Aplus
APLUS BIOTECHNOLOGY

Stock Code 6918

ANNUAL REPORT 2025

A plus Biotechnology Co., Ltd.

114

Annual Report Inquiry Window:
Company Website:https://www.aplusbio.com/tw
Market Observation Post System:https://mops.twse.com.tw

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Title │ Director of General Administration Division
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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,

Thank you for taking the time out of your busy schedules to attend today's shareholders' meeting. On behalf of the Company, we would like to express our sincere appreciation for your continued support and encouragement over the past year.

We hereby present a report on the Company's operating results for fiscal year 2025 and the business plan for fiscal year 2026, as outlined below.

I. Operating Results for 2025

(I) Results of Business Plan Implementation

The Company's consolidated revenue for 2025 amounted to NT$ 835,891 thousand, representing an increase of NT$ 66,300 thousand, or 8.61%, compared with NT$ 769,591 thousand in 2024.
Consolidated net profit after tax for 2025 totaled NT$ 169,541 thousand, an increase of NT$ 18,485 thousand, or 12.24%, compared with consolidated net profit after tax of NT$151,056 thousand in 2024.
Earnings per share after tax for 2025 were NT$ 5.16.

(II) Budget Execution Status

None. The Company established internal budget targets for 2025 but did not publicly disclose any financial forecasts.

(III) Analysis of Financial Performance and Profitability

Unit : NT$ thousand

Items	2024	2025	Increase (Decrease) Amount & %
Operating revenue	769,591	835,891	66,300
Operating gross profit	534,778	573,458	38,680
Operating profit	182,459	208,762	26,303
Net profit attributable to shareholders of the parent company	151,056	169,382	18,326
Earnings per share (NTD)	4.99	5.16	0.17
Operating gross profit (%)	70	69	(1)
Operating profit (%)	24	25	1
Net profits (%)	19	20	1

(IV) Research and Development Activities

The Company continues to develop orthopedic products featuring new designs and materials, while also expanding its portfolio to include biochemical and peri-surgical products. This strategy is intended to enhance the utilization of existing sales channels and broaden the range of product applications and clinical indications.

In 2026, multiple new products are expected to be launched into the market, and the Company's long-term R&D roadmap continues to progress as planned.

II. Business Plan Overview for 2026

(1) Operating Policy

The Company continues to place innovation-driven R&D and high-quality medical devices at the core of its operations. By further enhancing the clinical value of its existing products and strengthening academic education, clinical exchange, and professional training, the Company aims to establish a stable and sustainable long-term market foundation.

While maintaining its core competitiveness in orthopedics, the Company is prudently responding to intensifying market competition and increasingly diversified clinical demands. Through gradual adjustments to its product portfolio and market positioning, the Company seeks to enhance operational flexibility and mitigate overall business risk.

From a product strategy perspective, in addition to the continuous development and optimization of existing orthopedic products, the Company is extending its established capabilities in distribution channels, regulatory affairs, and market development to clinical specialties beyond orthopedics. This expansion primarily focuses on the introduction of agency products with proven clinical value and market potential, complemented by differentiated in-house R&D projects. This approach is designed to accelerate market entry into new specialties while effectively controlling initial investment risk.

At the same time, the Company places increasing emphasis on long-term partnerships within the medical device industry. Beyond traditional agency relationships, the Company seeks deeper collaboration with partners across technology development, clinical applications, academic education, and market promotion. This collaborative model serves as a key operational principle for enhancing overall execution capabilities and supporting sustainable growth.

(2) Expected Sales Volume and Basis

Sales momentum in 2026 is expected to continue benefiting from the stable growth of the existing orthopedic market, while gradually incorporating contributions from products in other related clinical specialties.

In the Taiwan market, usage volumes of the Company's orthopedic products are expected to increase steadily. Agency products will not only leverage existing distribution channels and established clinical customer bases but will also expand through the development of new channels, thereby gradually increasing market penetration.

In overseas markets, sales in China will continue to focus on non centralised volume-based procurement products (non-CVBP), with ongoing optimization of product mix and cost structure to maintain reasonable profitability. In Southeast Asia and other international markets, as regulatory approvals for new products are progressively obtained and supported by academic activities and local team training, these regions are expected to contribute incremental revenue growth over time.

(3) Key Production and Sales Policies

In response to new product launches, expansion of agency product lines, and broader market coverage, the Company will continue to implement flexible capacity planning and supply chain management to ensure stable product supply and improve overall operational efficiency.

On the sales front, the Company will further deepen service capabilities within the orthopedic market while actively expanding into new specialties and distribution channels. Through resource integration and market education, the Company aims to facilitate smooth clinical adoption of its products. By enhancing product portfolio completeness and service value, the Company seeks to maximize overall sales effectiveness and reduce reliance on any single product or market.

III. Long-Term Development Strategy

(1) Portfolio Diversification and Clinical Specialty Expansion

Building upon its core orthopedic expertise, the Company will progressively expand into other clinical specialties with clear unmet needs and growth potential. This evolution from a single-specialty focus to a multi-specialty, diversified product portfolio will help mitigate market and product concentration risks while strengthening the stability and resilience of the Company's overall operating structure.

(2) Strategic Partnership Integration

As competitive dynamics in the medical device market continue to evolve, the Company will flexibly adjust the depth and structure of its partnerships based on partners' technological strengths, market positioning, and long-term strategic alignment. Through resource integration and complementary capabilities, the Company aims to establish sustainable, long-term partnerships that enhance competitiveness and accelerate entry into new markets and applications.

(3) International Market Expansion

In international markets, the Company will continue to avoid pure price competition and instead focus on products with clear clinical differentiation and integrated solution value. By participating in international medical exhibitions, conferences, and academic exchange activities, the Company seeks to build long-term relationships with physicians and partners in Taiwan and overseas, thereby steadily expanding its global market presence.

IV. Impact of External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

(1) External Competitive Environment

Global medical device companies continue to possess strong brand recognition, distribution networks, and resource advantages, while local manufacturers replicating international products are increasingly entering the market, intensifying competition. In response, the Company remains committed to quality and clinical value while actively investing in academic education. Through product portfolio diversification, cross-specialty expansion, and deeper collaboration models, the Company aims to mitigate the impact of competition within any single market

(2) Regulatory Environment

Regulatory requirements for medical devices continue to tighten globally, resulting in longer product approval timelines and higher associated costs. The Company will continue to strengthen its regulatory expertise and internal process management to ensure compliance with applicable regulations and to minimize the operational impact of regulatory changes.

(3) Macroeconomic Conditions

Overall, while global economic conditions and healthcare policies remain subject to uncertainty, long-term prospects for the medical device industry remain stable, driven by aging populations and sustained clinical demand. The Company will continue to pursue prudent and flexible management strategies to support steady and sustainable growth.

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

March 31, 2026; Unit: 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	As a percentage of shares issued at the time %	Shares	Shareholding ratio
Chairman	R.O.C.	Ho-Ming Investment Co., Ltd.	-	2025/06/30	3 years	2025/06/30	324,000	0.94	721,000	2.09
	R.O.C.	Representative: Sih-Ming Li	Male 61~70 years old	2025/06/30		2013/04/12	-	-	2,043,045	5.91
Director	R.O.C.	Weikai International Limited	-	2025/06/30	3 years	2025/06/30	1,379,809	3.99	1,643,809	4.75
	R.O.C.	Representative: Hsiang-Wei Lo	Male 51~60 years old	2025/06/30		2011/11/22	-	-	819,166	2.37
Director	R.O.C.	Kai-Hsing Wu	Male 61~70 years old	2025/06/30	3 years	2015/06/18	4,140,679	11.98	4,070,679	11.77
Director	R.O.C.	Jing Hong Capital Co., Ltd.	-	2025/06/30	3 years	2025/06/30	335,000	0.97	517,000	1.50
	R.O.C.	Representative: Yu-Hung Chen	Male 41~50 years old	2025/06/30		2024/06/27	-	-	953,000	2.76
Independent Director	R.O.C.	Wen-Chun Hung	Male 51~60 years old	2025/06/30	3 years	2022/11/18	-	-	-	-
Independent Director	R.O.C.	Hsiao-Wen Wang	Female 51~60 years old	2025/06/30	3 years	2023/06/30	-	-	-	-
Independent Director	R.O.C.	Kuo-Chi Lin	Male 51~60 years old	2025/06/30	3 years	2024/06/27	-	-	-	-

March 31, 2026; Unit: shares; %

Job title	Name	Shares currently held by the spouse and minors		Current shareholdings through nominees		Main Education and Professional Background
		Shares	Shareholding ratio	Shares	Shareholding ratio	
Chairman	Ho-Ming Investment Co., Ltd.	-	-	-	-	-
	Representative: Sih-Ming Li	133,000	0.38	721,000	2.09	Department of Medical Laboratory Science and Biotechnology, Central Taiwan University of Science and Technology Chairperson, Excelsior Medical Co., Ltd.
Director	Weikai International Limited	-	-	-	-	-
	Representative: Hsiang-Wei Lo	-	-	1,643,809	4.75	Department of Food Science, Yuanpei University of Medical Technology Business Manager, Zimmer Biomet Taiwan Co. Ltd.
Director	Kai-Hsing Wu	50,000	0.14	-	-	EMBA, National Taiwan University Master's of Biomedical Engineering, Chung Yuan Christian University General Manager of Greater China, Zimmer, Inc.
Director	Jing Hong Capital Co., Ltd.	-	-	-	-	-
	Representative: Yu-Hung Chen	332,000	0.96	602,000	1.74	MBA, University of Notre Dame, USA L.C. Equity Research Corporation/ Manager

March 31, 2026; Unit: shares;

Job title	Name	Shares currently held by the spouse and minors		Current shareholdings through nominees		Main Education and Professional Background
		Shares	Shareholding ratio	Shares	Shareholding ratio	
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.

March 31, 2026

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	Ho-Ming Investment Co., Ltd. Representative: Sih-Ming Li	The Company's Chief Sustainability Officer 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	Weikai International Limited Representative: 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 Chairperson, Alehan Biotechnology Co., Ltd.	-	-	-	-
Director	Kai-Hsing Wu	General Manager, A Plus (Shanghai) Trading Co., Ltd.	-	-	-	-
Director	Jing Hong Capital Co., Ltd. Representative: Yu-Hung Chen	Chairperson, QUAN WEI Co., Ltd. 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, Hong Chuang Capital Co., Ltd.	-	-	-	-
Independent Director	Wen-Chun Hung	Member of the Audit Committee and Remuneration Committee of the Company Attorney at Law, Jiupin Law Firm	-	-	-	-
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:

March 31, 2026

Name of corporate shareholder	Major shareholders of corporate shareholders	Shareholding Ratio
Ho-Ming Investment Co., Ltd.	Sih-Ming Li	18%
	Su-Ching Chang	10%
	Tsun-Shan Li	18%
	Cun-Han Li	18%
	Cun-Jue Li	18%
	Pin-Rou Li	18%
Weikai International Limited	Hsiang-Wei Lo	64%
	Jie-Yu Luo	12%
	Yi-Rui Luo	12%
	Yun-Yang Luo	12%
Jing Hong Capital Co., Ltd.	Yu-Hung Chen	80%
	Hsi-Ching Li	20%

3. Major shareholders of the major shareholders of the corporate shareholder who is a legal person shareholder N/A

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

Criteria / Name	Professional qualifications and experience	Independence status	Number of other public offering companies where the person serves as an independent director
Ho-Ming Investment Co., Ltd. Representative: Sih-Ming Li Chairman	Chairperson Sih-Ming Li graduated from the Department of Medical Laboratory Science and Biotechnology at Central Taiwan University of Science and Technology and previously served as Chairperson of Excelsior Medical Co., Ltd. Currently, Sih-Ming Li serves as a director of New Best Hearing International Trade Co., Ltd., a director of the Taipei Medical Devices Commercial Association, and a director of the Taiwan Federation of Medical Devices Commercial Association. Chairperson Li has been deeply engaged in the medical device industry for more than 40 years and possesses leadership and decision-making, business management, operational judgment, and financial management capabilities, and is able to provide relevant opinions and guidelines on corporate governance and operational management to the Board of Directors of the Company in a timely manner, so as to require the management team to formulate operational strategies for implementation accordingly.	1. Sih-Ming Li is the Company's Chief Sustainability Officer. 2. Sih-Ming Li is the Chairperson of subsidiary A Plus (Cayman) Holding Inc. and Chairperson of A Plus (Shanghai) Trading Co., Ltd. 3. Sih-Ming Li is one of the top five shareholders of the Company and directly holds more than 5% of the total issued shares of the Company, and shares held by Sih-Ming Li, the spouse or minor children thereof, or in the names of others account for more than 5% of the total issued shares of the Company. 4. The remaining independence requirements set out in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies issued by the Financial Supervisory Commission are also met.	None

Criteria / Name	Professional qualifications and experience	Independence status	Number of other public offering companies where the person serves as an independent director
Weikai International Limited Representative: Hsiang-Wei Lo Director	Director Hsiang-Wei Lo graduated from the Department of Food Science at Yuanpei University, is the founder of the Company, previously served as Sales Manager of Taiwan Zimmer Biomet Taiwan Co., Ltd., has been deeply engaged in the medical device industry for over 25 years, and currently serves as Executive Director of the Taiwan Medical Device Innovation Development Association. Director Lo has built cross-sector links among research institutions, the medical community, and academia, and possesses professional qualifications and experience in decision-making, business management, commerce, and sales.	1. Hsiang-Wei Lo is the General Manager of the Company. 2. Hsiang-Wei Lo is the supervisor of the subsidiary A Plus (Shanghai) Trading Co., Ltd. and the Chairperson of Alehan Biotechnology Co., Ltd. 3. Hsiang-Wei Lo is one of the top ten natural person shareholders of the Company. 4. Wei-Kai International Co., Ltd. is one of the top five shareholders of the Company. 5. The remaining independence requirements set out in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies issued by the Financial Supervisory Commission are also met.	None
Kai-Hsing Wu Director	Director Kai-Hsing Wu graduated from the EMBA program at National Taiwan University and holds a master’s degree from the Institute of Biomedical Engineering at Chung Yuan University, previously served as General Manager of Zimmer, Inc. Greater China Region, has been deeply engaged in the medical device industry for over 35 years, and possesses professional qualifications and experience in decision-making, business management, commerce, and sales and marketing.	1. General Manager of a subsidiary 2. One of the top five shareholders of the Company, directly holding more than 5% of the total number of the Company's issued shares 3. The remaining independence requirements set out in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies issued by the Financial Supervisory Commission are also met.	None

Criteria / Name	Professional qualifications and experience	Independence status	Number of other public offering companies where the person serves as an independent director
Jing Hong Capital Co., Ltd. Representative: Yu-Hung Chen Director	Director Yu-Hung Chen graduated with an MBA from the University of Notre Dame in the United States and previously served as Manager of L.C. Equity Research Corporation, and possesses practical experience in business management and the capital market In terms of industry operations, Director Yu-Hung Chen has long served as the person in charge of QUAN WEI Co., Ltd. and Tian Ji Catering Group, and possesses extremely extensive practical experience in brand management, the establishment of chain operation systems and market development strategies, with deep insight into labor-management relations and internal control management in the brick-and-mortar industry. In the fields of finance and investment, Director Yu-Hung Chen has served as a partner of Triple H Capital and the person in charge of several investment companies, spanning equity investments in semiconductors, biotechnology and traditional industries, and is proficient in asset allocation and risk assessment. Combining the dual backgrounds of "brick-and-mortar industry operations" and "professional capital investment," Director Yu-Hung Chen is able to provide forward-looking professional advice with due consideration to risk control when the Board of Directors discusses major investment proposals, cross-industry alliances and long-term development strategies, significantly enhancing the depth and effectiveness of the Board of Directors' decision-making. Director Yu-Hung Chen possesses professional qualifications and experience in operational judgment, business management, crisis management, industry knowledge, international market perspective and leadership and decision-making capabilities.	1. Mr. Yu-Hung Chen is one of the top five shareholders of the Company, and Mr. Yu-Hung Chen, spouse, minor children, or shares held in the names of others account for more than 5% of the total number of the Company's issued shares. 2. The remaining independence requirements set out in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies issued by the Financial Supervisory Commission are also met.	None
Wen-Chun Hung Independent Director	Independent Director Wen-Chun Hung graduated from the Department of Law at National Chung Hsing University, passed the Republic of China attorney examination and holds a certificate, currently serves as an attorney at Jiupin Law Firm and legal counsel to multiple companies, has practiced law for over 15 years, is well versed in commercial laws and regulations and possesses expertise and experience in corporate governance, helping enhance the professional functions of the Board of Directors, the Audit Committee and the Remuneration Committee, and is currently serving a second term as an Independent Director and has not served more than three terms.	In accordance with the Company's Articles of Incorporation and the "Corporate Governance Best Practice Principles," Directors are elected under a candidate nomination system. When nominating and selecting members of the Board of Directors, the Company has obtained written statements, work experience, current employment certificates, and family relationship tables provided by each Director to verify and confirm the independence of each Director, spouse, and relatives within the third degree of kinship in	None

Criteria Name	Professional qualifications and experience	Independence status	Number of other public offering companies where the person serves as an independent director
Hsiao-Wen Wang Independent Director	Independent Director Hsiao-Wen Wang holds a PhD in Accounting from National Taiwan University, previously served as Director of the Graduate Institute of Accounting at National Central University, is currently a professor at the Graduate Institute of Accounting at National Central University and has served for over 13 years, and also serves as a member of the Food Safety Protection Fund Management Committee of the Taoyuan City Government and a member of the University Endowment Fund Committee of National Central University, possessing extensive academic and practical expertise in accounting. In addition, Independent Director Hsiao-Wen Wang is often invited to serve as a review committee member for securities listing or OTC listing review committees, and extensive analytical and management capabilities in the fields of corporate governance, financial accounting and business management help enhance the professional functions of the Board of Directors, the Audit Committee and the Remuneration Committee, and is currently serving a second term as an Independent Director and has not served more than three terms.	relation to the Company. The Company has further verified that the following three Independent Directors, during the two years prior to election and during their tenure, all meet the qualification requirements prescribed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, and all Independent Directors have been granted the authority under Article 14-3 of the Securities and Exchange Act to fully participate in decision-making and express opinions, on the basis of which they independently perform the relevant duties.	None
Kuo-Chi Lin Independent Director	Independent Director Kuo-Chi Lin graduated from the EMBA program at National Chiao Tung University, previously served as Special Assistant to the General Manager of Golden Arrow Printing Technology Co., Ltd., Associate Manager of the Capital Market Department of Cathay Securities Co., Ltd., and Manager of the Underwriting Department of MasterLink Securities Co., Ltd., possesses extensive practical underwriting experience, and has expertise in securities laws and regulations, accounting, industry, operational judgment, business management, industry knowledge and international market perspective, helping enhance the professional functions of the Board of Directors, the Audit Committee and the Remuneration Committee, and is currently serving a second term as an Independent Director and has not served more than three terms.		None

5. Board of directors diversity and independence:

(1) Board diversity

The Company's Board of Directors consists of seven directors with different professional backgrounds, including three Independent Directors and four non-independent directors, and directors who do not have the status of managerial officers of the Company account for more than half of the Board seats Members of the Company's 6th Term Board of Directors: one current director is aged between 41 and 50, and six are aged 51 or above Currently, there is one female Director. The Company will continue to pay attention to outstanding female Director candidates with professional qualifications, and plans to nominate additional female Director candidates at the 2028 Annual General Meeting

reelection, in order to gradually achieve the goal that Directors of either gender account for one-third of the Board seats; all members possess operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective and leadership and decision-making capabilities, and the three Independent Directors have professional backgrounds in law, accounting and finance, respectively.
Since 2022, three Independent Directors have been established, accounting for 43%, and the three Independent Directors are serving a second term and have tenure of less than four years

The specific management objectives and achievement status of the Company's diversity policy are as follows:

Job title	Chairman	Director			Independent Director		
Name	Sih-Ming Li	Hsiang-Wei Lo	Kai-Hsing Wu	Yu-Hung Chen	Wen-Chun Hung	Hsiao-Wen Wang	Kuo-Chi Lin
Gender	Male	Male	Male	Male	Male	Female	Male
Age	61-70	51-60	61-70	41-50	51-60	51-60	51-60
Nationality	R.O.C.						
Concurrently serving as an employee of the Company	V	V	V				
Length of tenure as an independent director					Under 4 years	Under 3 years	Under 3 years
Professional background							
Industry experience	V	V	V	V			V
Law					V		
Accounting						V	
Finance				V		V	V
Professional knowledge and skills							
Operational judgment	V	V	V	V	V	V	V
Accounting and financial analysis ability	V	V	V	V	V	V	V
Business management	V	V	V	V	V		V
Crisis management	V	V	V	V	V	V	V
Industry knowledge	V	V	V	V	V	V	V
International market perspective	V	V	V	V	V	V	V
Leadership and decision-making	V	V	V	V	V	V	V

(2) Independence of the Board of Directors:

I. None of the members of the Board of Directors had any of the circumstances listed in Article 30 of the Company Act; among the members of the Board of Directors, three seats were held by directors concurrently serving as the Company's managerial officers, and none of the seven members had any of the circumstances set out in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act

II. All Independent Directors fully complied with the regulations governing Independent Directors prescribed by the Financial Supervisory Commission, and their independence status is as shown below:

Name	Whether the person, spouse, or relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or its affiliated enterprises	Number of shares and percentage of shareholding held by the person, spouse, or relatives within the second degree of kinship (or held in the names of other persons)	Whether serving as a director, supervisor, or employee of a company having a specific relationship with the Company	Amount of remuneration received in the most recent 2 years for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises
Wen-Chun Hung	No	None	No	None
Hsiao-Wen Wang	No	None	No	None
Kuo-Chi Lin	No	None	No	None

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

March 31, 2026; Unit: Share；%

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	819,166	2.37	-	-	1,643,809	4.75
General Manager of Shanghai Subsidiary	R.O.C.	Kai-Hsing Wu	Male	2016/02/01	4,070,679	11.77	50,000	0.14	-	-
Head of Accounting and Corporate Governance	R.O.C.	Pei-Jun Ke	Female	2023/12/13	103,000	0.30	37,000	0.11	-	-
Assistant of the Business Department	R.O.C.	Wen-Hsien Chou	Male	2023/09/11	140,000	0.40	2,000	0.01	-	-
Marketing Manager	R.O.C.	Chu-An Luo	Male	2018/01/01	100,000	0.29	26,000	0.08	-	-
R&D Assistant Manager	R.O.C.	Ya-Han Zhan	Female	2022/07/01	26,000	0.08	-	-	-	-
Manager, Audit department	R.O.C.	Ching-Ting Chang	Female	2017/07/17	47,000	0.14	1,000	0.00	-	-

<table>
<tr><th rowspan="2">Job title</th><th rowspan="2">Name</th><th rowspan="2">Main Education and Professional Background</th><th rowspan="2">Concurrent positions in other companies</th><th colspan="3">Managers who are spouses or within two degrees of kinship</th><th rowspan="2">Remarks</th></tr>
<tr><th>Job title</th><th>Name</th><th>Relations</th></tr>
<tr><td>General Manager</td><td>Hsiang-Wei Lo</td><td>Department of Food Science, Yuanpei University of Medical Technology
Business Manager, Zimmer Biomet Taiwan Co. Ltd.</td><td>Supervisor, A Plus (Shanghai) Trading Co., Ltd.
Chairperson, Weikai International Limited
Chairperson, Alehan Biotechnology Co., Ltd.
Executive Director, Taiwan Medical Device Innovation and Development Association</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>General Manager of Shanghai Subsidiary</td><td>Kai-Hsing Wu</td><td>EMBA, National Taiwan University
Master's of Biomedical Engineering, Chung Yuan Christian University
General Manager of Greater China, Zimmer, Inc.</td><td>None</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Head of Accounting and Corporate Governance</td><td>Pei-Jun Ke</td><td>Department of Business Administration, National Taiwan University
Accounting Manager, Li Peng Enterprise Co., Ltd.
Manager of Audit Department, PricewaterhouseCoopers Taiwan</td><td>Supervisor, Alehan Biotechnology Co., Ltd.</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Assistant of the Business Department</td><td>Wen-Hsien Chou</td><td>Department of Business Administration, Chung Yuan Christian University
Sales Representative, Yao Cheng Enterprise Co., Ltd
Business Manager, A Plus Biotechnology Co. Ltd.</td><td>None</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Marketing Manager</td><td>Chu-An Luo</td><td>Ph.D., Department of Mechanical Engineering, National Central University
Master of Mechanical Engineering, National Central University</td><td>None</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>R&D Assistant Manager</td><td>Ya-Han Zhan</td><td>Master’s degree in Mechanical Engineering, National Taiwan University of Science and Technology
PhD, Department of Biomedical Engineering, National Yang Ming Chiao Tung University</td><td>None</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Manager, Audit department</td><td>Ching-Ting Chang</td><td>MBA, Yuan Ze University
Chief Auditor, MedFirst Healthcare Services, Inc.
Chief Auditor, WAYS Technical Corp., Ltd.</td><td>None</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

(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

2025;Unit: NT$ thousand

<table>
<tr><th rowspan="3">Job title</th><th rowspan="3">Name</th><th colspan="10">Directors Compensation</th></tr>
<tr><th colspan="2">Base compensation (A)</th><th colspan="2">Severance and pension (B)</th><th colspan="2">Remuneration for directors (C)</th><th colspan="2">Business execution expenses (D)</th><th colspan="2">Ratio of Total Remuneration (A+B+C+D) to net profit after tax</th></tr>
<tr><th>The Company</th><th>All companies in the financial statements</th><th>The Company</th><th>All companies in the financial statements</th><th>The Company</th><th>All companies in the financial statements</th><th>The Company</th><th>All companies in the financial statements</th><th>The Company</th><th>All companies in the financial statements</th></tr>
<tr><td>Chairman</td><td>Ho-Ming Investment Co., Ltd. Representative: Sih-Ming Li</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">-</td><td rowspan="4">11,461</td><td rowspan="4">11,461</td><td rowspan="4">224</td><td rowspan="4">224</td><td rowspan="4">11,685
6.90%</td><td rowspan="4">11,685
6.90%</td></tr>
<tr><td rowspan="3">Director</td><td>Weikai International Limited Representative: Hsiang-Wei Lo</td></tr>
<tr><td>Kai-Hsing Wu</td></tr>
<tr><td>Jing Hong Capital Co., Ltd. Representative: Yu-Hung Chen</td></tr>
<tr><td rowspan="3">Independent Director</td><td>Wen-Chun Hung</td><td rowspan="3">1,260</td><td rowspan="3">1,260</td><td rowspan="3">-</td><td rowspan="3">-</td><td rowspan="3">-</td><td rowspan="3">-</td><td rowspan="3">258</td><td rowspan="3">258</td><td rowspan="3">1,518
0.90%</td><td rowspan="3">1,518
0.90%</td></tr>
<tr><td>Hsiao-Wen Wang</td></tr>
<tr><td>Kuo-Chi Lin</td></tr>
</table>

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:
   (1) Policy, system, standards and structure of remuneration
      A. The remuneration and attendance fees of Independent Directors are handled in accordance with the “Regulations Governing the Remuneration of Directors and managerial officers” Approved by the Board of Directors.
      B. Attendance fees for Independent Directors: income for performing duties, with the number of times they personally attend meetings of the Board of Directors, the Audit Committee and the Remuneration Committee or attend the Annual General Meeting as the basis for payment

   (2) The correlation between the responsibilities undertaken, risks, time invested and other factors, and the amount of remuneration paid
      A. The Company's “Regulations Governing the Remuneration of Directors and managerial officers” stipulates zero remuneration for directors.
      B. The remuneration of Independent Directors consists of fixed monthly remuneration
      C. Independent Directors serving as members of the Remuneration Committee are paid remuneration in accordance with the appointment contracts signed by both parties
      D. The Company reviews the “Regulations Governing the Remuneration of Directors and managerial officers” annually and regularly assesses the balance between the Company's sustainable operations and risk control.

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.

2025;Unit: NT$ thousand

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 profit 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)						
		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	Ho-Ming Investment Co., Ltd. Representative: Sih-Ming Li	22,634	31,634	216	216	962	-	962	-	35,497 20.96%	44,497 26.27%	-
Director	Weikai International Limited Representative: Hsiang-Wei Lo											
	Kai-Hsing Wu											
	Jing Hong Capital Co., Ltd. Representative: Yu-Hung Chen											
Independent Director	Wen-Chun Hung	-	-	-	-	-	-	-	-	1,518 0.90%	1,518 0.90%	-
	Hsiao-Wen Wang											
	Kuo-Chi Lin											

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	Wen-Chun Hung; Hsiao-Wen Wang; Kuo-Chi Lin	Wen-Chun Hung, Hsiao-Wen Wang, Kuo-Chi Lin	Wen-Chun Hung, Hsiao-Wen Wang, Kuo-Chi Lin	Wen-Chun Hung, Hsiao-Wen Wang, Kuo-Chi Lin
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	Jing Hong Capital Co., Ltd.	Jing Hong Capital Co., Ltd.	Jing Hong Capital Co., Ltd.	Jing Hong Capital Co., Ltd.
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	Kai-Hsing Wu	Kai-Hsing Wu	Kai-Hsing Wu	-
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	Ho-Ming Investment Co., Ltd. Weikai International Limited	Ho-Ming Investment Co., Ltd. Weikai International Limited	-	-

NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	-	-	-	-
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	-	-	-	Kai-Hsing Wu
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	-	-	Ho-Ming Investment Co., Ltd. Weikai International Limited	Ho-Ming Investment Co., Ltd. Weikai International Limited
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	-	-	-	-
Total	A total of 7 people	A total of 7 people	A total of 7 people	A total of 7 people

(II) Remuneration of supervisors: As the Company has established the Audit Committee, this section is not applicable

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

2025; Unit: NT$ thousand

<table>
<tr><th rowspan="3">Job title</th><th rowspan="3">Name</th><th colspan="2">Base salary (A)</th><th colspan="2">Severance and pension (B)</th><th colspan="2">Bonus and allowance (C)</th><th colspan="4">Remuneration for employees (D)</th><th colspan="2">Ratio of Total Remuneration (A+B+C+D) to net profit after tax</th><th rowspan="3">Remuneration received from subsidiaries, re-invested businesses or the parent company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the financial statements</th><th colspan="2">The Company</th><th colspan="2">All companies in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the financial statements</th></tr>
<tr><th>Cash</th><th>Amount in stock</th><th>Cash</th><th>Amount in stock</th></tr>
<tr><td>General Manager</td><td>Hsiang-Wei Lo</td><td rowspan="2">4,968</td><td rowspan="2">12,872</td><td rowspan="2">216</td><td rowspan="2">216</td><td rowspan="2">7,028</td><td rowspan="2">8,123</td><td rowspan="2">481</td><td rowspan="2">—</td><td rowspan="2">481</td><td rowspan="2">-</td><td rowspan="2">12,693
7.49%</td><td rowspan="2">21,693
12.81%</td><td rowspan="2">None</td></tr>
<tr><td>General Manager of Shanghai Subsidiary</td><td>Kai-Hsing Wu</td></tr>
</table>

Remuneration Range Table

Ranges of remuneration paid to each of the Company's General Manager(s) and Deputy General Manager(s)	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)	-	-
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	Hsiang-Wei Lo	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	-	-
Total	A total of 2 people	A total of 2 people

(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

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 Sustainability Officer	Sih-Ming Li	-	1,842	1,842	1.09%
	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 Assistant Manager	Ya-Han Zhan				
	Manager, Audit department	Ching-Ting Chang				

(VI) Separately compare and explain the analysis of the ratio of the total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, General Manager, and Deputy General Managers over the most recent two years as a percentage of net income after tax in the Parent Company Only Financial Statements, and explain the policies, standards, and composition of remuneration, the procedures for determining remuneration, and the relationship with operating performance and future risks.

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

2024 The total remuneration to the Directors, General Manager, and Deputy General Managers as a percentage of net profit after tax		2025 The total remuneration to the Directors, General Manager, and Deputy General Managers as a percentage of net profit after tax	
The Company	All companies in the financial statements	The Company	All companies in the financial statements
20.45%	25.39%	21.85%	27.17%

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

(1) Remuneration policies, standards and packages

The Articles of Incorporation of the Company expressly stipulate that where there is profit for the year, after deduction of accumulated losses, if there is still a balance, no less than 2% shall be appropriated as employee remuneration, of which no less than 1% shall be remuneration distributed to grassroots employees, and no more than 5% as directors’ remuneration. The actual appropriation ratio for employee remuneration in the most recent two years was 3% Directors’ remuneration is determined after consideration of the directors’ level of participation in the Company's operations and contribution value, the responsibilities and risks undertaken, and with reference to the prevailing standards in the same industry, upon proposal by the Remuneration

Committee and after discussion and Approved by the Board of Directors. 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

The Board of Directors convened 10 times in 2025, and the attendance of the directors was as follows:

Job title	Name	Number of attendance in person [B]	Number of attendance by proxy	% of attendance in person [B/A]	Remarks
Chairperson (resigned)	Sih-Ming Li	5	0	100	Term expired on 2025/06/29
Director (resigned)	Hsiang-Wei Lo	5	0	100	
Director (resigned)	Yu-Hung Chen	5	0	100	
Chairman	Ho-Ming Investment Co., Ltd. Representative: Sih-Ming Li	5	0	100	Full re-election on 2025/06/30 Elected as a corporate director representative
Director	Weikai International Limited Representative: Hsiang-Wei Lo	5	0	100	
	Jing Hong Capital Co., Ltd. Representative: Yu-Hung Chen	5	0	100	
	Kai-Hsing Wu	10	0	100	Term expired on 2025/06/29 Full re-election on 2025/06/30 Re-elected as director
Independent Director	Wen-Chun Hung	10	0	100	Term expired on 2025/06/29 Full re-election on 2025/06/30 Re-elected as Independent Director
	Hsiao-Wen Wang	10	0	100	
	Kuo-Chi Lin	10	0	100	

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:

Meeting date	Contents of the proposal	Directors abstaining from voting	Reason for abstention	Voting results
2025/01/08	2024 year-end bonus distribution for managers	Sih-Ming Li; Hsiang-Wei Lo; Kai-Hsing Wu	Conflict of interest	Did not participate
2025/05/14	2024 Director compensation distribution	Sih-Ming Li; Hsiang-Wei Lo; Kai-Hsing Wu	Conflict of interest	Did not participate
	2024 Manager and employee compensation distribution	Sih-Ming Li; Hsiang-Wei Lo	Conflict of interest	Did not participate
	Allocation of employee shares for pre-listing capital increase	Hsiang-Wei Lo; Kai-Hsing Wu	Conflict of interest	Did not participate
	Proposal on the Remuneration of the Chairperson of the Board	Sih-Ming Li	Conflict of interest	Did not participate
2025/06/30	Proposal for the distribution of project bonuses for listing	Sih-Ming Li; Hsiang-Wei Lo	Conflict of interest	Did not participate
2025/07/28	Proposal for signing a contract for industry-academia collaboration and academic feedback mechanism with National Central University	Hsiao-Wen Wang	Conflict of interest	Did not participate

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

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method
Once a year	2025/01/01 to 2025/12/31	1. Board of Directors 2. Individual directors 3. Functional committees	1. Internal self-assessment by the Board of Directors and functional committees 2. Self-evaluation of directors

Evaluation content:

I. Board of Directors performance evaluation content: including 1. Level of participation in the Company's operations 2. Improve the quality of decision-making by the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Election of directors and continuing education 5. Internal control.

II. Content of individual directors' performance evaluation: 1. understanding of the Company's goals and missions 2. Awareness of directors' responsibilities. 3. Level of involvement in the Company's operations. 4. Internal relationship management and communication. 5. Directors' professionalism and continuing education 6. Internal control.

III. Functional committee (the Audit Committee and the Remuneration Committee) performance evaluation content: 1. level of participation in the Company's operations 2. Awareness of the responsibilities of functional committees. 3. Improve the quality of decision-making by functional committees. 4. Composition of functional committees and election of members. 5. Internal control.

IV. The results of the follow-up evaluation for 2025 are as follows:

(I) Overall score ratio of the Board of Directors: 100

(II) Score ratio of Board members: 97

(III) Score ratio of functional committees: 99

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) Strengthening the functions of the Board of Directors

A. A corporate governance officer has been appointed to be responsible for corporate governance-related affairs and enhance the effectiveness of the Board of Directors

B. "Standard Operating Procedures for Handling Directors' Requests" were added to assist directors in performing their duties and enhance the effectiveness of the Board of Directors

C. Continue to renew liability insurance for all directors and strengthen coverage

D. All members of the Board of Directors of the Company participated during their tenure in corporate governance-related continuing education courses organized by institutions designated under the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies

E. The Chairperson has been appointed concurrently as Chief Sustainability Officer to supervise the promotion of various ESG sustainability goals and enhance the effectiveness of the Board of Directors

(II) Enhancing information transparency

A. The Company's financial statements are regularly audited and certified by PricewaterhouseCoopers, and all information disclosures required by laws and regulations are completed accurately and in a timely manner. The Company has also designated dedicated personnel to be responsible for the collection and disclosure of Company information and established a spokesperson system to ensure that all material information can be disclosed in a timely and appropriate manner

B. The Company's corporate website (https://www.aplusbio.com/tw) is continuously updated to strengthen the communication functions of the investor section and stakeholders, provide convenient and timely access to the Company's financial and business information, and fulfill the Board of Directors' requirements for information transparency

(II) Operation of the Audit Committee or supervisors' participation in the operation of the Board of Directors

1. Operations of the Audit Committee

The Audit Committee held 8 meetings in 2025, and the attendance of independent directors was as follows:

<table>
<tr><th>Job title</th><th>Name</th><th>Number of attendance in person [B]</th><th>Number of attendance by proxy</th><th>% of attendance in person [B/A]</th><th>Remarks</th></tr>
<tr><td>Independent Director</td><td>Wen-Chun Hung</td><td>8</td><td>0</td><td>100</td><td rowspan="3">The 1st Term of the Audit Committee expired on 2025/06/29. At the Annual General Meeting on 2025/6/30, the three incumbent independent directors were all re-elected as members of the 2nd Term</td></tr>
<tr><td>Independent Director</td><td>Hsiao-Wen Wang</td><td>8</td><td>0</td><td>100</td></tr>
<tr><td>Independent Director</td><td>Kuo-Chi Lin</td><td>8</td><td>0</td><td>100</td></tr>
</table>

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:

Meeting date	Contents of the proposal	Content of objections, reservations, or material recommendations raised by independent directors	Resolution results of the Audit Committee	The Company's handling of the Audit Committee's opinions
2025/01/08 16th meeting of the 1st term	I. Proposal for real estate acquisition II. Amendments to internal control system, procedures, and authority matrix III. Pre-approval of CPAs and affiliated firms providing non-assurance services to the Company, parent, and subsidiaries	None	Approved by all attending committee members	Submitted to the Board of Directors and Approved by all attending directors
2025/02/13 17th meeting of the 1st Term	I. 2024 Internal Control System Statement II. Restatement of 2023 parent company only and consolidated financial statements, and 2024 Q2 and Q3 consolidated financial statements III. 2024 Business Report and Financial Statements. IV. Evaluation of the competence and independence of the CPA V. 2025 budget plan	None	Approved by all attending committee members	Submitted to the Board of Directors and Approved by all attending directors
2025/03/31 18th meeting of the 1st Term	I. 2024 Earnings Distribution Proposal II. Amendments to partial provisions of the Articles of Incorporation III. Amendment to "Wage Cycle" section of internal control system IV. Cash capital increase for public offering prior to IPO V. Release of non-competition restrictions for new directors and their representatives VI. 2025 CPA remuneration	None	Approved by all attending committee members	Submitted to the Board of Directors and Approved by all attending directors
2025/05/14 19th meeting of the 1st Term	I. Q1 2025 consolidated financial statements II. Allocation of employee share subscriptions in connection with the pre-listing cash capital increase (non-managerial officers)	None	Approved by all attending committee members	Submitted to the Board of Directors and Approved by all attending directors
2025/06/27 20th meeting of the 1st Term	The Company plans to make a reinvestment in the equity of Joinsmart Biomedical Co., Ltd.	None	Approved by all attending committee members	Submitted to the Board of Directors and Approved by all attending directors
2025/07/28 1st meeting of the 2nd Term	Addition of internal control procedures and amendments to the table of authorization levels	None	Approved by all attending committee members	Submitted to the Board of Directors and Approved by all attending directors
2025/08/12 2nd meeting of the 2nd Term	The Company's Q2 2025 Consolidated Financial Statements	None	Approved by all attending committee members	Submitted to the Board of Directors and Approved by all attending directors
2025/11/10 3rd meeting of the 2nd Term	I. The Company's Q3 2025 Consolidated Financial Statements II. Amendments to certain articles of the "Code of Practice for Sustainable Development" III. Amendments to internal control, detailed rules for internal audit implementation, and the table of authorization levels IV. Audit Plan for 2026 V. Proposed first share buyback of the Company in 2025	None	Approved by all attending committee members	Submitted to the Board of Directors and 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
2025/01/08	16th meeting of the 1st term	Audit report for November-December 2024 Discussion of amendments to the internal control system, internal control procedures, and the table of authorization levels	Acknowledged; no additional comments.
2025/02/13	17th meeting of the 1st Term	Audit report for January 2025 Discussion of the 2024 Internal Control System Statement	
2025/03/31	18th meeting of the 1st Term	Audit report for February 2025 Discussion of amendments to certain provisions of the “Payroll Cycle” under the internal control system	
2025/05/14	19th meeting of the 1st Term	Audit report for March-April 2025	
2025/07/28	1st meeting of the 2nd Term	Audit report for May-June 2025	
2025/08/12	2nd meeting of the 2nd Term	Audit report for July 2025	
2025/11/10	3rd meeting of the 2nd Term	Audit report for August-September 2025	

1. 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.
2. 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 the Audit Committee and Board of Directors meetings on a non-regular basis, and the independent directors may directly communicate with each other at any time as necessary, with smooth communication channels maintained
2. For the Company’s Consolidated Financial Statements and Parent Company Only Financial Statements for 2025, the CPA explained the audit plan at the corporate governance communication meeting on January 23, 2026, and further explained the audit scope, materiality, and key matters at the corporate governance communication meeting on March 10, 2026. After discussion, all Independent Directors Approved.

Date	CPAs seated in the meeting	Proposal content
2025/02/13	Audit Committee Board of Directors	Evaluation of the competence and independence of the CPA The Company’s 2024 Business Report and Financial Statements
2025/05/14	Audit Committee Board of Directors	The Company’s Q1 2025 Consolidated Financial Statements
2025/08/12	Audit Committee Board of Directors	The Company’s Q2 2025 Consolidated Financial Statements
2025/11/10	Audit Committee Board of Directors	The Company’s Q3 2025 Consolidated Financial Statements

(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. Has the Company established and disclosed the “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. Shareholder structure and shareholders' rights				
(I) Has the Company established internal operating procedures for handling shareholders' suggestions, inquiries, disputes, and litigation matters, and implemented such procedures accordingly?	V		The Company has established the "Rules of Procedure for Shareholders Meetings" and the "Regulations Governing the Administration of Shareholder Services," and its official website includes an investor section. If shareholders have any suggestions or inquiries, they may contact the Company by telephone, email, or letter at any time, and the Company's Stock Affairs Department, spokesperson, acting spokesperson, or professional stock affairs agency will assist in handling and responding. If disputes or litigation matters are involved, the Company may be notified in accordance with legal procedures, and the Company will engage its retained legal counsel to assist in handling such matters.	No major deviations
(II) Does the Company maintain a list of major shareholders of the actual controlling company and the ultimate controllers of such major shareholders?	V		The stock affairs agency provides the shareholders' register, and the Company keeps abreast of the list of major shareholders who actually control the Company and discloses the information as required by law.	No major deviations
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliated enterprises?	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 insiders from trading securities using undisclosed information in the market?	V		The Company has established the "Management of Insider Trading Prevention," "Code of Ethical Conduct for Directors," and "Operating Procedures for Handling Material Inside Information." On 2025/01/24, 2025/04/29, 2025/07/28 and 2025/10/23, all Directors and managerial officers were notified that they may not trade shares from that date until 30 days before the announcement of the 2024 annual financial report or 15 days before the announcement of the Q1 to Q3 2025 financial reports.	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	V		Although the Company has not established a sustainable development committee, the Board of Directors Approved the establishment of a Chief Sustainability Officer on 2025/07/28 and appointed Chairperson Sih-Ming Li to concurrently serve as Chief Sustainability Officer,	No major deviations

	functional committees?			responsible for leading members of the ESG task force in overall planning and promotion regarding environmental sustainability, social welfare, sustainability information disclosure, corporate governance, and other issues. The relevant team members and responsibilities are as follows	
	(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 "Procedures for Board Performance Evaluation," conducted the evaluation at the end of 2025, and reported to the Board of Directors on 2026/03/10 the 2025 performance evaluation results of the Board of Directors, functional committees, and Directors, as well as the report on the implementation of ethical corporate management.	No major deviations
	(IV) Has the Company regularly evaluated the independence of CPAs?	V		The Company's Audit Committee and Board of Directors regularly evaluate the competence and independence of the attesting CPA annually and Approved the matter after resolution on 2026/01/23.	No major deviations
IV.	Have the TWSE/GTSM listed 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)?	V		The Company Approved the appointment of a corporate governance officer on 2024/03/29, with Pei-Chun Ko, Director of the General Management Division, serving in such capacity and being responsible for directing and managing the Stock Affairs Department. The Stock Affairs Department is responsible for handling pre-meeting, in-meeting, and post-meeting procedures and continuing education matters for the Board of Directors, functional committees, and shareholders' meetings.	No major deviations
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. In Q4 2025, an ESG questionnaire was distributed to stakeholders to assess material issues	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	V		The Company has set up an investor relations section on its official website, where it discloses	No major deviations

website to disclose operational, financial, and corporate governance information?			relevant financial, business, and corporate governance information.	
(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's official website has established an Investor/Corporate Governance section, designated personnel of the Stock Affairs Department to be responsible for the collection and disclosure of Company information, and appointed a spokesperson and acting spokesperson. A pre-listing earnings presentation was held on 2025/05/06, and an institutional investor conference was held on 2025/08/21. The presentation materials and video recordings of both meetings were disclosed on the official website and the Market Observation Post System The English versions of the 2024 annual report, the 2025 shareholders' meeting handbook, and the 2025 Consolidated Financial Statements and Parent Company Only Financial Statements were also disclosed on the official website and the Market Observation Post System to strengthen the quality of international communication	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 financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.	V		The Company was listed on 2025/06/10, and revenue has been announced on the 10th of each month. The announcement dates for each quarter's financial reports are as follows: Announced the 2024 financial report on 2025/02/13 Announced the Q1 2025 quarterly financial report on 2025/05/14 Announced the Q2 2025 quarterly financial report on 2025/08/12 Announced the Q3 2025 quarterly financial report on 2025/11/10 All in compliance with the regulations	No major deviations
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	No major deviations

			participate in continuing education programs. Please refer to Note 1 for details. (V) Implementation of risk management policies and risk measurement standards: the Company's operations are all conducted in accordance with applicable laws and regulations, the Company's management rules, and internal control systems, and various risk assessments and controls are carried out. (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) Purchase of liability insurance for Directors and supervisors The Company has purchased liability insurance for its Directors and managerial officers	

IX. Please explain the improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange Corporation for the most recent year, and for those not yet improved, set out the priority improvement items and measures.
The Company was listed on 2025/06/10. As 2025 did not fall within a complete evaluation year, the evaluation will apply in 2026.

Note 1: Continuing education of directors

Training date	Course organizer	Course name	Training hours	Name and title
2025/07/25	Securities and Futures Institute	2025 Legal Compliance Seminar on Insider Equity Trading	3	Independent Director Wen-Chun Hung Independent Director Hsiao-Wen Wang
2025/08/20	Securities and Futures Institute	Series Courses for Directors, Supervisors, and Corporate Governance Officer – Trump Reciprocal Tariffs H2 Operating Strategies and Outlook for Taiwan PMI Manufacturers Amid the Tariff Storm	3	Independent Director Kuo-Chi Lin
2025/08/26-28	Accounting Research and Development Foundation, R.O.C.	2025 ESG Summit	6	Director Yu-Hung Chen Independent Director Hsiao-Wen Wang
2025/10/20	Taiwan Investor Relations Institute	Analysis of Sustainability Reports	3	Chairperson Sih-Ming Li Director Hsiang-Wei Lo Director Kai-Hsing Wu Independent Director Hsiao-Wen Wang
2025/11/10	Taiwan Corporate Governance Association	Global Economic Conditions and the Effects of Trump's New Policies	3	Chairperson Sih-Ming Li Director Hsiang-Wei Lo Director Kai-Hsing Wu Independent Director Wen-Chun Hung Independent Director Kuo-Chi Lin

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

1. Information on members of the Remuneration Committee

Position (Criteria)	Name	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 the table "Disclosure of Directors' Professional Qualifications and Independence of Independent Directors" on page 7-10		0
Independent Director	Hsiao-Wen Wang			0
Independent Director	Kuo-Chi Lin			0

Note: The 1st Term expired on 2025/06/29. Following the full re-election at the Annual General Meeting on 2025/06/30, three Independent Directors were appointed to continue serving as members of the Remuneration Committee for the 2nd Term.

2. Information on the operations of the Remuneration Committee

(1) The Remuneration Committee of the Company has 3 members.

(2) Term of office of the current committee: 2025/06/30 to 2028/06/29

The Remuneration Committee held 5 meetings in 2025 [A], and the qualifications and attendance of the members are as follows:

Job title	Name	Number of meetings attended in person [B]	Number of attendance by proxy	Actual attendance rate (%) [B/A]
Convener	Wen-Chun Hung	5	0	100
Committee Member	Hsiao-Wen Wang	5	0	100
Committee Member	Kuo-Chi Lin	5	0	100

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.

(V) 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		1. Governance structure: The Board of Directors is the highest supervisory unit and is responsible for approving sustainability strategies and risk assessments. 2. Implementation status: (1) On 2025/07/28, the Board of Directors Approved the establishment of the position of Chief Sustainability Officer, with Chairperson Sih-Ming Li serving concurrently and being responsible for leading the ESG task force. (2) ESG task force: Led by General Manager Hsiang-Wei Lo, with specialized sub-groups for corporate governance, sustainable environment, social welfare, and information disclosure. (3) Reporting frequency: The responsible unit reports to the Board of Directors at least once a year. The implementation status was reported to the Board of Directors on 2025/02/13 and 2026/03/10, respectively. 3. Describe the Board of Directors' supervision of sustainable development: To actively respond to the challenges of climate change, the Company launched a comprehensive greenhouse gas inventory plan in November 2025 in accordance with the standards of the competent authority. Using 2025 data as the core indicator, the Company will accurately calculate Scope 1, Scope 2, and fugitive emissions to establish a scientific carbon reduction baseline. These data are not only an important cornerstone for compiling the sustainability report, but also demonstrate the Company's firm commitment to environmental stewardship and corporate responsibility while pursuing growth.	As described in the summary
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		1. Risk assessment boundary Covering the Zhonghe headquarters, Taichung/Tainan/Kaohsiung offices, and subsidiaries 2. Risk assessment standards, process, results, and risk management policies or strategies for identifying material environmental, social, and governance issues The ESG task force, through stakeholder questionnaire feedback in December 2025, held a material topic assessment results analysis meeting with the Chief Sustainability Officer, identifying five material topics: economic performance,	No major deviations

			market position, anti-corruption, customer health and safety, and marketing and labeling, and each team formulated corresponding management policies and actions.	
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 possible operational risks of climate change to the Company include resource shortages, transportation and supply disruptions, and raw material cost fluctuations caused by extreme climate change. Therefore, the Company has established alternative supplier information for key production raw materials. In addition, to mitigate climate change and create opportunities, the Company has incorporated environmental protection and energy-saving concepts into the product design stage to ensure that products minimize environmental impact throughout their life cycle. In addition to commencing the introduction of a greenhouse gas inventory this year, the Company also continues 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		Data statistics and inventory planning: The Company launched its greenhouse gas inventory operation in Q4 2025, in strict compliance with the regulations of the Ministry of Environment and relevant competent authorities, using 2025 as the base year to comprehensively collect data for Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and related fugitive sources. These statistics will serve as the baseline for future carbon reduction targets and will also be incorporated into the preparation of the sustainability report to implement transparent disclosure and the	No major deviations

			commitment to sustainable operations. Although the Company has not yet compiled statistics on greenhouse gas emissions for the past two years, 2023 to 2024, it has adopted the following measures in formulating energy-saving, carbon reduction, and greenhouse gas reduction initiatives: 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 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 compiled statistics on water consumption for 2023 and 2024, the design of its medical material cleaning process allows repeated cleaning to reduce water consumption.	
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. 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 had a total of 0 occupational accident cases in 2025.	No major deviations
(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 2025, the Company organized a total of 1,104 hours of internal and external training courses – covering quality systems, technology cultivation, new employee training, and occupational safety – with 158 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		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 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.	No major deviations

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 was listed on 2025/06/10 and will disclose the 2025 sustainability report before the designated deadline in 2026. As the aforementioned report is under preparation, there is no assurance or guarantee opinion from a third-party verification institution.	In preparation

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 "Sustainable Development Best Practice Principles" were Approved by the Board of Directors on 2023/04/10. On 2025/11/10, amendments were made in accordance with revisions by the competent authority to enhance the conservation of marine or terrestrial biodiversity and ecosystems, the sustainable use of resources, and fair and reasonable benefits. The Company will continue to design and improve trauma products suitable for Asians, promote the advancement of orthopedic medicine, fulfill corporate citizenship responsibilities, implement information transparency externally, and strive for harmonious labor-management relations internally, in line with the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

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 feedback: The Company implemented responsible procurement and, during the 2025 Mid-Autumn Festival period, commissioned the well-known brand "Aunt Stella Handmade Biscuits" and "Charity-Brand Collaboration" to produce charity gift boxes, transforming commercial procurement into support for public welfare organizations.

(IV) Consumer rights: strictly control product quality and obtain product liability insurance.

(V) Human rights: Comply with labor-related laws and regulations, provide group insurance for all employees, regularly convene labor-management meetings, and share the Company's profitability status

(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.

Climate-Related Information of TWSE/TPEx Listed Company

Implementation of Climate-Related Information

Items	Implementation status
1. Describe the oversight and governance by the Board of Directors and management of climate-related risks and opportunities	On 2025/07/28, the Board of Directors Approved the establishment of the Chief Sustainability Officer position and appointed Chairperson Sih-Ming Li to concurrently serve as Chief Sustainability Officer. The General Manager is responsible for leading members of the ESG task force in the overall planning and promotion of environmental sustainability, social welfare, sustainability information disclosure, and corporate governance matters, and regularly reporting implementation progress to the Board of Directors.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finance (short-term, medium-term, long-term)	Risk impacts: Extreme weather events, such as typhoons and flooding, may cause supply chain disruptions and production stoppages; stricter environmental regulations may also increase carbon fee expenditures and compliance costs. Opportunity impacts: Increasing market demand for low-carbon products enables the Company to enhance market competitiveness and develop green business opportunities through the research and development of sustainable

	technologies, such as the application of environmentally friendly materials.
3. Describe the financial impact of extreme climate events and transition actions	Financial risks: Disasters may result in asset losses and repair expenditures; electricity shortages caused by rising summer temperatures will increase the Company's operating costs (electricity and water charges). Financial opportunities: Through promoting energy-saving and carbon reduction measures and equipment replacement plans, the Company can reduce product energy costs and optimize operational efficiency in the long term.
4. Describe how the identification, assessment, and management processes for climate risks are integrated into the overall risk management system	The Company has incorporated climate change into its risk management framework and reduced the risk of supply chain disruption by diversifying raw material sources and implementing preventive recovery plans.
5. If scenario analysis is used to assess resilience in response to climate change risks, the scenarios, parameters, assumptions, analytical factors, and principal financial impacts used shall be explained.	Not currently implemented; will continue to evaluate and plan.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks	The Company commissioned a professional sustainable development consulting company in Q4 2025 to carry out two major projects: sustainability consulting and greenhouse gas inventory. The objectives include preparing a sustainability report and monitoring the overall target achievement rate of the ESG task force.
7. If internal carbon pricing is used as a planning tool, the basis for pricing shall be explained.	Not currently implemented; will continue to evaluate and plan.
8. If climate-related targets have been set, information such as the activities covered, greenhouse gas emission scopes, planning schedule, and annual progress achieved shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, it shall explain the source and quantity of the carbon reduction credits offset or the quantity of renewable energy certificates (RECs).	The Company will set annual greenhouse gas emission reduction targets. The current progress is that 2025 is used as the base year to conduct a greenhouse gas inventory (Scope 1, Scope 2, and fugitive sources) as the basis for subsequent reduction and preparation of the sustainability report.
9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans	According to the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" and relevant regulations, the mandatory schedule for greenhouse gas inventory and assurance applicable to Apis Biotech (capital of approximately NT$ 345 million) is as follows. Mandatory inventory year: 2026 Mandatory assurance year: 2028 【Inventory Plan and Baseline Establishment】 The Company initiated a comprehensive greenhouse gas inventory plan in Q4 2025 in accordance with the regulations of the competent authority and the ISO 14064-1 international standard. 【Scope and Objectives】 1. Core indicators: Using 2025 data as the base year, the Company will accurately compile emissions for Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and related fugitive sources to establish a scientific carbon reduction baseline. 2. Specific actions: Simultaneously implement old equipment replacement and power-saving plans, and use the inventory data as the cornerstone for preparing the sustainability report.

(VI) 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 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?	V		The Company's Board of Directors has approved the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Code of Conduct" on April 10, 2023, and disclosed them on the MOPS and the official website. The Company will continue to implement ethical corporate management policies in accordance with these principles and clearly prohibit improper benefits, infringement of intellectual property rights, and other conduct.	No major deviations
(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 Code of 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. (See Note 1)	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 Code of Conduct" on April 10, 2023, specifically regulating matters Company personnel should pay attention to when conducting business, and requiring full understanding and compliance. For conduct in violation of ethical integrity, regardless of rank, disciplinary action shall be imposed in accordance with the "Employee Handbook," and employee complaint channels are provided to handle opinions regarding treatment employees consider unfair or unreasonable. Company personnel are required to pay special attention to compliance and avoid violations when handling all matters, and this was reported to the Board of Directors on 2026/03/10 Implementation status for 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 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?	V		The Company has established a Stock Affairs Department responsible for the revision, implementation, interpretation, consultation services, and registration and filing of report contents under the "Procedures for Ethical Management and Guidelines for Conduct," as well as related operations and supervision of implementation, and reports to the Board of Directors regularly 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 Code of 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.	No major deviations

(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		To prevent conflicts of interest, the Company requires Directors, managerial officers, and their interested parties to maintain a high degree of self-discipline, and provides that they may proactively explain, through meetings, written documents, email, or telephone, whether any potential conflict of interest exists between themselves and the Company. For proposals discussed and resolved by the Board of Directors in 2025, Directors with an interest in matters concerning themselves also proactively explained the nature of such interests at the Board of Directors meetings and uniformly recused themselves from voting, and the Stock Affairs Department recorded the process in detail in the minutes of the Board of Directors meetings.	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 Code of 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 Code of Conduct" have been disclosed on the MOPS and the official website, and the effectiveness of their implementation can be found in the annual report. Following its listing on 2025/06/10, the Company has further strengthened the frequency and depth of information disclosure and enhanced the transparency of ethical management. The official website has added dedicated sections for Investors, Corporate Governance, Sustainable Development, and Stakeholders, with content available simultaneously in Chinese and English, facilitating international investors' access to relevant information.	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
2025/02/05	Internal training	Promotion of the "Ethical Corporate Management Best Practice Principles": All employees shall conduct business activities in a fair and transparent manner and comply with seven principles. Any violations discovered may be reported to the whistleblowing mailbox.	1	Managerial staff
2025/05/07	Internal training	If, in advance, it is learned that circumstances meeting the criteria for material information disclosure (51 items in total) will occur, each supervisor shall proactively notify the Director of the General Administration Division and the Internal Audit Office to facilitate preparation for releasing material information to investors and avoid penalties due to overdue filing.	1	Managerial staff
2025/07/02	Internal training	Prevention of Insider Trading.	1	Managerial staff
A total of three times on 2025/07/15, 2025/08/26, and 2025/11/06	Internal training	Promotion of the "Ethical Corporate Management Best Practice Principles": All employees shall conduct business activities in a fair and transparent manner and comply with seven principles. Any violations discovered may be reported to the whistleblowing mailbox.	1	New hires
2025/07/10 2025/10/14	Notice	Common violations of the Securities Exchange Act related to changes in insider shareholding	-	Board Members (including managerial officers)
2025/07/25	External training	2025 Insider Equity Trading Legal Compliance Seminar	3	Board Members
2025/12/30	External training	Insider Shareholding Declaration Requirements (including short-swing and insider trading regulations) (On-site briefing by CTBC Stock Services)	2	Board Members (including managerial officers)

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

The Company's important relevant regulations are disclosed simultaneously on the Market Observation Post System and the Company's official website / Investor Section / Corporate Governance / Major Corporate Regulations.

(VIII) Regarding the implementation of the internal control system

1. Statement of internal control
2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: Not applicable.

(IX) 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 2025 and up to the date of annual report publication.

Meeting type / Meeting date	Resolutions	Implementation status
General Shareholders' Meeting 2025/06/30	Restated 2023 Financial Statements, revised 2023 Business Report and 2023 Earnings Distribution Table.	Resolution implemented.
	2024 Business Report and Financial Statements.	2025/04/26 was set as the ex-dividend record date, and distribution was completed on 2025/05/19 (cash dividend of NT$4 per share)
	2024 Earnings Distribution Proposal.	Handled in accordance with the amended provisions
	Amendments to partial provisions of the Articles of Incorporation.	Related matters were handled in accordance with post-election procedures, and the change registration was completed on 2025/07/22.
	Full re-election of directors (including independent directors).	Related matters were handled in accordance with post-election procedures, and the change registration was completed on 2025/07/22.
	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 2025 and up to the publication date of the annual report

Meeting number / Meeting date	Resolutions
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
24th meeting of the 5th term 2025/06/27	1. Proposal for the distribution of project bonuses for listing 2. The Company plans to make a reinvestment in the equity of Joinsmart Biomedical Co., Ltd.

Important resolutions of the Board of Directors in 2025 and up to the publication date of the annual report

Meeting number / Meeting date	Resolutions
1st meeting of the 6th Term 2025/06/30	1. In accordance with the Company Act, the election of the Chairperson shall be handled, and the newly elected Directors of this term are requested to elect the Chairperson. 2. Proposal on the appointment of the Company's Remuneration Committee members
2nd meeting of the 6th Term 2025/06/30	Proposal for the distribution of project bonuses for listing
3rd meeting of the 6th Term 2025/07/28	1. The Company plans to make an investment in the equity of Ailian Biotech Co., Ltd. 2. Proposal on the appointment of directors and supervisors of the Company's investee, Ailian Biotech Co., Ltd. 3. Proposal for the Company to establish the position of Chief Sustainability Officer to be responsible for promoting the Company's sustainable development goals 4. Proposal for signing a contract for industry-academia collaboration and academic feedback mechanism with National Central University 5. Addition of internal control procedures and amendments to the table of authorization levels
4th meeting of the 6th Term 2025/08/12	1. The Company's Q2 2025 Consolidated Financial Statements 2. Loan application to financial institutions
5th meeting of the 6th Term 2025/11/10	1. The Company's Q3 2025 Consolidated Financial Statements 2. Amendments to certain articles of the "Code of Practice for Sustainable Development" 3. Amendments to internal control, detailed rules for internal audit implementation, and the table of authorization levels 4. Audit Plan for 2026 5. Proposed first share buyback of the Company in 2025
6th meeting of the 6th Term 2026/01/23	1. Proposal on matters relating to the distribution of year-end bonuses to the Company's managerial officers for 2025 2. Review of the Company's remuneration policy, standards, and structure for Directors and managerial officers for 2026 3. Amendment to "Wage Cycle" section of internal control system 4. Proposal for amendment of certain articles of the rules governing the transfer of shares repurchased in the first share repurchase of 2025 to employees 5. Evaluation of the competence and independence of the CPA 6. Proposal on the remuneration of the signing CPAs for 2026 7. Proposal for real estate acquisition
7th meeting of the 6th Term 2026/03/10	1. Proposal on the distribution of employee compensation and Director remuneration for 2025 2. Amendment to the "Regulations Governing the Remuneration of Directors and Managers" 3. Proposal on the Statement of Internal Control System for 2025 4. Proposal on the 2025 Business Report and Financial Statements 5. Proposal on earnings distribution for 2025 6. Proposal for cash distribution from capital surplus 7. Proposal on the budget and operating plan for 2026 8. Proposal for amendment of certain articles of the Company's "Regulations Governing the Acquisition or Disposal of Assets" 9. Proposal for amendment of certain articles of the payroll cycle and the "Approval Authority Table" 10. Matters relating to the convening of the Company's 2026 Annual General Meeting 11. Proposal to apply to financial institutions for credit facilities

(X) 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 Company shall disclose the amounts of audit and non-audit fees paid to the CPAs, their firm, and affiliates, as well as the nature of the non-audit services provided.

Unit: NT$ thousand

Name of CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
Pricewaterhouse Coopers Taiwan	Huang, Chin-Lien Hsu, Ming-Chuan	2025/01/01-2025/12/31	3,240	240	3,480	Non-audit fees are for the audit and certification of profit-seeking enterprise income tax returns.

1. When the Company changes its CPA 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:

The Company has not changed its accounting firm for fiscal years 2024 to 2025 and up to the date of printing of the annual report; therefore, this is not applicable.

VI. The Chairperson, General Manager, and managerial officers responsible for finance or accounting affairs of the Company have held positions at the CPA firm to which the signing CPA belongs or its affiliated enterprises within the past 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 refer to the MOPS website, [https://mops.twse.com.tw > Summary Reports > Equity Changes / Securities Issuance > Shareholdings / Pledges / Transfers by Directors, Supervisors, and Major Shareholders > Shareholding Balances of Directors, Supervisors, managerial officers, and Major Shareholders > Summary Statement of Shareholding Balances of Directors, Supervisors, managerial officers, and Major Shareholders]. For Market, please select "TWSE", for Industry, please select "Biotechnology and Medical Care Industry", and enter the year and month for inquiry.

(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	Disposition	2026/01/19	Ho-Ming Investment Co., Ltd.	Sih-Ming Li serves as the Company's responsible person.	200,000	84
Yu-Hung Chen	Disposition	2026/01/12	Jing Hong Capital Co., Ltd.	Yu-Hung Chen serves as the Company's responsible person.	180,000	84

(III) The counterparties to the pledge of equity held by directors, supervisors, managers, and major shareholders who are related parties: Not applicable.

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

March 31, 2026 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	4,070,679	11.77	50,000	0.14	-	-	None	None	-
Sih-Ming Li	2,043,045	5.91	133,000	0.38	721,000	2.09	Ho-Ming Investment Co., Ltd.	Person in Charge	-
Weikai International Limited Representative: Hsiang-Wei Lo	1,643,809	4.75	-	-	-	-	Hsiang-Wei Lo	Person in Charge	-
Cheng-chi Cheng	1,483,020	4.29	-	-	-	-	None	None	-
Yu-Hung Chen	953,000	2.76	332,000	0.96	602,000	1.74	None	None	-
Hsiang-Wei Lo	819,166	2.37	-	-	1,643,809	4.75	Weikai International Limited	Person in Charge	-
Ho-Ming Investment Co., Ltd. Representative: Sih-Ming Li	721,000	2.09	-	-	-	-	Sih-Ming Li	Person in Charge	-
Aima Investment Co., Ltd. Representative: Chin-Tsai Hsieh	712,000	2.06	-	-	-	-	Chin-Tsai Hsieh	Person in Charge	-
First Venture Capital Co.,Ltd. Representative: Chien-Chung Li	704,660	2.04	-	-	-	-	None	None	-
Chin-Tsai Hsieh	546,100	1.58	240,000	0.69	712,000	2.06	Aima Investment Co., Ltd.	Person in Charge	-

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, 2025 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
Alehan biotechnology Co., Ltd.	255	51	-	-	255	51
Joinsmart Biomedical Co., Ltd.	500	20	-	-	500	20

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 capital stock

(I) Formation of capital stock

Unit: NT$ Thousand; Thousand Shares

Date	Issuing price (NTD)	Authorized capital stock		Paid-up capital stock		Remarks		
		Shares	Amount	Shares	Amount	Source of capital stock	Using property other than cash as payment of shares	Others
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	Stock option conversion NT$6,930 thousand	-	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
2025.06	10	80,000	800,000	34,571	345,710	Cash capital increase before listing		Note 7

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.
Note 7: Approved by the New Taipei City Government Department of Economic Development, Letter No. 1148044109 dated June 18, 2025.

(II) Type of share

March 31, 2026 Unit: Share

Type of share	Authorized capital stock				Remarks
	Outstanding shares	Treasury stock	Shares yet to be issued	Total	
Common stock	34,071,000	500,000	45,429,000	80,000,000	Listed stock

(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

March 31, 2026 Unit: Share

Name of major shareholder	Number of shares held	Shareholding ratio %
Kai-Hsing Wu	4,070,679	11.77
Sih-Ming Li	2,043,045	5.91
Weikai International Limited	1,643,809	4.75
Cheng-chi Cheng	1,483,020	4.29
Yu-Hung Chen	953,000	2.76
Hsiang-Wei Lo	819,166	2.37
Ho-Ming Investment Co., Ltd.	721,000	2.09
Aima Investment Co., Ltd.	712,000	2.06
First Venture Capital Co.,Ltd.	704,660	2.04
Chin-Tsai Hsieh	546,100	1.58

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's dividend policy shall be based on the overall operating environment and industry characteristics, considering the Company's future financial structure and capital budget, and taking into account profitability, undistributed earnings, and capital surplus, to formulate an appropriate dividend distribution. 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

In accordance with Article 18-1 of the Company's Articles of Incorporation, the cash dividend distribution for 2025 was Approved by resolution of the directors on March 10, 2026. NT$119,248,500 was appropriated from distributable earnings, with NT$3.5 distributed per share, and the payment date was April 27, 2026.

In accordance with Article 19 of the Company's Articles of Incorporation, as resolved by the Board of Directors on March 10, 2026, NT$51,106,500 was appropriated from the capital surplus arising from the issuance of shares at a premium over par value to distribute cash to shareholders, at NT$1.5 per share, with the payment date on April 27, 2026.

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

The Company did not distribute stock dividends for 2025; therefore, this is not applicable.

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 has profits for the year, it shall appropriate not less than 2% as employee remuneration (of which not less than 1% shall be distributed to grassroots employees) and not more than 5% as directors' 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. Basis for estimating the amounts of employee remuneration and directors' remuneration 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 March 10, 2026, the Board of Directors Approved the distribution of cash employee remuneration of NT$6,876,895 and directors' remuneration of NT$11,461,491. There was no difference between the aforementioned amounts and the estimated amounts recognized as expenses for the year.

2. The percentage of employee remuneration distributed in stock to the sum of the Parent Company Only Financial Statements net income after tax for the current period and total employee remunerationThe Board of Directors resolved to distribute employee remuneration in cash.

(IV) The actual distribution of remuneration to employees, directors, and supervisors for the previous year (including the number of shares distributed, amount, and share price), and where there is any difference from the recognized remuneration for employees, directors, and supervisors, the amount of difference, reason, and treatment shall also be stated. The Company actually distributed employee remuneration of 6,093,262 and directors' remuneration of 10,155,435 for the previous year, and there was no difference between the actual distribution and the recognized amount.

VI. Buyback of the Company's shares

(I) Execution completed

April 28, 2026

Buyback Batch	First trench
Purpose of buyback	Transfer of shares to employees
Buyback period	2025/11/11-2026/01/10
Buyback price range	NT$75 to NT$110
Type and quantity of shares already bought back	500,000 common stock
Amount of shares already bought back	NT$ 43,964,108
Ratio of repurchased shares to expected repurchased shares (%)	100%
Quantity of shares already cancelled and transferred	0 shares
Cumulative holding of the company's shares	500,000 shares
Ratio of cumulative shares held in the Company to total issued shares (%)	1.45%

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

VII. Status of 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: 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 orthopedic trauma. The primary products are plates and screws used in the treatment of fractures or dislocations caused by trauma. These devices help reduction and stabilize fracture 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. The Company's bone plates are designed and developed based on the Asian bone curvatures, 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 bone 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 about 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 correction surgeries. They significantly enhance surgical accuracy, shorten procedure time, and improve success rates. They are currently used in complex procedures such as trauma reduction, degenerative knee arthritis, and corrections in other body areas.

In addition to the aforementioned self-manufactured products, the Company also acts as an agent for orthopedic fillers and biologics and other products from domestic and foreign manufacturers, including artificial bone material, hemostatic powder, joint cavity injections of high-concentration platelet-rich plasma (Platelet-Rich Plasma, “PRP”), and powered surgical instruments, which may be used in orthopedics and other medical specialties.

Revenue contribution by product category in 2025:

Product items	% of Net Operating Revenue
Trauma and correction products	73.86
Agency products and other	26.14
Total	100.00

2. Current product (service)

   (1) Trauma Products: Internal fixation plates, screws, pins, intramedullary nails, cables, external fixators.
   (2) Correction Products: Knee preservation systems, hallux valgus correction systems, additive manufacturing surgical guides.
   (3) Agency products: artificial bone substitutes, cell therapy, hemostatic products, breathable casts, powered surgical instruments, carbon fiber bone plates, etc.

3. Planned new product (service) development

   (1) Polymer composite implants
   (2) Modular plate systems
   (3) AI-assisted preoperative planning system
   (4) Additive manufacturing implants
   (5) Ankle joint correction systems
   (6) Foot and ankle corrective system

(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):

①External 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.

②Internal 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 2024 audit, locking plates not covered by insurance accounted for 92% 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 22% of its revenue from exports, mostly to China. Below is a summary of the trauma bone material market in Taiwan and China:

①Domestic Market

According to the Ministry of Health and Welfare’s National Health Insurance Medical Statistics Annual Report, statistics on total outpatient and inpatient (including emergency) medical expenses for 2020 to 2024 show the National Health Insurance points and numbers of patient visits for fractures of the forearm, femur, and lower leg (including ankle) in Taiwan for each year (see table below). In 2021, due to the escalation of the domestic COVID-19 pandemic to Level 3 alert, tighter epidemic prevention restrictions across Taiwan, and the implementation of work-from-home and home-based learning measures, opportunities for people to go out were reduced, indirectly lowering the incidence of fractures, and the National Health Insurance points and numbers of patient visits for fractures declined in that year. However, since 2022, the number of fracture-related patient visits has shown a year-by-year increasing trend. By 2024, the number of patient visits had exceeded 300,000, while National Health Insurance points had further risen to over 7 million, indicating a continuing increase in demand for fracture-related medical care and a trend of rising costs.

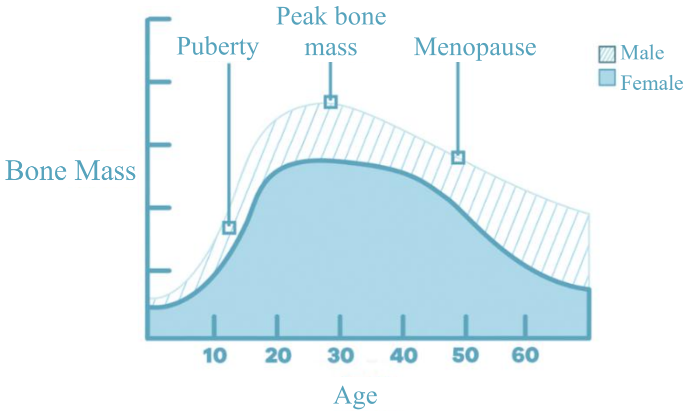
	2020	2021	2022	2023	2024
National Health Insurance Points (thousands)	6,118,734	6,097,588	6,532,712	6,912,899	7,281,334
Number of Patients (ten thousands)	28.25	27.34	28.25	29.69	30.05

Source: Ministry of Health and Welfare, National Health Insurance Medical Statistics Annual Report

A further examination of the numbers of patient visits for fractures of the forearm, femur, and lower leg (including ankle) over the most recent five years shows that the proportions of elderly patients aged 65 and over were 41.62%, 42.11%, 44.26%, 45.03%, and 47.31%, respectively, showing a year-by-year upward trend. In comparison, according to Ministry of the Interior statistics, the proportion of Taiwan's population aged 65 and over in 2024 was 19.9%. Over the most recent five years, the proportion of fracture-related patient visits involving those aged 65 and over exceeded 40% in every year, far higher than the proportion of the population aged 65 and over in Taiwan. This shows that the incidence of fractures in Taiwan is positively correlated with age, and as the population ages, the medical burden of fractures is increasing day by day.

A further examination of the gender of fracture-related patient visits among elderly people aged 65 and over in Taiwan shows that, over the most recent five years, the proportions of females were 73.36%, 72.70%, 73.97%, 74.16%, and 75.11%, respectively. The number of fracture-related patient visits by elderly females in Taiwan was more than 3.02 times that of elderly males. This is mainly because after menopause, women experience a decline in female hormones, which accelerates bone loss (see figure below), resulting in a higher prevalence of osteoporosis in women than in men. In addition, according to data from the Ministry of Health and Welfare, 1 in every 6 women in Taiwan aged 65 and over has osteoporosis, further increasing the risk of fractures. 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.

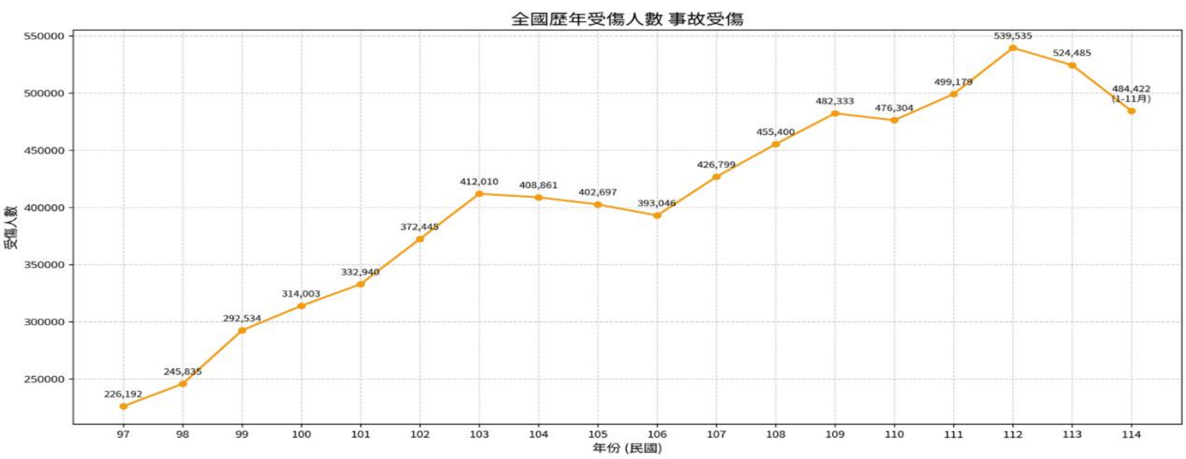
Bone Mass by Age and Gender



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 Taiwan, among the causes of fractures resulting from trauma, the number of injuries caused by traffic accidents has long shown a continuous upward trend, reflecting stable demand in the trauma market. According to statistics from the Department of Road Administration and Road Safety, Ministry of Transportation and Communications, the number of people injured in traffic accidents in Taiwan over the past ten years rose from 226,192 in 2008 to 539,535 in 2023. Overall, the market demand for trauma care and rehabilitation continues to expand. However, it is worth noting that in 2024, the number of people injured in traffic accidents slightly declined to 524,485, while the cumulative number for January to November 2025 was 484,422, and the full-year total is expected to be lower than that of the previous two years. The data for these two years show a slight decline, but it should be emphasized that these data cover only trauma caused by traffic accidents and do not include all types of traumatic events. Nevertheless, traffic accidents remain an important source of trauma, and changes in their trends provide important reference value for assessing demand for trauma medical services.

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.

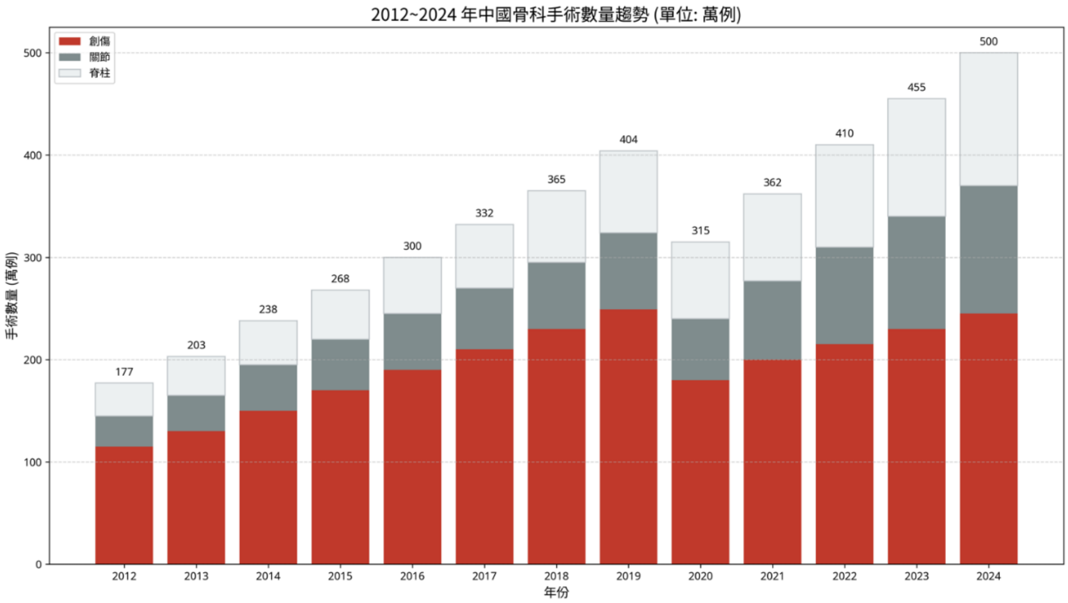


Source: Directorate General of Highways, Ministry of Transportation and Communications.

②China Market

The number of people aged 65 and over in China rose from 119 million in 2010 to approximately 220 million by the end of 2024, an increase of 85%, representing 15.66% of the total population, up from 8.87%, and is projected to reach 15.9% (about 224 million) by the end of 2025. As the incidence of orthopedic diseases is highly correlated with age, this has led to strong demand for orthopedic implant medical devices among the elderly population. In addition, with significantly increased income levels among the Chinese population, growing health awareness, and evolving views on seeking medical treatment, the volume of orthopedic surgeries has risen substantially.

The number of orthopedic surgeries in China rose from 1.77 million in 2012 to 5 million in 2024, an increase of nearly 182%, with trauma surgeries accounting for the largest share. Although centralized procurement and the COVID-19 pandemic caused a temporary decline after 2020 (to approximately 3 million cases), the number subsequently rebounded rapidly. Among orthopedic surgeries, trauma surgeries represented the largest volume base (approximately 2.45 million cases in 2024) and accounted for nearly 50% of the orthopedic implant market in 2024, indicating a continued expansion trend in this high-value market.

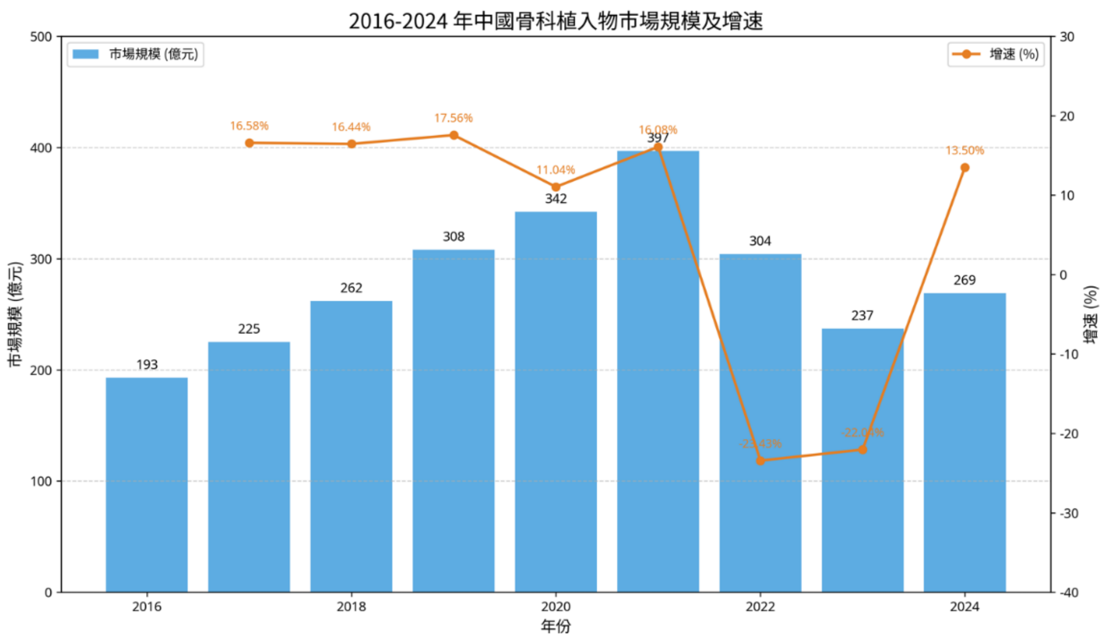


Source: Qianzhan Industry Research Institute

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's population ages, in order to address the heavy burden of medical insurance fund expenditures and patients' expenses, the State Council of China established the National Healthcare Security Administration in May 2018 to oversee the medical insurance fund and the tendering and procurement of medical services, and began to implement centralized volume-based procurement policies (the "centralized procurement policy") for items with relatively high clinical usage or amounts, hoping to lower the prices of pharmaceuticals and medical devices through volume-for-price exchange. In 2022, under the implementation of centralized procurement in the artificial joint and trauma fields, hospital procurement prices declined significantly, shrinking the market size of the two major orthopedic categories and resulting in an overall decline in the orthopedic implant industry. According to the China Medical Device Blue Book, the market size of orthopedic implant medical devices in China was RMB 30.4 billion in 2022, representing a significant decrease of 23.43% from the previous year.

In 2023, due to the full nationwide implementation of centralized procurement for spinal orthopedic materials, average product prices declined by approximately 80%, causing the overall industry size to decline further to RMB 23.7 billion. However, as the impact of the centralized procurement policy was gradually absorbed, the market began to enter a recovery period following the "volume-for-price" phase. The market size rebounded to approximately RMB 26.9 billion in 2024, indicating that the industry is returning to a track of steady growth, driven by continued growth in surgical volume and accelerated domestic substitution.



Source: China Medical Device Blue Book, Qianzhan Industry Research Institute

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	Midstream	Downstream	
Metal/polymer raw material suppliers and forming processors	Orthopedic implant manufacturers	Distributors and agents	Medical institutions and patients

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 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 intra-operative navigation systems 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 guide of cutting positions, direction and depths. This improves surgical accuracy, shortens operation time, and significantly lowers the cost of precision medicine, particularly beneficial for complex orthopedic deformity correction.

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 images to reconstruct 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, directions, and depths. Built-in alignment rods further confirm the planned 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. 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 aggressive price competition by developing and promoting differentiated products that also drive sales of basic products. 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) Research and development expenses invested in the most recent year and up to the publication date of the annual report

Unit: NT$ thousand; %

Year	2024	2025
R&D expenses	53,344	46,639
Operating revenues	769,591	835,891
R&D Expenses as a Percentage of Net Revenue	6.93	5.58

(2) Technology or product successfully developed

A. Correction System for Knee Osteotomy
B. Customized Additive Manufacturing Surgical Guiding 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
J. Double-threaded locking screw
K. Cerclage locking 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.
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. Sales regions of major products

Unit: NT$ thousand

Year \ Sales area	Taiwan	Foreign sales			Total
		China	Asia	Others	
2025	653,271	175,299	5,866	1,455	835,891

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 Asian anatomy. 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 CVBP policy has led to lower prices. In response, we are focusing on promoting high-margin products that are not subject to CVBP policy. At the same time, the Company continues to obtain new licenses for non-CVBP procured products, introducing more new offerings to the market. In other international markets, to avoid competition 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.

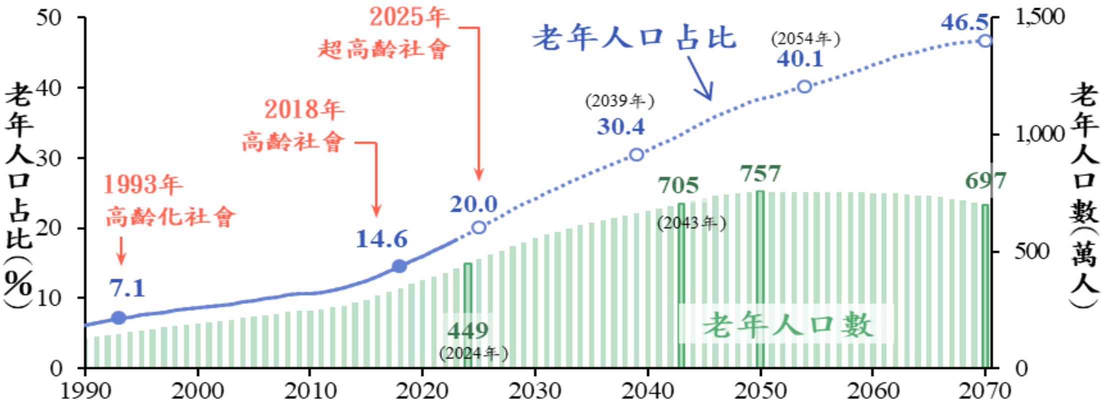
3. Future market supply and demand and growth

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.

①Domestic Market

With improved sanitation, advances in health management, and enhanced medical standards, the average life expectancy of the population in Taiwan continues to rise. According to the 2024–2070 population projection report released by the National Development Council in October 2024 (see chart below), the elderly population aged 65 and over in Taiwan had exceeded 4 million by the end of 2022, and Taiwan entered a super-aged society in 2025 (with the elderly population accounting for more than 20%), at which time the domestic elderly population aged 65 and over reached 4.67 million. It is further estimated that by 2039, the proportion of the population aged 65 and over will exceed 30%, reaching 6.63 million. Therefore, over the next 15 years, the domestic elderly population will increase by approximately 2.14 million, representing a 48% increase over the elderly population at the end of this year.

Elderly Population and Aging Timeline (Medium Estimate)



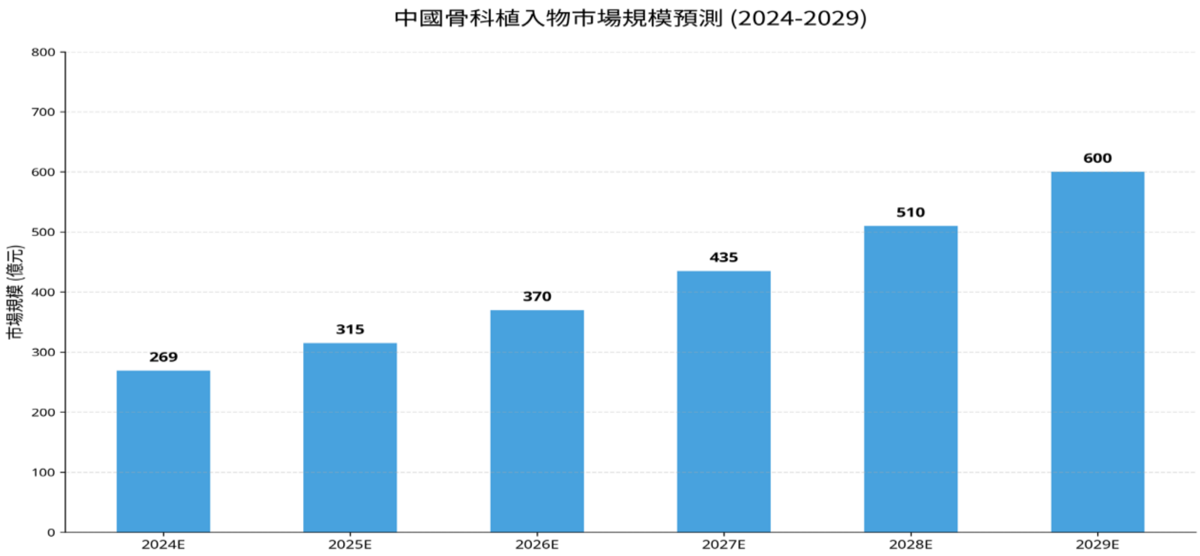
Source: National Development Council

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.

②China Market

According to data released by the National Bureau of Statistics of China, as of the end of 2024, the population aged 60 and above in China reached 300 million, accounting for 15.66% of the total population. It is estimated that the population aged 60 and above will exceed 400 million in 2035, officially entering the stage of severe aging.

As population aging accelerates and health awareness increases, demand for orthopedic implant devices in China will continue to rise. However, under the implementation of orthopedic centralized procurement policies from 2021 to 2023, prices in the orthopedic implant market declined, and the market size of orthopedic implant medical devices in China had fallen to RMB 23.7 billion in 2023. However, as the impact of the centralized procurement policy is gradually absorbed, the subsequent market size is expected to benefit from "volume-for-price" and increased surgical penetration and grow progressively, maintaining a steady growth trend in the coming years. It is estimated that by 2029, the market size is expected to recover to approximately RMB 60 billion, demonstrating support from long-term market demand.



Source: Qianzhan Industry Research Institute, China Medical Device Blue Book

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 correction 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 anatomy. 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 assisted 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.

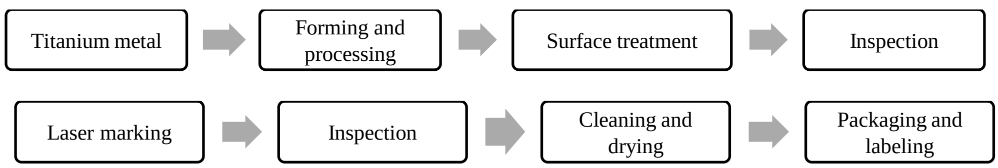
(II) Important Purposes and Production Processes of Main Products

1. Main Products and Their Uses

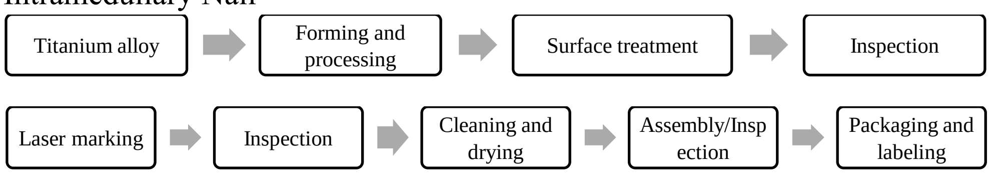
Main Product	Important Purpose
Trauma Products	To provide stable fixation for various types of bone fractures until healing
Correction Products	To assist patients with arthritis or bone deformities in precise correction and fixation
Agent Products	Artificial bone substitutes are used for bone defects or bone fusion; hyaluronic acid/PRP injections are used to treat joint pain; and hemostatic products assist in intraoperative hemostasis and shorten the duration of postoperative bleeding

2. Production process

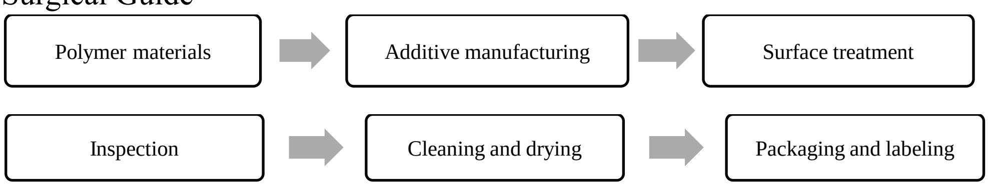
(I) Bone Plates, Bone Screws, Kirschner Wires



(II) Intramedullary Nail



(III) Surgical Guide



(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	2024				2025			
	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	70,013	32.78	None	Supplier A	84,482	29.10	None
2	Supplier C	47,320	22.16	None	Supplier C	42,728	14.72	None
3	Supplier F	7	-	None	Supplier F	33,970	11.70	None
4	Supplier D	32,454	15.20	None	Supplier D	33,064	11.39	None
5	Supplier E	28,610	13.40	None	Supplier E	30,212	10.41	None
	Others	35,137	16.46	None	Others	65,892	22.68	None
	Net purchase	213,541	100.00		Net purchase	290,348	100.00	

Analysis of reasons for increases and decreases:

1) There has been no material change in the Company's major suppliers in the most recent two years

2) Supplier F's procurement ratio exceeded 10% for the current period, mainly due to the expansion of the agency product business

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		2024	2025	As of March 31, 2026
Number of employees	Direct employees	21	21	21
	Indirect employees	159	169	169
	Total	180	190	190
Average age		36.4	36.9	36.7
Average service years		4.4	4.3	4.3
Education distribution ratio (%)	Doctoral degree	1%	1%	1%
	Master's degree	17%	14%	14%
	University or college	74%	77%	77%
	High school	8%	7%	7%
	Below high school	0%	1%	1%

IV. Information on environmental protection expenditures

1. Losses suffered due to environmental pollution in the most recent year and up to the publication date of the annual report (including compensation and violations of environmental protection laws and regulations identified in environmental protection inspection results, with the penalty date, penalty reference number, violated legal provisions, details of the violation, and penalty details to be specified): None.
2. Estimated amount currently and in the future and response measures: 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 employee welfare measures are implemented in accordance with the Labor Standards Act, the Labor Insurance Act, the National Health Insurance Act, and other relevant laws and regulations. All employees of the Company are enrolled in labor insurance and National Health Insurance and are entitled to labor insurance benefits. The Company also has reward and disciplinary measures and an evaluation system to motivate employees to grow together in a stable and growing working environment and to establish a consensus of labor-management integration.

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

The following important contracts that remained valid and in force as of the publication date of the annual report and those that expired in the most recent year, including supply and sales agreements, technical cooperation contracts, long-term loan contracts, and other important contracts sufficient to affect shareholders’ equity, are set out below:

Contract nature	**Party**	**Contract start and end date**	**Main contents**	**Restriction clause**
Financing	First Commercial Bank	June 2021–June 2041	Loan	None
Financing	E.SUN Bank	February 2026–February 2046	Loan	None
Financing	Taipei Fubon Bank	March 2026–March 2046	Loan	None
Procurement	A domestic supplier	November 2024–December 2027	Material purchase contract	None
Procurement	A domestic supplier	January 2024–December 2027	Outsourcing contract	None
Procurement	A domestic supplier	January 2024–December 2027	Outsourcing 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	2024	2025	Deviation	
			Amount	%
Current assets	896,849	1,187,061	290,212	32.36
Noncurrent assets	280,465	362,938	82,473	29.41
Total assets	1,177,314	1,549,999	372,685	31.66
Current liabilities	163,309	198,133	34,824	21.32
Non-current liabilities	94,960	86,313	(8,647)	(9.11)
Total liabilities	258,269	284,446	26,177	10.14
Capital stock	304,710	345,710	41,000	13.46
Capital Surplus	307,679	600,329	292,650	95.12
Retained earnings	300,048	347,546	47,498	15.83
Other Equity Interest	6,608	7,859	1,251	18.93
Treasury stock	0	(38,657)	(38,657)	100
Total equities	919,045	1,265,553	346,508	37.70

Description of material changes (changes of 20% or more and amounting to NT$10 million or more between two consecutive periods):

1. Current assets: Cash and cash equivalents increased to support the issuance of new shares for cash capital increase in connection with the pre-IPO public underwriting
2. Non-current assets: New equity-method investments were added in 2025.
3. Total assets: As stated above
4. Current liabilities: Mainly due to the tax effect arising from a capital reduction by an investee company in 2024 to offset losses, resulting in a decrease in income tax payable.
5. Treasury shares: In 2025, the Company repurchased treasury shares.
6. Capital reserve and total equity: Due to the issuance of new shares for cash capital increase and share premium before listing, both share capital and capital reserve increased compared with 2024.

II. Financial performance

(I) Analysis of financial performance comparison table

Unit: NT$ thousand

Items \ Year	2024	2025	Deviation	
			Amount	%
Net operating revenue	769,591	835,891	66,300	8.61
Operating cost	234,813	262,433	27,620	11.76
Operating gross profit	534,778	573,458	38,680	7.23
Operating expenses	352,319	364,696	12,377	3.51
Operating profit	182,459	208,762	26,303	14.42
Non-operating revenues and expenditures	5,097	7,380	2,283	44.79
Net income before tax	187,556	216,142	28,586	15.24
Income tax (expense) benefit	(36,500)	(46,601)	(10,101)	27.67
Current net profit (loss)	151,056	169,541	18,485	12.24
Other comprehensive (loss) income	6,263	1,251	(5,012)	(80.03)
Total comprehensive income (loss)	157,319	170,792	13,473	8.56

Description of material changes (changes of 20% or more and amounting to NT$10 million or more between two consecutive periods):

Income tax expense: Income tax expense increased due to the increase in net profit for the period.

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

The Company has not publicly disclosed its 2026 financial forecast and therefore does not intend to disclose expected sales volume.

III. Cash flow

(I) Analysis of changes in cash flows for the year

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
360,968	158,912	(73,507)	156,845	1,133	604,351	None	None

The Company recorded strong profitability in 2025, with cash inflow from operating activities of NT$158,912 thousand. Cash outflow from investing activities of NT$73,507 thousand was mainly due to the acquisition of equity in a new investee company, while cash inflow from financing activities of NT$156,845 thousand was mainly due to a cash capital increase.

(II) Improvement plan for insufficient liquidity

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: Not applicable.

IV. Effect of major capital expenditures on finance and business matters in the most recent year: None.

V. The most recent reinvestment 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 2025	Main reasons for gain or loss	Improvement Plan
A Plus (Cayman) Holding Inc.	14,157	Due to the investment gains of A Plus (Shanghai) Trading Co., Ltd.	N/A
A Plus (Shanghai) Trading Co., Ltd.	14,527	The operation condition is stable	N/A
Alehan biotechnology Co., Ltd.	165	The operation condition is stable	N/A
Joinsmart Biomedical Co., Ltd.	3,661	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 2023–2025 were NT$2,343 thousand, NT$1,938 thousand, and NT$1,862 thousand, respectively, each accounting for less than 0.3% of revenue. 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 major suppliers are domestic vendors, and sales are also mainly domestic. Exchange gains for 2023–2025 were NT$30 thousand, NT$1,680 thousand, and NT$1,604 thousand, respectively, each accounting for less than 0.3% of revenue. Therefore, exchange rate fluctuations will not have a significant 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 clinical outcomes, 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 CVBP 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 CVBP.
(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 (screws). 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

①Although 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.

②The 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.

③The 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.

(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 (screws) 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 2025 was NT$604,351 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.

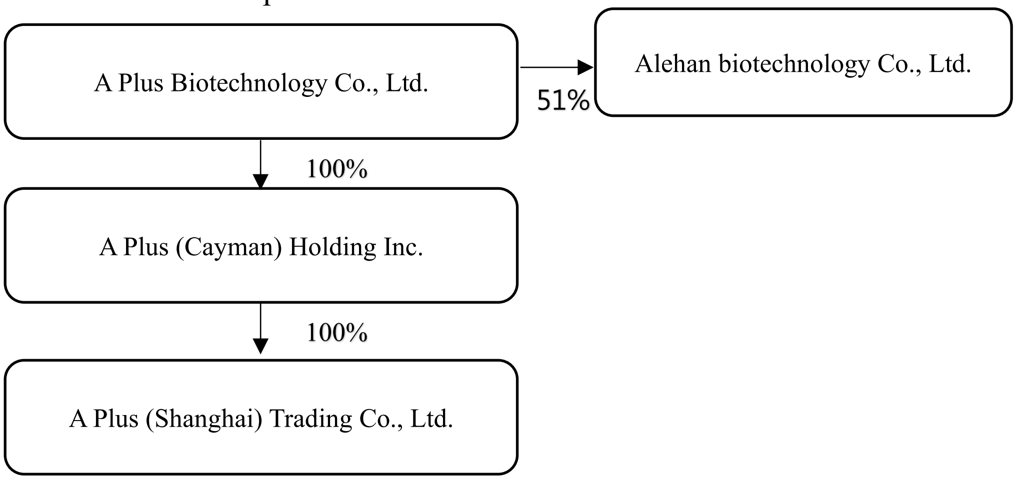
(4) The restrictions of technical licensing contracts or outsourcing contracts, along with the risks faced and the countermeasures taken: None.

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, 2025

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
Alehan biotechnology Co., Ltd.	2024/11/11	Note 3	NTD5,000	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

Note 3:6F, No. 243, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City

(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.	Chairman	A Plus Biotechnology Co., Ltd. Representative: Sih-Ming Li	25,029,267	100
A Plus (Shanghai) Trading Co., Ltd.	Chairman	A Plus Biotechnology Co., Ltd. Representative: Sih-Ming Li	-	100
	Supervisor	Hsiang-Wei Lo	-	-
	General Manager	Kai-Hsing Wu	-	-
Alehan biotechnology Co., Ltd.	Chairman	A Plus Biotechnology Co., Ltd. Representative: Hsiang-Wei Lo	255,000	51
	Supervisor	Pei-Jun Ke		

(VI) Operating status of affiliates

December 31, 2025; Unit: NT$ thousand

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit	Net income for the period	Earnings per share (NT$)
A Plus (Cayman) Holding Inc. (Note 1)	244,617	274,161	69,265	204,896	175,298	18,443	14,157	-
A Plus (Shanghai) Trading Co., Ltd. (Note 2)	209,026	273,439	69,264	204,175	175,298	18,819	14,527	-
Alehan biotechnology Co., Ltd.	5,000	6,118	474	5,644	3,123	816	685	1.37

Note 1: USD to NTD exchange rate as of December 31, 2025: 1:31.43
Average USD to NTD exchange rate for 2025: 1:31.18

Note 2: RMB to USD exchange rate as of December 31, 2025: 1:0.1430
Average RMB to USD exchange rate for 2025: 1:0.1390

(VII) Consolidated financial statements of affiliates

For the fiscal year 2025 (from January 1 to December 31, 2025), 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.

Seven. 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