congenital or post-trauma deformity correction, ligament reconstruction, bone tumor resection, various revision procedures, and pediatric orthopedic surgeries. Future applications also include shoulder, hip, and knee joint replacement surgeries.

(2) Competition

A. Domestic Market

In Taiwan, brands with high market share in the trauma segment are mainly imported by domestic agents. However, these imported product lines are often incomplete. Given Taiwan's relatively small market size, user feedback tends to receive less attention. Domestic competitors often focus on low-cost, entry-level mini plates with limited indications. The Company offers a comprehensive trauma product portfolio and possesses in-house R&D capabilities, enabling rapid response to customer needs and shortening product iteration cycles. The Company is well-recognized by users across Taiwan and continues to gain market share. Beyond product advantages, the Company integrates medical imaging and additive manufacturing technologies to support preoperative planning and intraoperative execution, an end-to-end solution currently unmatched by domestic and international competitors. This constitutes a formidable competitive edge.

The Company currently leads the domestic orthopedic trauma implant market, holding over 30% market share, slightly behind the global leader, Swiss orthopedic company Synthes (acquired by Johnson & Johnson's subsidiary DePuy in 2012), making it the top local brand.

B. International Market

The global trauma implant market is highly competitive and dominated by renowned international manufacturers. These firms benefit from well-established distribution networks, robust marketing resources, and strong brand reputation. However, their globally standardized product designs often fail to cater to the specific anatomical needs of Asian populations. The Company is the world's first to develop orthopedic products specifically based on Asian skeletal features and has successfully exported to China and several Southeast Asian countries. Its distinctive product features and customer service have been key to its success. In low-price markets such as China and India, the Company avoids price wars by developing and promoting differentiated products that also drive sales of core offerings. The Company integrates suppliers across the value chain and adopts new production processes to reduce costs. It produces high cost-performance products that surpass those of international giants in quality. Meanwhile, it continuously develops new technologies to meet the demands of high-end markets, builds strong brand recognition, and enhances product credibility. In addition, the Company fosters close partnerships with overseas distributors, offering professional and marketing support. This helps establish a comprehensive global distribution network, continuously expand international market presence, and increase global market share.

(III) Technology and R&D Overview

1. Technical Level of the Business

Medical devices must prioritize safety and effectiveness, especially for implants, which are inserted into the human body. These require both biocompatibility and mechanical strength. Beyond that, they must also meet specific clinical functional needs. This industry is a multidisciplinary integration of clinical medicine, biomedical engineering,

biomechanics, biomaterials, precision mechanics, manufacturing and processing, and sales expertise. In the past, Taiwan's high-end orthopedic medical devices were largely dominated by imported brands. Despite their high prices, products designed for Western anatomies often failed to fit Eastern patients properly, leading to suboptimal outcomes. To address this, the Company partnered with leading medical centers to establish a bone curvature database for Asian populations, gaining insight into the unique skeletal parameters of Asians. Based on this data, the Company designs implants that match the anatomical structure of Eastern populations, combining Asian curvature and functional performance.

In recent years, the goals of surgery have evolved beyond simply treating disease, minimally invasive and precision surgery have become the new standards. With the rise of 3D printing and additive manufacturing, the Company actively invests in medical imaging processing and customized surgical guide technology. These innovations help reduce the learning curve for complex procedures, making surgeries easier, more accurate, and safer, and establishing a strong competitive advantage in the market.

2. Research and Development

The Company has been deeply engaged in the orthopedic field for many years. Since 2012, it has collaborated with the Taiwan Medical Device Innovation Association, uniting experienced physicians from major teaching hospitals and academic research institutes. Through regular meetings, the Company gathers first-hand clinical insights, receives product feedback, and uses this data to drive the continuous development of innovative products. Looking ahead, the Company's R&D efforts will continue to focus on Asian skeletal characteristics, and will aim to further expand its offerings in the orthopedics and surgical fields. In response to the global trend toward precision medicine, the Company is integrating medical imaging and additive manufacturing to deliver a complete solution, from preoperative planning, to precise intraoperative execution, and through to postoperative implant fixation. This comprehensive service offering represents a high barrier to entry that competitors find difficult to overcome.

(1) R&D expenses in the last two years.

Unit: NT\$ thousand; %		
Year	2023	2024
R&D expenses	59,538	53,344
Operating revenues	675,047	769,591
R&D Expenses as a Percentage of Net Revenue	8.82	6.93

(2) Technology or product successfully developed

- A. Corrective System for Knee Osteotomy
- B. Customized Additive Manufacturing Surgical Guidance System
- C. Spear-shaped Microplate
- D. Rib Fixation System
- E. Anatomically Designed Intramedullary Nails for Asian Populations
- F. Anatomical Conforming External Fixation System
- G. Second-Generation Minimally Invasive Anatomical Bone Plate
- H. Continuous Multi-Axial Locking System
- I. Foot and Ankle Fixation System

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

1. Short-term business development plans
 - (1) Solidify the Taiwan market, strengthen channel deployment, meet diverse demands, deepen customer engagement, and establish a long-term, stable sales platform.
 - (2) With innovative, distinctive products tailored to Asian anatomical curvature, actively participate in international orthopedic conferences and frequently host regional seminars to attract local business partners, establish marketing channels, and continuously expand into the China and Southeast Asia markets.
 - (3) Strengthen inventory management, streamline operational processes, develop new manufacturing techniques, and enhance material utilization to reduce production costs and improve market competitiveness.
 - (4) Collaborate with domestic and international medical centers, academic institutions, and industry partners to develop innovative products and cultivate outstanding talent.
 - (5) Promote the Company's listing on the TWSE/TPEX to expand operational scale, establish robust financing channels, and enhance financial structure.
2. Long-term business development plans
 - (1) Continuously pursue innovation and R&D, expand collaborations with experts across various fields, and provide the most advanced, safest, and most reliable implants and devices to become a leader in surgical medical equipment.
 - (2) In addition to accelerating the commercialization of R&D outcomes, leverage the existing sales platform to distribute exclusive, high-value products, diversify the product portfolio, and enhance economic momentum.
 - (3) Continue to cultivate the Asian market and actively expand global distribution channels, establishing international brand recognition through innovation and quality.
 - (4) Expand the Company's operational scale, strengthen professional influence, and fulfill corporate social responsibility.

II. Market and Production/Distribution Overview

(I) Market analysis

1. Where products (services) are primarily sold

Unit: NT\$ thousand

Sales area Year	Taiwan	Foreign sales			Total
		China	Asia	Others	
2024	590,876	161,546	15,897	1,272	769,591

2. Market share

The Company is dedicated to the research, development, manufacture, and sale of orthopedic trauma medical devices, specifically designed to match the curvature of Asian bones. We uphold the highest standards of manufacturing to provide top-quality medical implants, comprehensive professional expertise to support successful surgeries, and thorough consultation services. The Company's products have gained wide recognition from the domestic medical community and, unlike European and American systems, are better suited to the body types of Asian individuals. As new products continue to be launched and cover an increasingly complete range of fracture treatments, our comprehensive services give us a clear competitive advantage, enabling stable growth in both overall operations and market share.

In the export market, China's centralized procurement policy has led to lower prices. In

response, we are focusing on promoting high-margin products that are not subject to centralized procurement. At the same time, the Company continues to obtain new licenses for non-centrally procured products, introducing more new offerings to the market. In other international markets, to avoid price wars with Chinese brands, we are actively developing and promoting differentiated products to drive the sales of core products. We also plan to actively participate in international medical exhibitions and conferences to seek overseas opportunities and further expand our international market share.

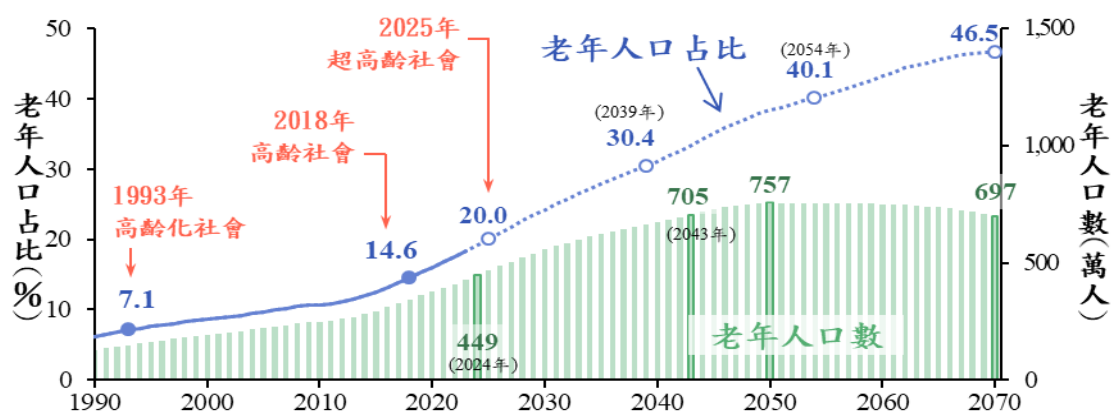
3. Future market supply and demand and growth

As people age, bone mass decreases and bone density declines, resulting in thinner and weaker bones that fracture easily, even from minor external forces. The World Health Organization recognizes osteoporosis as the second most prevalent epidemic globally, affecting approximately 1 in every 5 people. It is estimated that by 2050, hip fractures due to osteoporosis will reach 3.25 million cases in Asia.

① Domestic Market

With improved sanitation, better health management, and rising medical standards, Taiwan's average life expectancy continues to increase. According to the 2024 to 2070 population projection report released by the National Development Council in October 2024, Taiwan's population aged 65 and over surpassed 4 million at the end of 2022. It is expected to enter a super-aged society (elderly population exceeding 20%) in 2025, with 4.67 million seniors. By 2039, the elderly population will exceed 30%, reaching 6.63 million. This means that over the next 15 years, Taiwan will add about 2.14 million elderly individuals, a 48% increase compared to the current elderly population.

Elderly Population and Aging Timeline (Medium Estimate)



Source: National Development Council, October 2024

According to the Asia-Pacific Regional Audit by the International Osteoporosis Foundation and epidemiological data from Taiwan, the prevalence of osteoporosis among the Taiwanese population over 50 is projected to reach 42% in 2025 and rise to 57% by 2050, due to the increasing elderly population. Osteoporosis patients are 2 to 4 times more likely to suffer fractures than the general population. Among Taiwanese aged 50 and over, 1 in 3 women and 1 in 5 men are likely to experience fractures due to osteoporosis. The most common sites for osteoporosis-related fractures are the hip, wrist, upper arm, and spine. According to the IOF, Taiwan ranks first in Asia and ninth globally in hip fracture incidence. With Taiwan's aging

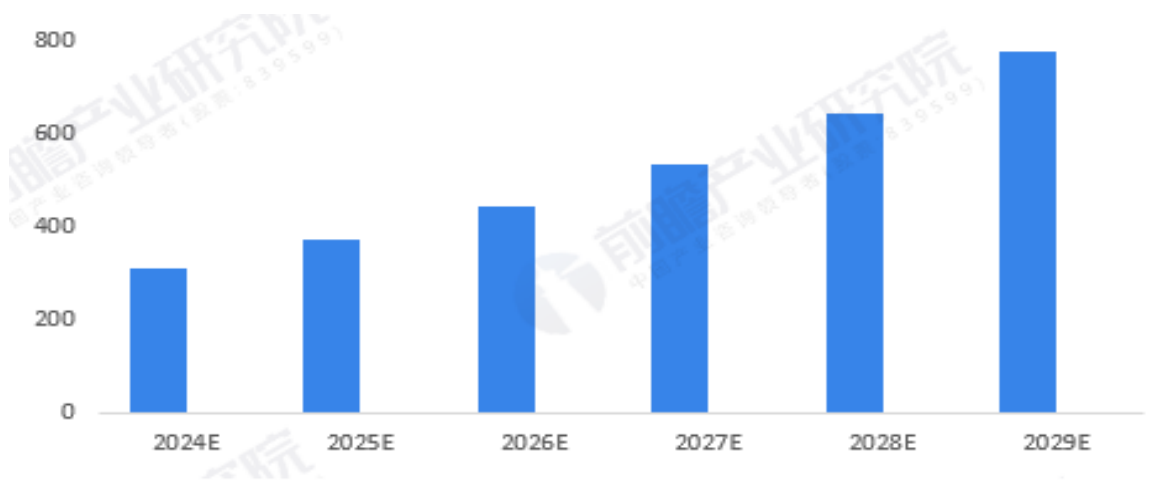
population, the number of patients with osteoporosis and high fracture risk will continue to rise.

② China Market

According to the National Bureau of Statistics of China, as of the end of 2022, the population aged 60 and over reached 280 million, accounting for 19.8% of the total population. Of this, 210 million were aged 65 and over, representing 14.9%. It is projected that the population aged 60 and over will exceed 300 million by 2025 and reach 400 million by around 2035, ushering in an era of deep aging.

As the aging population grows and health awareness improves, demand for orthopedic implants in China will continue to rise. However, since the implementation of centralized procurement in 2021, orthopedic implant prices have declined. In 2022, the size of China's orthopedic implant market decreased to RMB 30.4 billion. Although the market size has contracted compared to pre-centralized procurement levels, it is expected to gradually recover and grow in the coming years.

China Orthopedic Implant Market Size



资料来源：前瞻产业研究院

@前瞻经济学人APP

4. Competitive Niche

- (1) The Company's management team possesses extensive experience in orthopedics and the medical device industry. Our advisory team includes professionals from major medical centers and research institutions, with deep expertise in clinical applications, academic research, and commercial operations.
- (2) Compared to imported brands distributed by agents, our original manufacturer services offer more flexibility and faster response times, enabling stronger relationships with customers and providing a stable and ongoing sales platform.
- (3) With shared cultural backgrounds between Taiwan and other Asian countries, and a deep understanding of Asian skeletal parameters, the Company can develop and provide customized products and services that closely match the needs of Asian markets. This also allows rapid market entry into overseas Chinese communities in Western countries.
- (4) The Company fosters a culture of innovation and, through partnerships with clinical and academic institutions, continuously incorporates frontline clinical insights. This

synergy between our internal R&D team and external collaborators fuels the ongoing development of innovative and differentiated products.

5. Advantageous and Disadvantageous Factors for Future Developments and Countermeasures

(1) Advantageous Factors

- A. As the societal structure continues to age and the elderly population steadily increases, the orthopedic implant market is expanding accordingly. The National Development Council estimates that Taiwan will enter a super-aged society in 2025. This demographic shift will be accompanied by a rise in fracture-related risk factors, resulting in increased numbers of elderly fracture patients.
- B. Degenerative arthritis is becoming more common at a younger age, with symptoms increasingly appearing in patients aged 40–60. As younger patients are not ideal candidates for joint replacement, and with the rise of cell therapy and the demand for higher quality of life, joint preservation treatments are gaining importance. Demand for the Company's corrective systems is expected to grow in line with this trend.
- C. The Company's products have been widely accepted by the domestic medical community. Unlike European and American systems, they are better suited to Asian body types. As the Company continues to launch new products and cover a broader range of fracture treatment sites, its comprehensive service offering provides a greater advantage than that of other manufacturers.
- D. The Taiwan Medical Devices Innovation Association collaborates with professional physicians and academic research institutions from major teaching hospitals, contributing innovative ideas and R&D capabilities. This enables the continuous introduction of distinctive new products and maintains industry competitiveness.
- E. Over the past decade, the Company has established a broad and stable sales channel. Sales of trauma-related products continue to grow, forming a well-established distribution system. Going forward, the Company will leverage marginal benefits by introducing specialty products into its existing distribution channels, thereby generating effective and rapid growth momentum.

(2) Unfavorable Factors

- A. The Company's products have yet to achieve widespread recognition in overseas markets. Compared to major international manufacturers, it remains in an early development stage. Distributors are unfamiliar with the products, resulting in slow progress in building sales channels.
- B. Some domestic customers still hold the perception that foreign products are superior. In Taiwan, manufacturers imitating foreign products have emerged. These competitors benefit from lower development costs and shorter R&D timelines. Their unrefined products are circulating in the market, leading to skepticism among users regarding locally manufactured devices.
- C. In China, there is a risk of product imitation. In addition, policy and regulatory uncertainties may negatively impact the Company's profitability and growth.

(3) Countermeasures:

- A. The Company is actively building export channels. It leverages additive manufacturing to develop high-end surgical support products that appeal to

premium markets, while adopting pricing strategies to develop the general market. It also increases visibility by actively participating in international conferences.

- B. The Company will continue publishing clinical reports and academic articles to enhance user confidence. It will also work with domestic academic institutions to organize training courses, thereby boosting physician confidence through education and hands-on experience. By staying true to its original mission of innovation, and leveraging its capabilities in independent R&D, production, sales, and education, the Company differentiates itself from other domestic players and continues to strengthen its brand image.
- C. In addition to applying for patent protection, the Company accelerates the development of innovative designs and consistently launches new products. This approach helps it stay ahead of imitators, establish technical barriers, and increase the difficulty of counterfeiting.

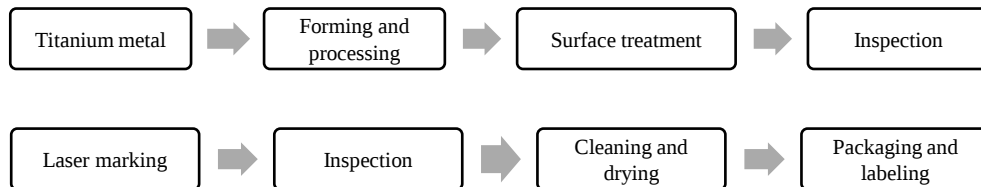
(II) Important Purposes and Production Processes of Main Products

1. Main Products and Their Uses

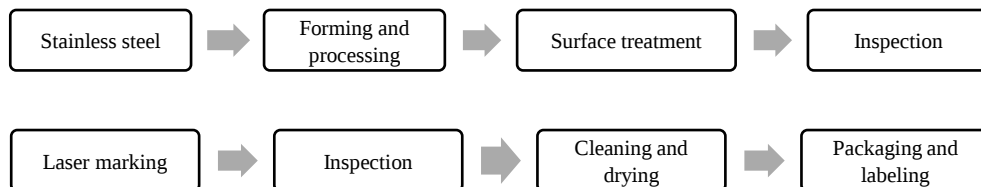
Main Product	Important Purpose
Trauma Products	To provide stable fixation for various types of bone fractures until healing
Corrective Products	To assist patients with arthritis or bone deformities in precise correction and fixation
Agent Products	Artificial bone substitutes for treating bone defects or for bone fusion; hyaluronic acid/PRP injections for joint pain relief
Spinal Products	Used in spinal fusion surgeries to treat degenerative or injured vertebrae, stabilize the spine, and maintain intervertebral height

2. Production process

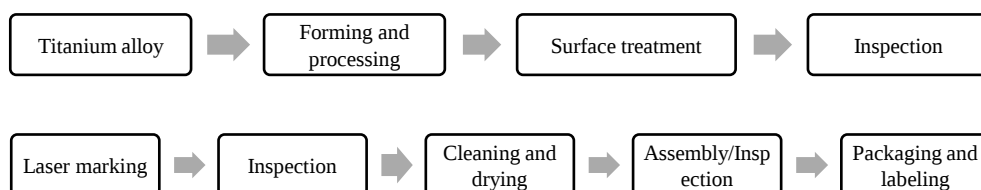
(1) Bone Plates, Bone Screws, Kirschner Wires



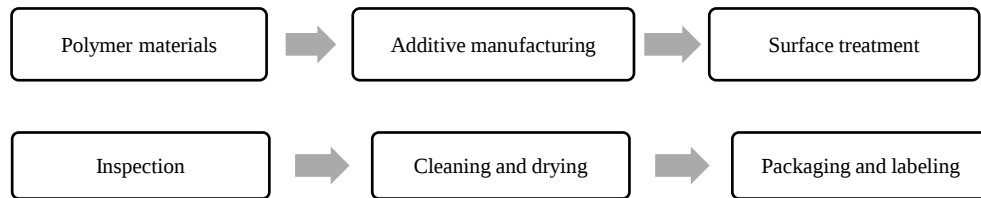
(2) Interlocking Intramedullary Nail



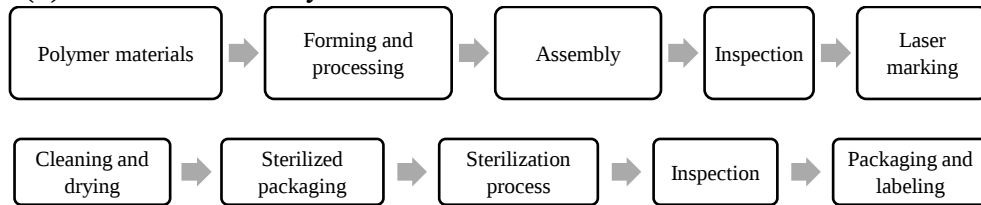
(3) Intramedullary Nail



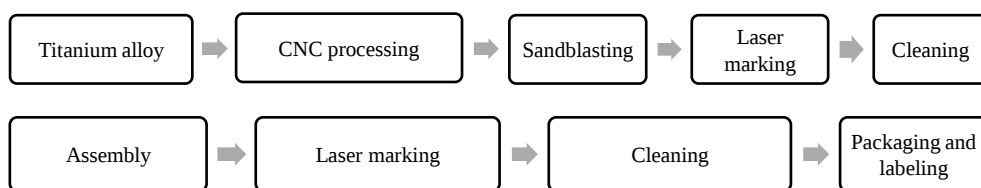
(4) Surgical Guide



(5) Lumbar Interbody Fusion Device



(6) Pedicle Screw



(III) Supply of Main Raw Materials

The Company's bone plate and screw products are produced by professional metalworking manufacturers domestically and abroad on a contract basis that includes both labor and materials. These subcontracted manufacturers must meet QMS standards, and the titanium alloy they use complies with ASTM F136 standards. Once purchased, the Company handles downstream processes such as cleaning, drying, and packaging. The Company maintains long-term, stable relationships with each processor to ensure procurement flexibility and reduce the risk of supply shortages or disruptions.

(IV) The names of suppliers and customers who accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchase (sales) amount and proportion and the reasons for the increase or decrease

1. Information on major suppliers in the last two years

Unit: NT\$ thousand

Items	2023				2024			
	Name	Amount	As a percentage of net purchases for the year (%)	Relations with the issuer of securities	Name	Amount	As a percentage of net purchases for the year (%)	Relations with the issuer of securities
1	Supplier A	62,605	33.91	None	Supplier A	70,013	32.78	None
2	Supplier D	38,721	20.96	None	Supplier D	32,454	15.20	None
3	Supplier B	10,941	5.92	None	Supplier B	5,997	2.81	None
4	Supplier C	27,778	15.04	None	Supplier C	47,320	22.16	None
5	Supplier E	3,440	1.86	None	Supplier E	28,610	13.40	None
	Others	41,210	22.31	None	Others	29,147	13.65	None
	Net purchase	184,695	100.00		Net purchase	213,541	100.00	

Analysis of the reasons for the increase or decrease in the past two years:

a) Supplier B: The decrease in purchase amount was mainly due to its higher processing costs. The Company has

transferred its orders to domestic processing plants.

b) Suppliers C and E: The increase in purchase amount was mainly due to sales growth.

2. Information on major customers in the most recent two years

The Company's main products are orthopedic medical devices, sold to distributors. In the past two years, no single customer accounted for more than 10% of total sales.

III. Information on employees in the most recent two years and up to the publication date of the annual report

		Unit: Person		
Year		2023	2024	End of March 2025
Number of employees	Direct employees	21	21	23
	Indirect employees	147	159	168
	Total	168	180	191
Average age		37.9	36.4	36.3
Average service years		4.0	4.4	3.9
Education distribution ratio (%)	Doctoral degree	1%	1%	1%
	Master's degree	16%	17%	15%
	University or college	74%	74%	76%
	High school	8%	8%	8%
	Below high school	1%	0%	0%

IV. Information on environmental protection expenditures

1. If the Company is required by law to apply for a permit for the installation of pollution control facilities or a permit for pollutant discharge, or to pay pollution prevention fees, or to establish a dedicated environmental protection unit/personnel, the status of application, payment, or establishment shall be described: The Company's bone plate (screw) products are produced by domestic and foreign professional metal processing manufacturers on a material-included outsourcing basis. The Company only performs downstream procedures such as cleaning, drying, and packaging/labeling after procurement. Therefore, this requirement is not applicable.
2. Disclosure of the Company's investment in major environmental pollution prevention equipment, its purpose, and potential benefits: Not applicable.
3. Description of environmental pollution improvement efforts over the past two years and up to the date of publication of this annual report; if there were pollution disputes, the resolution process should also be described: None.
4. Disclosure of losses incurred by the Company due to environmental pollution in the past two years and up to the date of publication of this annual report (including compensation and findings of non-compliance in environmental inspections; provide the date of penalty, penalty reference number, violated regulation, details of violation, and penalty content), and disclose the current and potential future estimated amounts and countermeasures. If a reasonable estimate cannot be provided, an explanation shall be given: None.
5. Explanation of current pollution status and the impact of improvement measures on the Company's earnings, competitive position, and capital expenditure, as well as major environmental protection capital expenditures expected in the next two years: None.

V. Labor Relations

- (I) List the Company's employee welfare measures, training, education and retirement systems and their implementation, as well as the agreements between management and employees and measures to protect the rights and interests of employees
1. Employee welfare measures and their implementation:
The Company's various welfare measures are handled in accordance with the Labor Standards Act, the Labor Insurance Act, the National Health Insurance Act, and other relevant laws and regulations. All employees are enrolled in labor insurance and national health insurance, and are entitled to labor insurance benefits. A reward and evaluation system is in place to encourage colleagues to grow together in a stable working environment, fostering a sense of shared prosperity.
 2. Employee training and education system
The Company provides diversified training courses and on-the-job education programs, including new employee training, on-the-job training courses, quality training courses, labor safety and health education training, professional skill courses, and external training courses related to job duties. These programs aim to help employees improve job performance and continuously grow through learning.
 3. Implementation of retirement system
To enhance the retirement security of employees and strengthen labor relations, the Company complies with the Labor Pension Act and contributes 6% of employees' monthly salary into their individual accounts at the Bureau of Labor Insurance.
 4. Status of agreements between labor and management and the protection of employees' rights and interests
The Company complies with all government laws and regulations, places importance on labor rights, and ensures that corporate governance meets legal standards. Based on the Labor Standards Act and other related laws, the Company maintains good communication with employees, promotes labor-management cooperation, improves work efficiency, and sustains harmonious labor relations. The Company is committed to providing sound welfare measures, a well-developed system, and clear management policies, which are reviewed and revised regularly to protect employees' rights and reduce the risk of labor disputes.
- (II) In the most recent financial year and up to the date of publication of the annual report, the Company has not suffered any losses due to labor disputes.

VI. Information security management

- (I) Describe the risk management structure of cybersecurity, cybersecurity policies, substantial management plans, and resources invested in cybersecurity management.
- In terms of information security risk control, the Company has established and implemented an information security management system, formulated information security policy documents to regulate the Company's information security, and conducts annual information security risk assessments and internal cyclical audits to ensure the effectiveness of the management system and compliance with legal requirements. The Company has also formulated relevant information security management policies for operations such as Internet and e-mail usage, password settings, software downloads, storage media, and file backups. The Company also conducts periodic cybersecurity awareness training for employees to foster crisis awareness.

- (II) In the most recent year and up to the date of publication of the annual report, the Company has not suffered any material losses due to major information security incidents.

VII. Important contracts

Contract nature	Party	Contract start and end date	Main contents	Restriction clause
Long-term loan contract	Muzha Branch, First Commercial Bank	2021/5/31~2041/5/31	Office and factory loan contract	None
Distribution contract	Dajin Biotechnology Co., Ltd.	2025/1/1~2025/12/31	Distribution Agreement	None
Distribution contract	Lantern Biotechnology Co., Ltd.	2025/1/1~2025/12/31	Distribution Agreement	None
Distribution contract	Sung Mao Biotechnology Co., Ltd.	2025/1/1~2025/12/31	Distribution Agreement	None
Distribution contract	ShangHai HePu Medical Technology Co., Ltd.	2025/1/1~2025/6/30	Distribution Agreement	None
Supplier contract	Neotec Cosmeceutical Limited	2024/11/1~2027/12/31	Blood cell separation kit distribution agreement	None
Supplier contract	Lon Sheng Industries Co., Ltd.	2024/1/1~2027/12/31	Purchase Contract	None
Supplier contract	Ming Wei Co., Ltd.	2024/1/1~2027/12/31	Purchase Contract	None

Five. Review and analysis of the financial position and business achievements and evaluation of risk management

I. Financial status

Unit: NT\$ thousand

Items \ Year	2023 (After restatement)	2024	Deviation	
			Amount	%
Current assets	769,575	896,849	127,274	16.54
Noncurrent assets	301,748	280,465	(21,283)	(7.05)
Total assets	1,071,323	1,177,314	105,991	9.89
Current liabilities	142,828	163,309	20,481	14.34
Non-current liabilities	100,552	94,960	(5,592)	(5.56)
Total liabilities	243,380	258,269	14,889	6.12
Capital stock	304,710	304,710	0	0.00
Capital reserve	360,006	307,679	(52,327)	(14.54)
Retained earnings	177,035	300,048	123,013	69.49
Other equities	345	6,608	6,263	1815.36
Treasury stock	(14,153)	0	14,153	(100.00)
Total equities	827,943	919,045	91,102	11.00
Description of material changes (changes of 20% or more and amounting to NT\$10 million or more between two consecutive periods):				
1. Retained earnings: mainly due to the increase in revenue and profit in 2024.				
2. Treasury shares: The Company repurchased 288,000 treasury shares in the first quarter of 2023.				

II. Financial performance

(I) Analysis of financial performance comparison table

Unit: NT\$ thousand

Items \ Year	2023 (After restatement)	2024	Deviation	
			Amount	%
Net operating revenue	675,047	769,591	94,544	14.01
Operating cost	214,373	234,813	20,440	9.53
Operating gross profit	460,674	534,778	74,104	16.09
Operating expenses	293,134	352,319	59,185	20.19
Operating profit	167,540	182,459	14,919	8.90
Non-operating revenues and expenditures	(164,502)	5,097	169,599	(103.10)
Net income before tax	3,038	187,556	184,518	6073.67
Income tax (expense) benefit	(14,343)	(36,500)	(22,157)	154.48
Current net profit (loss)	(11,305)	151,056	162,361	(1436.19)
Other comprehensive (loss) income	(3,276)	6,263	9,539	(291.18)
Total comprehensive income (loss)	(14,581)	157,319	171,900	(1178.93)
Description of material changes (changes of 20% or more and amounting to NT\$10 million or more between two consecutive periods):				
1. The increase in operating overheads: Mainly due to the expansion of overseas markets, the Company continues to participate in overseas biotechnology exhibitions, resulting in increased travel and exhibition booth rental and sales expenses. In addition, as profit after tax increases from the previous year, the appropriation for Directors and employees' remuneration increases accordingly, plus the payment of expenses related to the application for listing, resulting in an increase in administrative expenses.				
2. The decrease in non-operating expenditure, profit before tax, net income and total comprehensive income increased mainly due to the recognition of impairment loss on goodwill in 2023.				

(II) Possible impacts of expected sales quantities and their bases on the future financial operations of the Company and the response plan

The Company did not disclose its 2025 financial forecast, so it does not intend to disclose the expected sales volume.

III. Cash flow analysis

(I) Analysis of changes in cash flow in the most recent year (2024)

Unit: NT\$ thousand

Cash balance, beginning of period (1)	Net cash inflow from operating activities during the year (2)	Net cash flow from investing activities for the year (3)	Net cash flow from financing activities for the year (4)	Impact of changes in exchange rate on cash and cash equivalents for the year (5)	Amount of cash at the end of the period (1)+(2)+(3)+(4)+(5)	Improvement plan for insufficient liquidity	
						Investment plan	Financing plan
319,066	160,956	(39,045)	(80,489)	480	360,968	None	None

The Company was profitable in 2024, with cash inflow from operating activities of NT\$160,956 thousand and cash outflow from investing activities of NT\$39,045 thousand, mainly attributable to bank fixed deposits, factory renovation, and equipment purchases. Financing activities consisted mainly of repaying long-term borrowings, payment of cash dividends, and repurchase of treasury shares, totaling NT\$80,489 thousand.

(II) Improvement plan for liquidity insufficiency

The Company's cash inflow exceeds its outflow, and is sufficient to cover operational needs, with no liquidity concerns.

(III) Analysis of cash flow for the next year (2025): Not applicable.

IV. Effect of major capital expenditures on finance and business matters in the most recent year

Not applicable, as there was no material capital expenditure in the most recent year.

V. The most recent investment policy, the main reason for profit or loss thereof, improvement plan, and investment plan for the coming year

1. Reinvestment policy

The Company's reinvestment policy is handled by the relevant Segment in accordance with the "investment cycle" and "Procedures for Acquisition or Disposal of Assets" of the internal control system. The above measures or procedures are approved by the Board of Directors or shareholders' meetings.

2. Main reasons for profit or loss and improvement plan

Unit: NT\$ thousand

Name of investee	Investment gains and losses in 2024	Main reasons for gain or loss	Improvement Plan
A Plus (Cayman) Holding Inc.	5,739	Due to the investment gains of A Plus (Shanghai) Trading Co., Ltd.	N/A
A Plus (Shanghai) Trading Co., Ltd.	5,904	The operation condition is stable	N/A

3. Investment plan for the coming year: None.

VI. Analysis and assessment of risks

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

1. Impacts of changes in interest rate on the Company's profits or losses and countermeasures in the future

The Company's interest expenses for 2022 - 2024 were NT\$2,399 thousand, NT\$2,343 thousand, and NT\$1,938 thousand, respectively, accounting for less than 0.4% of revenues. It is expected that future interest rate changes will not have a significant impact on the Company.

2. Impacts of changes in exchange rate on the Company's profits or losses and countermeasures in the future

The Company's main suppliers are domestic manufacturers, and sales are mainly domestic. The exchange gains for 2022 to 2024 were NT\$1,554 thousand, NT\$30 thousand, and NT\$1,680 thousand, respectively, accounting for less than 0.5% of revenue. Therefore, exchange rate fluctuations have a limited impact on the Company.

3. Impacts of inflation on the Company's profits or losses and countermeasures in the future

The Company always pays attention to market price fluctuations and maintains good interaction with suppliers and customers, adjusting procurement strategies and selling price in a timely manner to reduce the impact of Inflation.

- (II) Policies on high-risk, highly-leverage investments, lending funds others, endorsement and guarantee, and derivatives transactions, main reasons for gain or loss, and future countermeasures:

The Company has established the "Operational Procedures for Loaning Funds to Others" and "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and has obtained resolutions from the Board of Directors and the shareholders' meeting to serve as the basis for related operations. For the most recent two years and the most recent year, the Company has not engaged in the above transactions and is therefore not applicable.

- (III) Future R&D plans and estimated R&D expenses.

The Company continues to develop innovative trauma fixation products and invest resources in the research and development of new materials and biotechnology products, in order to increase the added value of products and treatment effectiveness, and expand the scope of application and indications. The Company will continue to develop new positions and new applications of 3D printed surgical guide tools, and invest in the development of AI-assisted pre-operative planning solutions. It is expected that the time for pre-operative planning and preparation will be reduced in the future, and the competitiveness in the market will be further enhanced.

- (IV) The impact of significant domestic and foreign policy and legal changes on the Company's finance and business matters and the countermeasures:

The Company's daily operations are conducted in accordance with relevant domestic and foreign laws and regulations, and we always pay attention to the development trends and regulatory changes of domestic and foreign policies to fully grasp and respond to market changes. In the most recent year and as of the date of publication of the annual report, changes in domestic policies and laws and regulations have not had a material influence on the Company's business and finance. However, the sales price of some of the Company's products has fallen sharply due to the impact of the centralized procurement policy of medical materials in the China market, which has affected the profits of the Company's subsidiary in China. The countermeasures are as follows:

- (1) Continue to introduce new processes and new methods to reduce manufacturing costs.
- (2) Focus on promoting high-profit products not subject to centralized procurement.

- (3) Continue to obtain new certifications and introduce more new products to the market.
- (V) Impacts of technological changes (including cyber security risks) and industry changes on the Company's financial operations, and countermeasures:
- The Company is committed to the R&D of orthopedic medical devices, designing a variety of products tailored to the characteristics of Asian bone structure, with the goal of sustainable development. The management of the Company pays attention to the changes in technology in the related industries at any time, and has a regulatory segment to track the domestic and foreign medical material regulations policies in a timely manner. It also has long-term cooperation with major domestic medical centers, research institutions and academic units, with sufficient resources to grasp the latest technology needs, development trends and industrial dynamics of the clinical and biotechnology medical industry, in order to evaluate the impact on the Company's future development and finance, to make appropriate plans and take necessary countermeasures, and to improve the ability to maintain competitiveness through innovative technology. Therefore, there is currently no material technological change or industrial change that has a significant influence on the Company's finance and business.
- In terms of information security risk control, the Company has established and implemented an information security management system, and formulated information security policy documents to regulate the Company's information security. At the same time, the Company conducts information security risk assessments and internal information security cycle audits on a regular basis every year to ensure the effectiveness of the management system and comply with laws and regulations.
- (VI) Impact of changes in corporate image on corporate crisis management and countermeasures: None.
- The Company has not yet experienced any operational crisis resulting from changes to its corporate image.
- (VII) Expected benefits and possible risks of the merger and acquisition and countermeasures: None.
- (VIII) Expected benefits of plant expansion and possible risks and countermeasures: None.
- (IX) Risks associated with the concentration of purchases and sales and countermeasures:
- The Company has two or more suppliers for the outsourced processing of plates (nails). In addition to continuously adjusting the proportion of outsourced processing per supplier, the Company will increase the number of qualified suppliers to ensure that needs are met in terms of quality, technology, price, and delivery time, and to avoid any risk of supply shortage or interruption. Therefore, there is no risk of concentrated purchasing.
- The Company's products are primarily sold to end-customers such as hospitals and medical centers through distributors. No single customer accounts for more than 10% of total sales, and therefore there is no concentration of sales.
- (X) The impact on the Company and the risk and countermeasures of a substantial shift or change in shareholding of directors, supervisors or major shareholders holding more than 10 percent of the shares.

There was no significant transfer or change of shares by directors or major shareholders with more than 10% ownership interest in the most recent year and as of the date of publication of the annual report.

(XI) The impact of the change in management rights on the Company, the risks and countermeasures:

There has been no material change in the Company's management in the most recent year and as of the date of publication of the annual report.

(XII) Litigation or non-litigation events

1. Major litigious, non-litigious or administrative disputes with final or pending court rulings in the last two years and up to the date of publication of the annual report, and the results of which may have a material influence on shareholders' equity or securities prices: None.
2. Major litigations, non-litigious cases or administrative disputes in the last two years and up to the date of publication of the annual report, involving the Company's Directors, supervisors, General Managers, persons in charge, major Shareholders with more than 10% ownership interest, and subordinate companies: None.

(XIII) Other important risks and countermeasures:

- (1) R&D products may not be successfully developed, the development process may be delayed, sales may be lower than expected, or authorization to others may not be possible, along with the countermeasures adopted
 - ① Although the Company's current product line covers all parts of the human body, we continue to modify certain products to enhance their performance and develop new products, such as precision surgical instruments, based on the needs of clinical physicians; sales of our existing products continue to generate revenue and provide a stable net cash inflow from operations, which should be sufficient to cover the expenses required for future new product development.
 - ② The Company is currently actively expanding into overseas markets beyond China, and promoting its existing products to multiple Asian countries including Japan, Vietnam, Singapore, and Malaysia, in order to expand overseas sales. By increasing the sales of its existing products, the Company aims to recover previously invested R&D expenses.
 - ③ The Company has established a complete core capability in product development, testing, and certification. As product development experience accumulates, the Company will be able to accelerate product development speed and better grasp the requirements of the regulator, shortening the time to obtain certification.
 - ④ The Company actively applies for research and development subsidies from government agencies to enrich its working capital and reduce financial pressure.
 - ⑤ The Company plans to enter the capital market to increase its financing channels. In the future, the Company will raise funds at an appropriate time based on its overall financial position, increase working capital, and facilitate its progress towards sustainable operations.
- (2) The Company relies on third parties (such as CROs and CMOs) for clinical trials or the production of marketed drugs, and has identified related risks and corresponding

countermeasures

The Company does not need to conduct human clinical trials for its orthopedic medical devices. Therefore, it does not need to rely on third parties (such as CROs) to conduct relevant human clinical trials. The processing of the plates (nails) is maintained through long-term, stable cooperation with multiple processing plants to increase procurement flexibility and reduce the risk of supply shortage or interruption.

- (3) If the Company is at risk of insufficient working capital, the adequacy of its working capital, along with the R&D schedule and corresponding countermeasures, should be disclosed

The Company's cash balance at the end of 2024 was NT\$360,968 thousand, which should be sufficient to meet working capital needs. The sales of existing products are expected to continue generating revenue and stable net cash inflow from operations, which should be sufficient to cover the expenses required for future new product development.

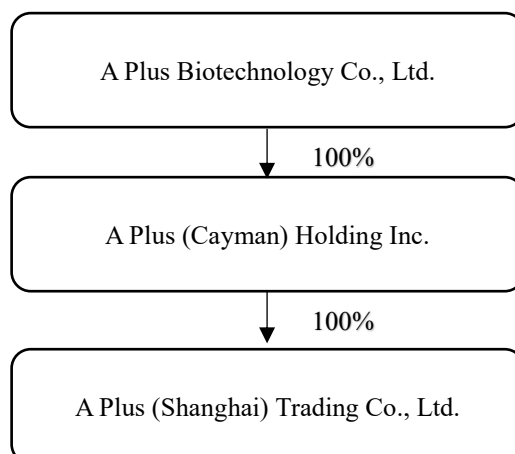
- (4) The restrictions of technical licensing contracts or outsourcing contracts, along with the risks faced and the countermeasures taken: None.

VII. Other important matters: None.

Six. Special Disclosures

I. Information on Affiliates

(I) Organizational Chart of Affiliated Enterprises



(II) Basic information on affiliates

December 31, 2024

Enterprise name	Date of Establishment	Address	Paid-in capital (NT\$ thousand)	Main business activities
A Plus (Cayman) Holding Inc.	2016/01/15	Note 1	USD7,926	Holding company
A Plus (Shanghai) Trading Co., Ltd.	2015/01/29	Note 2	USD6,733	Sales of medical devices

Note 1: Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands

Note 2: No. 55, Lianxin Road, Liantang Town, Qingpu District, Shanghai

(III) The information of the same shareholder presumed to have control and subordinate relation: None.

(IV) Businesses covered by affiliate companies:

For the main business or production items of each affiliate, please refer to the information of each affiliate detailed in (II) above.

(V) Information on directors, supervisors and General Managers of affiliated companies:

Enterprise name	Job title	Name or Representative	Shareholding	
			Shares	Percentage of ownership (%)
A Plus (Cayman) Holding Inc.	Director	A Plus Biotechnology Co., Ltd. Representative: Sih-Ming Li	25,029,267	100
A Plus (Shanghai) Trading Co., Ltd.	Director	A Plus Biotechnology Co., Ltd. Representative: Sih-Ming Li	-	100
	Supervisor	Hsiang-Wei Lo	-	-
	General Manager	Kai-Hsing Wu	-	-

(VI) Operating status of affiliates

December 31, 2024; Unit: NT\$ thousand

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating gains (losses)	(Loss) Profit for the period	Earnings per share (NT\$)
A Plus (Cayman) Holding Inc. (Note 1)	244,617	253,459	63,970	189,489	161,546	3,742	5,739	-
A Plus (Shanghai)	209,026	252,316	63,970	188,346	161,546	3,921	5,904	-

Trading Co., Ltd. (Note 2)								
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Note 1: USD to NTD exchange rate as of December 31, 2024: 1:32.785

Average USD to NTD exchange rate for 2024: 1:32.112

Note 2: RMB to USD exchange rate as of December 31, 2024: 1:0.1366

Average RMB to USD exchange rate for 2024: 1:0.1387

(VII) Consolidated financial statements of affiliates

For the fiscal year 2024 (from January 1 to December 31, 2024), the companies included in the consolidated financial statements in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included under IFRS 10. The related information has already been disclosed in the consolidated financial statements of the parent and subsidiaries. Therefore, separate consolidated financial statements for affiliates are not prepared.

(VIII) Affiliation Report of the Affiliated Enterprises: Not applicable.

- II. Private placement of securities over the past year up to the date the Annual Report was printed: None.
- III. Other supplementary information: None.
- IV. If any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, has occurred during the most recent year or during the current year up to the date of publication of the annual report: None.

A Plus Biotechnology Co., Ltd.



Chairperson: Sih-Ming Li

