Stock code: 4164

# CHC Healthcare Group

# 2025 Annual Report

***Notice to readers***

***This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.***

**Printed on May 15, 2026**

**Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw**
**CHC Healthcare Group Annual Report is available at: https://www.chcg.com**

I. Name, Position, Telephone Numbers and Email Address:

| Spokesperson | Deputy Spokesperson |
|---|---|
| Name: Ming-Lun, Lee | Name: Yi-Chun, Chen |
| Position: General Manager | Position: CFO |
| Telephone: (02)6619-9989 | Telephone: (02)6619-9989 |
| E-mail: ir@chcg.com | E-mail: ir@chcg.com |

II. Addresses and Telephone Numbers of Headquarters, Branches, and Plants

Address of company: No. 88, Xing'ai Road, Neihu District, Taipei City, Taiwan, R.O.C
Telephone: (02)6608-1999
Address of plant: No. 5, Tongke 9th Rd., Tongluo Township, Miaoli County, Hsinchu Science Park, Taiwan (R.O.C.)
Group: CHC Healthcare Group (hereinafter referred to as the "the Company" or "CHC Holdings") and its subsidiaries (hereinafter collectively referred to as "the Group") engage in the distribution, repair and maintenance, and leasing of equipment for radiation oncology, neurology, medical imaging, ophthalmology, and surgery/surgical service, the sale of related parts and consumables, the sale of pharmaceuticals and health supplements, and the provision of irradiation services.

III. Name, Addresses, Website and Telephone Numbers of Stock Transfer Agent:

Name: Stock Affairs Department, CTBC Bank Co., Ltd. Website: https://www.ctbcbank.com
Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City, Taiwan (R.O.C.) Telephone: (02)6636-5566

IV. Names of the certified public accountants and name, address, website, and telephone number of the accounting firm for auditing financial statements in the most recent year:

Name of CPA: Yu-Fang, Yen, Sheng-Wei, Teng

Name of CPA firm: PricewaterhouseCoopers (PwC) Taiwan Website: https://www.pwc.tw
Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.) Telephone: (02)2729-6666

V. Name of trading location where overseas securities are listed and method of information inquiry:

None.

VI. Company Website: https://www.chcg.com

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# One. Letter to Shareholders

Thank you for your support and guidance to CHC Healthcare Group, which has enabled the Group to achieve stable growth in a highly competitive environment . Thanks to the efforts of all employees, the Group achieved a record high revenue in 2025, with net profit also increasing compared to the previous year. The Group strongly believes that a solid economic foundation is the key to sustainable business operations, and will maintain its growth momentum with a view to creating the greatest benefit for shareholders and employees.

I. 2025 business operation results

(I) 2025 business plan implementation

The consolidated operating revenue in 2025 was NT$4,398,280 thousand, an increase compared to NT$3,600,574 thousand in 2024, mainly due to higher instrument sales during 2025. Net profit for 2025 was NT$225,846 thousand, an increase from NT$182,577 thousand in 2024, and this increase was chiefly due to the growth of operating revenue in 2025; The consolidated operating results for the fiscal year 2025 are as follows:

Units: NT$ thousand

| Item | 2025 |
|---|---|
| Operating revenue | 4,398,280 |
| Gross profit | 1,148,786 |
| Operating expenses | 750,982 |
| Operating profit | 397,804 |
| Profit before income tax | 312,646 |
| Profit for the year | 225,846 |

(II) Budget execution

The Group did not disclose its 2025 financial forecast, and therefore is not required to disclose the budget execution status.

(III) Revenue/expenditure and profitability

| Item | | 2025 | 2024 |
|---|---|---|---|
| Financial structure and solvency | Debt ratio (%) | 48.49% | 53.06% |
| | Current ratio (%) | 186.68% | 136.47% |
| Profitability | Return on total assets (%) | 2.34% | 2.08% |
| | Return on equity (%) | 3.07% | 2.72% |
| | Net profit margin (%) | 5.13% | 5.07% |
| | Basic earnings per share (NT$) | NT$ 1.00 | NT$ 1.01 |

(IV) R&D status

The Group is not in the manufacturing industry and therefore does not have a dedicated R&D department, nor did it incur any R&D expenses in 2025.

## II. 2026 business plan outline

### (I) Operating strategy

#### 1. Product development strategy

The Group has long been dedicated to introducing advanced medical equipment and technologies to enhance the quality of medical treatment domestically. In recent years, it has actively promoted precision medicine by introducing systems such as proton therapy and MRI linear accelerators, aiming to eliminate tumors while maximizing the protection of patients' normal tissues.

In addition to maintaining stable partnerships with leading international medical equipment manufacturers, the Group will actively seek out new products through various exhibitions to further expand its product portfolio in the future. By leveraging its existing medical sales channels, the Group aims to boost revenue and create a three-win situation for the Group, patients, and medical institutions.

#### 2. Medical Management Services Strategy

The Group has developed a full range of medical management services from medical site planning, design and construction, medical equipment installation and testing, division management and operation consulting, medical technician training, to equipment maintenance and subsequent upgrade services.

The key to establishing medical management services in Taiwan and expanding them overseas lies in the Group has a professional technical team certified by the manufacturers. Timely, high-quality technical support, together with flexible and innovative cooperation models, helps the Group to build differentiated competitiveness, thereby strengthening the Group's relationship with both customers and suppliers. In the future, the Group will continue to train the technical team to extend the depth and breadth of medical management services to facilitate the business expansion.

#### 3. Health industry layout

As Taiwan transitions from an aged society to a super-aged society, the growing emphasis on personal health among Taiwanese people has been noted. The Group has expanded its business scope from B2B to B2C step by step, aiming to improve the overall health and well-being of people.

Currently, the Group has successfully entered the chain community pharmacy market and will continue to expanding its partner channel network, enhancing the scale and level of existing physical and online channels to meet the personal and family health management needs of consumers. Moreover, in response to the aging trend, the Group has cooperated with Sakurajuji Group from Japan to engage in Taiwan's elderly care market, focusing on continuing care and preventive medicine, hoping to postpone disability and dementia through health promotion and improve the quality and dignity of life for elderly in Taiwan.

#### 4. Irradiation business development

CHC actively monitors external environmental changes and market trends and has diversified into various fields starting from the medical industry in recent years, considering the international environment safety and health trends as well as domestic industrial demands, intending to develop the irradiation business.

The Group has exclusively introduced the Belgian IBA irradiation system, which aligns with the principles of sustainable use. This system generates high-energy photon and electron beams, offering a safer, more efficient, and residue-free sterilization method for healthcare, food, and other consumer-related industries, effectively replacing traditional chemical gas sterilization. It also meets the testing requirements of industries such as aerospace and low-orbit satellites and is applicable in semiconductor and composite material processing, delivering innovative solutions across various sectors.

(II) Expected Sales Volume and Basis

| Main products | Growth Rate | Explanation |
|---|---|---|
| Sales of medical instruments and equipment | 20% | Based on the estimated demands and growth of the market |
| Rental revenue | 5% | Based on the current and estimated rentals |
| Service revenue | 5% | Based on the estimated sales growth of equipment |
| Sales of medicines and health supplements and other revenues | 20% | Based on the estimated demands and growth of the market |

(III)Key production and marketing policies

1. Full-range product lines in various medical fields

The suppliers with which the Group cooperates include a full range of major European, American, Japanese, and Korean international brands with strong brand recognition and market share, and the suppliers are performing continued R&D investment to develop new products, new functions, and new technologies, which will create new market demands and maintain their competitive edge. In addition, this Group's diverse range of product lines spans such areas as tumor radiation therapy, neurology, medical imaging, ophthalmology, and surgery. We are continuing to seek out competitive products, with the goal of expanding our service scope and comprehensively meeting the needs of domestic and foreign hospitals and clinics.

2. Enhanced Comprehensive Medical Management Services

With the rapid development of technologies, new medical equipment is constantly being introduced, and demand for such equipment is also increasing. However, most of the new examination and treatment equipment is costly and, as a result, the market for medical equipment cooperation presents significant growth potential. The Group is also deepening the development of equipment collaboration to transform it into comprehensive medical

management services, and has set up service locations in Taiwan, China and Indonesia. Our internal technical team provides real-time technical support ranging from installation and maintenance services to equipment upgrading. This can also be combined with comprehensive services including departmental planning and construction, management consultation, and medical technician training, which are eagerly desired by hospitals and clinics. This has not only caused customers to seek long-term cooperation, but has also given suppliers greater confidence, with the result that we have been able to broaden and strengthen our upstream and downstream partnerships.

3. Complete overall health industry chain

According to the National Development Council, Taiwan has become a super-aged society in 2025, and demand for medical care is expected to gradually increase. Health care has become a key issue, and elderly care resources urgently need to be deployed. The Group has been highly focused on the overall health industry in recent years. On the pharmacy chain side, we are integrating resources to accelerate the expansion of pharmacy channels, and are also committed to developing value-added services to increase customer stickiness. We approach the health management and care market from multiple angles. From health promotion facilities, daycare centers, elderly-friendly housing, to residential care institutions are also within the Group's planned business scope. The goal is to connect the overall health ecosystem through the design of elderly services and integrate a healthcare industry chain.

4. Continue to expand the irradiation business

The Group deeply believes that a company must grow to survive. Apart from pursuing stable growth in our core business areas, we look forward to expanding in multiple areas, which will continue to energize our sustainable operation. The Group has established Taiwan's first-ever irradiation plant that adheres to sustainable use principles, located in the Tongluo Science Park within the Hsinchu Science Park complex. The plant is designed to provide irradiation services required by various industries across the country. It is equipped with sterilization validation services for professional laboratories that meet international certification standards. Additionally, the plant offers irradiation testing based on customer-provided samples. These efforts aim to drive the Group's transformation toward sustainability while accelerating the alignment of domestic industries with international standards.

## III. The Company' s Future Development Strategy

### (I) Short-term business development plan

1. The Group continues to introduce the latest medical equipment and technologies, and seeks to become the distributor of medical products needed by other medical specialties, in order to develop diversified sales business and increase its market share.
2. The Group is continuously training its professional technical team and expanding its medical management services at home and abroad, and by providing more timely and sounder services to upgrade medical service quality, aims to become the best choice for customers interested in cooperation in medical areas, while generating long-term stable revenue for the Group.

3. The Group is relying on the integration of resources to accelerate expansion of its chain pharmacy channel, and is employing its medical industry channel experience to enhance the size and level of its physical and online pharmacy channel.
4. The Group has invested in the irradiation business, focusing on safe, efficient, and residue-free solutions. In addition, it provides irradiation services, including photon and electron beam technologies, to meet the sterilization and modification needs of domestic industries.

(II) Long-term business development plan

1. The Group is expanding its business operations into Asia-Pacific medical markets, integrating upstream and downstream medical resources, marketing the most complete product lines, and continuously improving its high-value-added medical technologies and services, so as to lay the foundation for its medical services leadership in the Asia-Pacific region.
2. Externally, the Group is continuously introducing highly competitive new products to expand its service channels and increase strategic partners, and thereby achieve greater economy of scale; internally, the Group is focusing on resource integration as a means of improving business performance and staying ahead of the rest of the industry.
3. We are promoting the application scope of irradiation technology, and gradually increasing equipment load to meet the market demand of food, livelihood, medical, aerospace, and electronic industries, and securing our position as a pioneer in domestic sustainable irradiation technology services.
4. The Group is developing its long-term care business, which includes elderly fitness, daytime care, elderly-friendly residential housing, and residential institutions, with a focus on preventive medicine, continuous care, reducing the time spent by the elderly in bed, and helping seniors enjoy healthy, independent, and happy retired lives.

IV. The impact of the external competition environment, regulatory environment, and overall business environment

At present, high-end and large-scale medical equipment used domestically is still mainly imported from Europe and the United States. Although the Group has signed distributorship contracts with foreign suppliers, the Group's operations can be affected if any changes occur in the distributorship arrangements. In view of this, the Group continues to create excellent sales performance and train its professional technical team to provide high-quality services so that the suppliers will rely on our performance and robust partnership will be maintained.

In terms of the regulatory environment, since medical equipment is more strictly regulated and must undergo multiple levels of review, as well as inspection and registration required by the Ministry of Health and Welfare, before it may be sold on the domestic market, the Group keeps a close eye on the changes in laws and regulations to ensure a stable business environment.

With consideration to Taiwan becoming a super-aged society and the demand in developing countries, which is fueled by rising health awareness, the medical equipment industry enjoys a sound development environment as a whole. Moreover, the Taiwanese government's policy of promoting the biotechnology industry, along with China's 14th Five-Year Plan, and the Indonesian government's implementation of a local health insurance system, coupled with people's basic need

for healthcare, all ensure that the medical equipment industry is less susceptible to the impact of economic volatility and support a generally optimistic outlook. In addition, observing the domestic sustainable development trend and the increasingly stringent international EHS standards, the introduction of irradiation technology that complies with the principle of sustainable use will help the domestic industry transition towards sustainability, and is expected to have considerable development potential. In summary, the overall business environment is mostly positive for the Group.

Sincerely yours,

Chairman: Tien-Ying, Lee

# Two. Corporate Governance Report

## I. Directors, Supervisors and Management Team

### (I) Directors and Supervisors

April 6, 2026 Units: share

| Job Title | Nationality/Place of Incorporation | Name | Gender | Date Elected (Note 1) | Term (years) | Date First Elected | Shareholding when Elected (Note 1) | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Positions | Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship | | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | | |
| Chairman | ROC | Tien-Ying, Lee | Male 41~50 years | 2023.06.12 | 3 | 2009.11.25 | 9,413,985 | 5.71% | 9,613,985 | 4.92% | 22,000 | 0.01% | 0 | 0 | MBA, Said Business School, University of Oxford, UK<br>School of Medicine, China Medical University<br>Passed national physician's examination<br>Resident, Department of Internal Medicine, Mackay Memorial Hospital<br>Chief Resident, Department of Infectious Disease, Mackay Memorial Hospital | Chairman/Director/Representative of juristic-person Supervisor of subsidiaries of CHC Healthcare Group<br>Director, CHC Healthcare Group<br>Chairman, SMTH AG Chairman, Swissray Medical AG<br>Chairman, SMTH AG, Swissray Medical AG, and Swissray International Inc.<br>Vice Chairman of S&S Healthcare Holding Ltd.<br>Representative of juristic-person Chairman, Shin Shin Healthcare Co., Ltd., Jin-Biotechnology Co., Ltd., Chao-Ying International Co., Ltd.<br>Representative of juristic-person director, Swissray Asia Healthcare Co., Ltd., and SOARMED Co., Ltd.<br>Supervisor, AESolution Biomedical Co., Ltd.<br>Superintendent, YeeZen General Hospital<br>Director and executive director, Chen Lin Charity Foundation<br>Director, Central Taiwan University of Science and Technology | Vice Chairman | Pei-Lin, Lee | Father and son | | |
| Vice Chairman | ROC | Pei-Lin, Lee | Male 71~80 years | 2023.06.12 | 3 | 2009.11.25 (Note 2) | 6,285,151 | 3.81% | 6,426,151 | 3.29% | 3,863,808 | 1.98% | 28,257,983 (Note 3) | 14.47% | Honorary Doctorate, Central Taiwan University of Science and Technology<br>Department of Medical Imaging and Radiological Science, Central Taiwan University of Science and Technology (originally known as Department of Radiological Technology, ChungTai Junior College)<br>MBA, Pacific Western University | Chairman/Director/Representative of juristic-person director of subsidiaries and indirect subsidiaries of CHC Healthcare Group<br>Chairman, Princeton Healthcare Limited, CHC Healthcare Group, AESolution Biomedical Co., Ltd., and S&S Healthcare Holding Ltd.<br>Director, SMTH AG, Swissray Medical AG, Swissray International Inc., and CHIEN-LIN Limited<br>Chairman, Chen Lin Charity Foundation | Chairman | Tien-Ying, Lee | Father and son | | |

| Job Title | Nationality/Place of Incorporation | Name | Gender | Date Elected (Note 1) | Term (years) | Date First Elected | Shareholding when Elected (Note 1) | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Positions | Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship | | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | | |
| | | | | | | | | | | | | | | | Radiology Division, National Taiwan University Hospital | Representative of juristic-person director, Soarmed Co., Ltd. | | | | | |
| Director | ROC | Chun-Shung, Huang | Male 81~90 years | 2023.06.12 | 3 | 2012.01.06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Department of Medicine, Kaohsiung Medical University<br>Passed national physician's examination<br>Specialist in Orthopedics<br>Chairman, Childhood Burn Foundation of the Republic of China<br>Chairman, Hospice Foundation of Taiwan<br>Chairman, Taiwan Medical Center Association<br>Chairman, Taiwan Orthopedic Association<br>Superintendent, Mackay Memorial Hospital<br>Chairman, Mackay Medical College<br>Superintendent, Jen Ching Memorial Hospital, Kunshan, China | Consultant Physician, Mackay Memorial Hospital Attending Physician, Department of Orthopedics, Changhua Christian Hospital<br>Chief Consultant and Orthopedic Physician, YeeZen General Hospital | None | None | None | | |
| Director | ROC | Yung-Shun, Chuang | Male 71~80 years | 2023.06.12 | 3 | 2014.06.17 | 423,108 | 0.26% | 423,108 | 0.22% | 0 | 0 | 0 | 0 | EMBA, National Taiwan University<br>Chairman, AAEON Technology Inc. | Representative of juristic-person director and Chairman, AAEON Technology Inc., Onyx Healthcare Inc., Yan-You Investment Inc., AAEON Technology (Suzhou) Inc., Onyx Healthcare (Shanghai) Inc.<br>Chairman, Yen-Hsin Investment Ltd., Fu-Li Investment Inc., Everfocus Electronics Corp., and iHELPER Inc.<br>Independent director, Taiflex Scientific Co., Ltd.<br>Director, AAEON Foundation, Litemax Electronics Inc., King Core Electronics Inc., ATECH OEM INC., Allied Biotech Corp., ONYX Healthcare USA, Inc., ONYX Healthcare Europe B.V., AAEON Electronics Inc., AAEON TECHNOLOGY (Europe) B.V., AAEON | None | None | None | | |

| Job Title | Nationality/Place of Incorporation | Name | Gender | Date Elected (Note 1) | Term (years) | Date First Elected | Shareholding when Elected (Note 1) | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Positions | Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship | | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | | |
| | | | | | | | | | | | | | | | | TECHNOLOGY GMBH, Litemax Technology Inc., Mcfees Group Inc., AAEON TECHNOLOGY SINGAPORE PTE LTD., Qiye Electron (Dongguan) Ltd., Danyang Qiye Technology Co., Ltd., MACHVISION Inc., MACHVISION (Dongguan) Inc. Co., Ltd., Taiyong Electron (Suzhou) Corp., Top Union Electronics Corp., and Allied Oriental International Ltd.<br>Representative of juristic-person director, XAC Automation Corp., New Future Capital Co., Ltd., Winmate Inc., Ibase Technology Inc., and Protectlife International Biomedical Inc. | | | | | |
| Independent director | ROC | Geng-Wang, Liaw | Male 41~50 years | 2023.06.12 | 3 | 2014.06.17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Graduated from the Department of Health Policy and Business Administration of National Tsing Hua University with a master's degree<br>Graduated from the Department of Medical Management of China Medical University with a master's degree<br>Graduated from the School of Medicine, China Medical University<br>Passed national physician's examination<br>Emergency medicine specialist<br>Resident and attending physician, Emergency Department, China Medical University Hospital<br>Resident, Department of Internal Medicine, Taichung Hospital<br>Attending Physician, Emergency Medicine Division, Taichung Tzu Chi Hospital | Vice Superintendent, YeeZen General Hospital | None | None | None | | |
| Independent director | ROC | Chi, Chih | Female 61~70 years | 2023.06.12 | 3 | 2023.06.12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Department of Banking and Insurance, Ming Chuan University<br>Officer, Xieda Customs Brokerage<br>Deputy Manager, Angji Co., Ltd.<br>Assistant Vice President, Ascend Technology Co., Ltd. | Chairman and President of U-Super Technology Co., Ltd.<br>Director/Assistant Vice President/Chief Operating Officer, Taiwan Region, Ascend Technology Co., Ltd. | None | None | None | | |

| Job Title | Nationality/Place of Incorporation | Name | Gender | Date Elected (Note 1) | Term (years) | Date First Elected | Shareholding when Elected (Note 1) | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Positions | Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship | | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | | |
| | | | | | | | | | | | | | | | Chairman and President of U-Super Technology Co., Ltd. | | | | | | |
| Independent director | ROC | Ming-Liang, Kao | Male 71~80 years | 2023.06.12 | 3 | 2023.06.12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Department of Business Administration, Feng Chia University<br>Has a CPA license<br>Clerk, Sampo Corporation<br>Clerk, Bank of Taiwan<br>Examiner, National Taxation Bureau of Taipei, Ministry of Finance<br>CPA, Datong Accounting Firm | CPA, Datong Accounting Firm<br>Independent Director, Bioptik Technology, Inc.<br>Supervisor, Luxtaltek Corporation. | None | None | None | | |

Note 1: Refers to the date on which the current term directors and supervisors were elected as of the date of report. The current term directors were elected on June 12, 2023. The shares held at the time of election are expressed as the number of shares held on June 12, 2023.

Note 2: The date when Pei-Lin, Lee was elected for the first time as a director and chairman of the Company as a natural person.

Note 3: Since Vice Chairman Pei-Lin, Lee holds more than 50% of the shares of Princeton Healthcare Limited, the Company's shares held by Princeton Healthcare Limited is listed as shares held by Vice Chairman Pei-Lin, Lee in the name of others.

1.Directors & supervisors who are representatives of juristic-person shareholders

(1) Major shareholders of the institutional shareholders

None.

(2) Major shareholders of the Company's major institutional shareholders

None.

2.Professional qualifications and independence analysis of directors and supervisors

(1) Disclosure of professional qualifications of directors and supervisors and independence information concerning independent directors

| Criteria / Name | Professional qualifications and experience | State of independence | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Chairman: Tien-Ying, Lee | Passed national physician's examination, possesses leadership experience in the biotech medical industry, currently director of Yee Zen General Hospital. None of the circumstances set forth in the subparagraphs of Article 30 of the Company Act applies. | Father-son relationship with Vice Chairman Pei-Lin, Lee. | 0 |
| Vice Chairman: Pei-Lin, Lee | Experience as leader of TWSE/TPEx listed company, senior leader in the biotechnology medical industry; currently chairman of this company, its subsidiaries, and second-tier subsidiaries. None of the circumstances set forth in the subparagraphs of Article 30 of the Company Act applies. | Father-son relationship with Chairman Tien-Ying, Lee. | 0 |
| Director: Chun-Shung, Huang | Passed national physician's examination, former director of Mackay Memorial Hospital, possesses senior leadership experience at hospitals and clinics, currently general consultant and orthopedic physician at Yee Zen General Hospital. None of the circumstances set forth in the subparagraphs of Article 30 of the Company Act applies. | Compliant with applicable legal requirements | 0 |
| Director: Yung-Shun, Chuang | Experience as leader of TWSE/TPEx listed company, possesses information technology industry senior leadership experience, currently chairman of AAEON Technology Inc. None of the circumstances set forth in the subparagraphs of Article 30 of the Company Act applies. | Compliant with applicable legal requirements | 1 |

| Criteria / Name | Professional qualifications and experience | State of independence | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Independent Director: Geng-Wang, Liaw | Passed national physician's examination, senior professional experience at hospitals and clinics, currently deputy director of main branch of Yee Zen General Hospital, is the convener of the Company's Compensation Committee. None of the circumstances set forth in the subparagraphs of Article 30 of the Company Act applies. | Complies with the requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies | 0 |
| Independent Director: Chi, Chih | Chairman and president of U-Super Technology Co., Ltd. is the convener of the Company's Sustainability Committee. None of the circumstances set forth in the subparagraphs of Article 30 of the Company Act applies. | Complies with the requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies | 0 |
| Independent Director: Ming-Liang, Kao | Holds a CPA license, CPA at Datong Accounting Firm, possesses senior professional experience in accounting, and is the convener of the Company's Audit Committee. None of the circumstances set forth in the subparagraphs of Article 30 of the Company Act applies. | Complies with the requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies | 1 |

(2) Diversity and independence of Board of Directors

① Diversity of the Board of Directors:

The "Corporate Governance Best Practice Principles" drafted by the Company has been passed by a resolution of the Board of Directors, and its content includes a plan for the diversification of Board composition and implementation. The Company's Board consists of 7 members, of which 3 are independent directors. Since the Company's industry chiefly consists of medical-related areas, 4 directors have a background in medicine; in addition, one director has a background in financial accounting, one director has a background in medical information software, and one director has a background in international trade. This composition is consistent with the Company's operating and development needs and the effectiveness of its functional committees.

The Company also places great importance on gender equality in the composition of its Board of Directors. Although the proportion of directors of either gender on the Board currently falls short of one-third, this is mainly due to the challenges of finding qualified female directors in the healthcare industry. However, the Company remains committed to this goal and continues to actively seek professional female directors who meet the requirements of its industry. The initial goal to add one female director was achieved when the 2023 Annual Shareholders' Meeting elected the 7th-term Board of Directors. We aim to onboard an additional female director during future Board elections.

The Company has formulated its 2025 plan for succession of the Board of Directors and key management positions, and reported this plan to the Board of Directors on November 5, 2025. Please refer to page 42 concerning the state of diversification of the Board of Directors.

② Independence of Board of Directors:

The Company's Board of Directors consists of 7 directors, including 3 independent directors; other than the first-degree kinship between Chairman Tien-Ying, Lee and Vice Chairman Pei-Lin, Lee, no spousal or second-degree of kinship exists among the remaining 5 directors (including independent director); the Company's Board of Directors possesses independence in compliance with relevant laws and regulations; please refer to the explanation in the table above.

## (II)Management Team

April 6, 2026 Units: share

| Job Title | Nationality | Name | Gender | Date Effective | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Chief Human Resources Officer | ROC | Pei-Lin, Lee | Male | 2021.03.19 | 6,426,151 | 3.29% | 3,863,808 | 1.98% | 28,257,983 | 14.47% | Department of Medical Imaging and Radiological Science, Central Taiwan University of Science and Technology (originally known as Department of Radiological Technology, ChungTai Junior College)<br>MBA, Pacific Western University<br>Radiology Division, National Taiwan University Hospital<br>Honorary Doctorate, Central Taiwan University of Science and Technology | Chairman/Director/Representative of juristic-person director of subsidiaries and indirect subsidiaries of CHC Healthcare Group<br>Chairman, Princeton Healthcare Limited, CHC Healthcare Group, AESolution Biomedical Co., Ltd., and S&S Healthcare Holding Ltd.<br>Director, SMTH AG, Swissray Medical AG, Swissray International Inc., and CHIEN-LIN Limited<br>Chairman, Chen Lin Charity Foundation<br>Representative of juristic-person director, Soarmed Co., Ltd. | Chief Investment Officer | Tien-Ying, Lee | Father and son | |
| Chief Investment Officer | ROC | Tien-Ying, Lee | Male | 2024.05.02 | 9,613,985 | 4.92% | 22,000 | 0.01% | 0 | 0 | MBA, Said Business School, University of Oxford, UK<br>School of Medicine, China Medical University<br>Passed national physician's examination<br>Resident, Department of Internal Medicine, Mackay Memorial Hospital<br>Chief Resident, Department of Infectious Disease, Mackay Memorial Hospital | Chairman/Director/Representative of juristic-person Supervisor of subsidiaries of CHC Healthcare Group<br>Director, CHC Healthcare Group Chairman, SMTH AG Chairman, Swissray Medical AG Chairman, SMTH AG, Swissray Medical AG, and Swissray International Inc.<br>Vice Chairman of S&S Healthcare Holding Ltd.<br>Representative of juristic-person Chairman, Shin Shin Healthcare Co., Ltd., Jin-Biotechnology Co., Ltd., Chao-Ying International Co., Ltd.<br>Representative of juristic-person director, Swissray Asia Healthcare Co., Ltd., and SOARMED Co., Ltd.<br>Supervisor, AESolution Biomedical Co., Ltd.<br>Superintendent, YeeZen General Hospital<br>Director and executive director, Chen Lin Charity Foundation<br>Director, Central Taiwan University of Science and Technology | Chief Human Resources Officer | Pei-Lin, Lee | Father and son | |
| General Manager | ROC | Ming-Lun, Lee | Male | 2023.12.18 | 9,750 | 0.00% | 0 | 0 | 0 | 0 | Department of Mechanical Engineering, National Taipei Institute of Technology | Chairman and representative of juristic-person director of subsidiary of the Company<br>Director, AESolution Biomedical Co., Ltd. | None | None | None | |

| Job Title | Nationality | Name | Gender | Date Effective | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Chief Financial Officer and Corporate Governance Officer | ROC | Yi-Chun, Chen | Female | 2021.03.19 | 20,000 | 0.01% | 0 | 0 | 0 | 0 | Department of Accounting, Fu Jen Catholic University<br>Assistant Vice President, PricewaterhouseCoopers (PwC) Taiwan | Chairman, representatives of juristic-person directors, representatives of juristic-person supervisors, and supervisors of the Company's subsidiaries<br>Director, AESolution Biomedical Co., Ltd.<br>Director, Chen Lin Charity Foundation | None | None | None | |
| Oncology Business Group Chief Executive Officer | ROC | Yee-Min, Jen (Note 1) | Male | 2014.05.16 | 70,000 (Note 1) | 0.04% | 0 | 0 | 0 | 0 | 76th Class, School of Medicine, National Defense Medical Center<br>PhD, Department of Oncology, University of Manchester, UK<br>Specialist in radiation oncology<br>Specialist, Taiwan Academy of Hospice Palliative Medicine<br>Resident, Chief Resident, Attending Physician, Director of Radiologic Physics Division, Director of Radiation Therapy Division, Director of the Radiation Oncology Department, Tri-Service General Hospital<br>Associate Professor and Professor, Department of Radiation Oncology, National Defense Medical Center<br>Member of the Cancer Committee and Head of the Quality Control Team, Tri- Service General Hospital<br>Head of the OSCE Team, Tri-Service General Hospital<br>Deputy Director, School of Medicine, National Defense Medical Center<br>Member, Cancer Quality Certification Committee, Ministry of Health and Welfare<br>Chairman, Taiwan Society for Therapeutic Radiation and Oncology | Attending Physician, Dept. of Radiation Oncology/Vice Superintendent, YeeZen General Hospital<br>Adjunct physician, Tri Service General Hospital | None | None | None | |

Note 1: CEO of the Oncology Business Group, Yee-Min, Jen, resigned on May 15, 2025. The listed shareholding reflects the number of shares held at the time of resignation.

## II. Remuneration of Directors, Supervisors, General Manager, and Vice President in the most recent year

### (I) Remuneration of Directors and Independent Directors in 2025

Units: NT$ thousand; 1,000 shares; %

| Title | Name | Remuneration | | | | | | | | Total of (A+B+C+D) and ratio to net income after tax | | Relevant Remuneration Received by Directors Who are Also Employees | | | | | | | | Total of (A+B+C+D+E+F+G) and ratio to net income after tax | | Remuneration from ventures other than subsidiaries or from the parent company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Base Compensation (A) | | Severance Pay (B) | | Directors Compensation (C) | | Allowances (D) | | | | Salary, Bonus and Allowances (E) | | Severance Pay (F) | | Employee Compensation (G) | | | | | | |
| | | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | | Companies in the consolidated financial statements | | The Company | Companies in the consolidated financial statements | |
| | | | | | | | | | | | | | | | | Cash | Stock | Cash | Stock | | | |
| Chairman | Tien-Ying, Lee | 0 | 0 | 0 | 0 | 800 | 800 | 64 | 64 | 864<br>0.46% | 864<br>0.46% | 8,815 | 8,815 | 0 | 0 | 0 | 0 | 0 | 0 | 9,679<br>5.20% | 9,679<br>5.20% | None |
| Vice Chairman | Pei-Lin, Lee | 0 | 0 | 0 | 0 | 800 | 800 | 64 | 64 | 864<br>0.46% | 864<br>0.46% | 9,946 | 9,946 | 0 | 0 | 0 | 0 | 0 | 0 | 10,810<br>5.80% | 10,810<br>5.80% | None |
| Director | Chun-Shung, Huang | 0 | 0 | 0 | 0 | 800 | 800 | 64 | 64 | 864<br>0.46% | 864<br>0.46% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 864<br>0.46% | 864<br>0.46% | None |
| Director | Yung-Shun, Chuang | 0 | 0 | 0 | 0 | 800 | 800 | 64 | 64 | 864<br>0.46% | 864<br>0.46% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 864<br>0.46% | 864<br>0.46% | None |
| Independent director | Geng-Wang, Liaw | 0 | 0 | 0 | 0 | 800 | 800 | 220 | 220 | 1,020<br>0.55% | 1,020<br>0.55% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,020<br>0.55% | 1,020<br>0.55% | None |
| Independent director | Chi, Chih | 0 | 0 | 0 | 0 | 800 | 800 | 220 | 220 | 1,020<br>0.55% | 1,020<br>0.55% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,020<br>0.55% | 1,020<br>0.55% | None |
| Independent director | Ming-Liang, Kao | 0 | 0 | 0 | 0 | 800 | 800 | 220 | 220 | 1,020<br>0.55% | 1,020<br>0.55% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,020<br>0.55% | 1,020<br>0.55% | None |

1.Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Company has purchased liability insurance for all independent directors, and will provide fixed remuneration to each independent director based on actual participation in various functional committees and the board of directors. The total remuneration to directors is reported to the shareholders' meeting each year based on the Company's actual operating results, and then based on the company's actual operating results. Internal self-evaluation of the board of directors, self-evaluation of individual directors, appointment of external professional institutions or other appropriate methods to conduct performance evaluation are then used as the basis for payment of remuneration to individual directors.

2.Except as disclosed in the above table, remuneration in the most recent year received by the directors of the companies for their services (such as non-employee consultation for parent company, all companies in financial report, or other investees): None.

Table of Remuneration Ranges

| Range of Remuneration Paid to Directors | Name of Director | | | |
|---|---|---|---|---|
| | Total remuneration (A+B+C+D) | | Total remuneration (A+B+C+D+E+F+G) | |
| | The Company | Companies in the consolidated financial statements (H) | The Company | Companies in the consolidated financial statements (I) |
| Less than NT$1,000,000 | Pei-Lin, Lee, Yung-Shun, Chuang, Tien-Ying, Lee, Chun-Shung, Huang, Geng-Wang, Liaw, Chi, Chih, Ming-Liang, Kao | Same as left | Yung-Shun, Chuang, Chun-Shung, Huang, Geng-Wang, Liaw, Chi, Chih, Ming-Liang, Kao | Same as left |
| NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive) | - | - | - | - |
| 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) | - | - | Tien-Ying, Lee | Same as left |
| NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive) | - | - | Pei-Lin, Lee | Same as left |
| 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) | - | - | - | - |
| Above NT$100,000,000 | - | - | - | - |
| Total | 7 persons | Same as left | 7 persons | Same as left |

## (II) Remuneration of President and Vice Presidents in 2025

Units: NT$ thousand; 1,000 shares; % %

| Title | Name | Salary (A) | | Severance Pay (B) | | Bonus and Allowances (C) | | Employee Compensation (D) | | | | Total of (A+B+C+D) and ratio to net income after tax (%) | | Remuneration from ventures other than subsidiaries or from the parent company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | | Companies in the consolidated financial statements | | The Company | Companies in the consolidated financial statements | |
| | | | | | | | | Cash | Stock | Cash | Stock | | | |
| Chief Human Resources Officer | Pei-Lin, Lee | 31,864 | 31,864 | 0 | 0 | 0 | 0 | 38 | 0 | 38 | 0 | 31,902<br>17.13% | 31,902<br>17.13% | None |
| Chief Investment Officer | Tien- Ying, Lee | | | | | | | | | | | | | |
| Chief Executive Officer, Oncology Business Group | Yee-Min, Jen (Note 1) | | | | | | | | | | | | | |
| General Manager | Ming-Lun, Lee | | | | | | | | | | | | | |
| CFO and Corporate Governance Officer | Yi-Chun, Chen | | | | | | | | | | | | | |

Note 1: CEO of the Oncology Business Group, Yee-Min, Jen, resigned on May 15, 2025.

Table of Remuneration Ranges

| Range of Remuneration Paid to General Manager and Vice Presidents | Name of General Manager and Vice Presidents | |
|---|---|---|
| | The Company | Companies in the consolidated financial statements (E) |
| Less than NT$1,000,000 | - | - |
| NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive) | - | - |
| NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive) | Yee-Min, Jen | Same as left |
| NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive) | Yi-Chun, Chen | Same as left |
| NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive) | Tien-Ying, Lee, Pei-Lin, Lee, Ming-Lun, Lee | Same as left |
| NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive) | - | - |
| NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive) | - | - |
| NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive) | - | - |
| NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive) | - | - |
| Above NT$100,000,000 | - | - |
| Total | 5 persons | Same as left |

(III) Names of managerial officers that received employee bonuses and status of the distribution in 2025

December 31, 2025 Units: NT$ thousand; %

| | Title | Name | Stock | Cash | Total | Ratio of total amount to net income after tax (%) |
|---|---|---|---|---|---|---|
| Executive Officers | Chief Human Resources Officer | Pei-Lin, Lee | 0 | 38 | 38 | 0.02 |
| | Chief Investment Officer | Tien- Ying, Lee | | | | |
| | Chief Executive Officer, Oncology Business Group | Yee-Min, Jen (Note 1) | | | | |
| | General Manager | Ming-Lun, Lee | | | | |
| | CFO and Corporate Governance Officer | Yi-Chun, Chen | | | | |

Note 1: CEO of the Oncology Business Group, Yee-Min, Jen, resigned on May 15, 2025.

(IV) Compare and describe separately the analysis of total remunerations paid to the Company's directors, supervisors, President, and Vice President for the past two years by the Company and all companies in the standalone financial statements as a percentage of the net income after tax, and describe the correlation among the remuneration payment policy, standards and combination, remuneration establishing procedures, and management performance and future risks:

1. Analysis of total remuneration paid to directors, President, and Vice Presidents over the past two years as a percentage of net profit after tax in the standalone financial statements

| Year / Category | 2024 | | 2025 | |
|---|---|---|---|---|
| | The Company | Consolidated financial statements | The Company | Consolidated financial statements |
| Total directors' remuneration as a percentage of net profit after tax | 15.47% | 15.47% | 13.57% | 13.57% |
| Total supervisors' remuneration as a percentage of net profit after tax | 0.00% | 0.00% | 0.00% | 0.00% |
| Total remunerations to the President and Vice Presidents as a percentage of net profit after tax | 22.60% | 22.60% | 17.13% | 17.13% |

1. Directors' remuneration: Allocated in accordance with the Articles of Incorporation and in reference to the Board of Directors' performance assessment results. The decrease in the ratio was mainly due to the increase in net profit after tax in 2025.
2. Supervisors' remuneration: Not applicable because the Audit Committee was established to replace supervisors after the directors' election in 2017.
3. Remuneration of President and Vice Presidents: The amount decreased from 2024 due to the resignation of one managerial officer in May 2025.

2.Remuneration policies, standards, and packages, the procedure for determining remuneration, and the relation to business performance and future risks

(1) The remuneration policies, standards, and packages, the procedure for determining remuneration, and the relation to business performance

According to Article 24-1, Paragraph 1, of the Company's Articles of Incorporation, if there is still a balance after accumulated losses are deducted from the Company's profits in the current year (i.e., pre-tax profits before distribution of employee bonuses and directors' remuneration), the Company shall allocate no more than 5% as directors' remuneration, and provide reasonable remuneration based on the Company's operating results and their contribution to the Company. Performance evaluations of the Board of Directors and functional committees are reviewed by the Remuneration Committee. The annual and long-term performance targets and the policies, systems, standards, and structures of remuneration to managers are based on the Company's "Manager Performance Evaluation and Remuneration Standards" and "Performance Evaluation Regulations." Besides taking into account their experience, professional abilities, and positions held, remuneration is highly connected to financial and non-financial performance targets: ㊀ Financial indicators: Based on the revenue and profit on the Company's profit and loss statement and the actual target achievement rate. ㊁ Non-financial indicators: Includes team leadership and management capabilities, resource management, work performance, sense of responsibility, negotiation and decision-making, working time management, and moral character, a total of seven indicators. After weighted calculation of the evaluation scores, the scores are reported to the chairman to evaluate the business performance of managers. The performance evaluation and reasonableness of remuneration must be submitted to the Compensation Committee and Board of Directors for review. Reasonable remuneration is provided after considering the Company's overall business performance, future industry risks and development trends, and actual operating conditions, and conducting timely reviews of the remuneration system, while considering current corporate governance trends, in order to find a balance between the Company's sustainability and risk management. The actual amount of remuneration paid to directors and managers in 2025 was reviewed by the Compensation Committee and then submitted to the Board of Directors for a decision.

(2)Future risk:

The Group has been in the industry for more than 40 years. The directors and management team have been relatively stable without much change. The Company may purchase liability insurance for liabilities within the scope of its business when appropriate to mitigate unknown risks.

III. Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of 9 (A) meetings of the Board of Directors were held in the previous period (2025). The attendance of directors was as follows:

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) [B/A] | Remarks |
|---|---|---|---|---|---|
| Chairman | Tien-Ying, Lee | 9 | 0 | 100% | |
| Vice Chairman | Pei-Lin, Lee | 9 | 0 | 100% | |
| Director | Chun-Shung, Huang | 9 | 0 | 100% | |
| Director | Yung-Shun, Chuang | 9 | 0 | 100% | |
| Independent director | Geng-Wang, Liaw | 9 | 0 | 100% | |
| Independent Director | Chi, Chih | 9 | 0 | 100% | |
| Independent Director | Ming-Liang, Kao | 9 | 0 | 100% | |

Other required disclosure:

I. If any of the following circumstances occurs in the operation of the Board of Directors, the date, term, and content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions shall be stated: If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

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

| Date | Term | Agenda | Comments from independent directors | Handling of the comments |
|---|---|---|---|---|
| February 6, 2025 | 10th meeting of the 7th Board | 1. Proposal to amend the Company's 5th domestic unsecured convertible bond issuance and conversion regulations. | Concurrence. | Approved as proposed. |
| March 12, 2025 | 11th meeting of the 7th Board | 1. Proposed lifting of non-compete restrictions on directors.<br>2. Proposal for the private placement of common shares.<br>3. The Company's proposal of loans to affiliates.<br>4. The Company's proposal of endorsements and guarantees for affiliates.<br>5. Proposal of the capital increase record date for exercise of employee stock options and the 4th domestic secured convertible corporate bonds in Q1 2025.<br>6. The Company's proposed CPA appointment and assessment of independence and competence in 2025.<br>7. Proposed amendment to the Company's "Articles of Incorporation".<br>8. Proposed amendment to the Company's "Code of Ethical Conduct".<br>9. The Company's proposal to formulate the "Operating Procedures for Sustainability Report Preparation and Assurance". | Concurrence. | Approved as proposed. |

| | | | | |
|---|---|---|---|---|
| | | 10. The Company's proposed amendments to the "Manager Performance Evaluation and Remuneration Standards" and the "Employee Remuneration Distribution Guidelines".<br>11. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman. | | |
| May 7, 2025 | 12th meeting of the 7th Board | 1. The Company's proposal of loans to affiliates.<br>2. Proposal of the capital increase record date for exercise of employee stock options and the 4th domestic secured convertible corporate bonds in Q2 2025.<br>3. The Company intends to incorporate "Employee Remuneration Distribution Guidelines" into the internal control system. | Concurrence. | Approved as proposed. |
| June 20, 2025 | 13th meeting of the 7th Board | 1. Proposal to amend the Capital Allocation Plan for the 5th domestic unsecured convertible bond issuance.<br>2. Proposal to amend the Company's 5th domestic unsecured convertible bond issuance and conversion regulations. | Concurrence. | Approved as proposed. |
| August 6, 2025 | 14th meeting of the 7th Board | 1. The Company's proposal of loans to affiliates.<br>2. The Company's proposal of endorsements and guarantees for affiliates.<br>3. Proposal of the capital increase record date for the conversion of the 4th domestic secured convertible bonds in Q3 2025.<br>4. Proposal to amend the Company's Personal Data Protection Management.<br>5. Proposal to amend the Company's General Principles of its internal control system. | Concurrence. | Approved as proposed. |
| September 26, 2025 | 15th meeting of the 7th Board | 1. Proposal to amend the Capital Allocation Plan for the 5th domestic unsecured convertible bond issuance.<br>2. Proposal to amend the Company's 5th domestic unsecured convertible bond issuance and conversion regulations.<br>3. Proposed budget for the construction of the Hsing-Lin Park Project by the subsidiary Hsing-Yeh Biotechnology Co., Ltd. | Concurrence. | Approved as proposed. |
| November 5, 2025 | 16th meeting of the 7th Board | 1. The Company's proposal of loans to affiliates.<br>2. The Company's proposal of endorsements and guarantees for affiliates.<br>3. Proposal of the capital increase record date for the conversion of the 5th domestic unsecured convertible bonds in Q4 2025.<br>4. Proposal to update the Company's internal control system, including the addition of the "Production Cycle" and the revision to the "Purchasing and Payment Cycle."<br>5. Proposal to amend the Company's Regulations Governing Distribution of Remuneration to Employees. | Concurrence. | Approved as proposed. |

| | | | | |
|---|---|---|---|---|
| | | 6. Proposal to amend the "Payroll Cycle" of the Company's internal control system.<br>7. Proposal to amend the Company's Regulations for Board of Directors' Performance Evaluation. | | |
| November 13, 2025 | 17th meeting of the 7th Board | 1. Proposal for the dismissal of the Chairman and Vice Chairman.<br>2. Proposal to re-elect the Chairman and Vice Chairman. | Concurrence. | Approved as proposed. |
| November 13, 2025 | 18th meeting of the 7th Board | 1. Proposal for the review of the remuneration for the Company's Chairman and Vice Chairman. | Concurrence. | Approved as proposed. |

(II) In addition to the aforementioned matters, other Board meeting resolutions with dissenting or qualified opinions from independent directors in records or written statements: None.

II. Director recusals due to conflicts of interests shall describe name of directors, proposal, reason for recusal, and participation in vote or not:

| Date | Name of Director | Agenda | Reason for recusal | Participation in voting |
|---|---|---|---|---|
| March 12, 2025 | Tien- Ying, Lee | 1. Proposed lifting of non-compete restrictions on directors.<br>2. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman. | The Director was the party concerned. | The Director did not participate in voting. |
| March 12, 2025 | Pei-Lin, Lee | Review and adjustment of remuneration of the Company's Chairman and Vice Chairman. | The Director was the party concerned. | The Director did not participate in voting. |
| November 13, 2025 | Tien-Ying, Lee, Pei-Lin, Lee | Proposal for the review of the remuneration for the Company's Chairman and Vice Chairman. | The Director was the party concerned. | The Director did not participate in voting. |

III. TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out “Implementation Status of Board Evaluations.” Implementation Status of Board Evaluations:

| Evaluation cycle | Evaluation period | Scope of evaluation | Evaluation Method | Evaluation items |
|---|---|---|---|---|
| Implemented once a year | January 1, 2025 to December 31, 2025 | Board of Directors | Self-evaluation of Board Member | Degree of engagement in the Company's operation, quality of the Board of Directors' decision making, formation and structure of the Board of Directors, election and continuing education of directors, and internal control. |
| Implemented once a year | January 1, 2025 to December 31, 2025 | Individual Board Member | Self-evaluation by Board members | Alignment with the Company's goals and mission, awareness toward directors' responsibilities and duties, degree of engagement in the Company's operation, management of internal relations and communication, |

| | | | | |
|---|---|---|---|---|
| | | | | expertise and continuing education of directors, and internal control. |
| Implemented once a year | January 1, 2025 to December 31, 2025 | Functional Committee (Audit Committee) | Self-evaluation by Board members | Degree of engagement in the Company's operation, awareness toward functional committees' responsibilities and duties, quality of the functional committees' decision making, formation of the functional committees and election of members, and internal control. |
| Implemented once a year | January 1, 2025 to December 31, 2025 | Functional Committee (Compensation Committee) | Self-evaluation by Board members | Degree of engagement in the Company's operation, awareness toward functional committees' responsibilities and duties, quality of the functional committees' decision making, formation of the functional committees and election of members, and internal control. |
| Implemented once a year | January 1, 2025 to December 31, 2025 | Functional Committee (Sustainability Committee) | Self-evaluation by Board members | Degree of engagement in the Company's operation, awareness toward functional committees' responsibilities and duties, quality of the functional committees' decision making, formation of the functional committees and election of members, and internal control. |

IV. The goal of enhancing the Board functions (e.g., setup of an Audit Committee, improvement of information transparency) and its implementation of the current year and the most recent year.

(I) Enhancing the functions of the Board of Directors

In terms of the independent director system, the Company has three independent directors, namely Mr. Geng-Wang Liaw, Ms. Chi, Chih, and Mr. Ming-Liang, Kao. The attendance rate of the three independent directors, the attendance at Board meetings held in 2025 reached 100%, and they provided the Board with good advice for agenda items related to implementation of internal controls, business, and finances using their knowledge of the industry, accounting and financial analysis, and other professional capabilities.

The Company has established functional committees, including the Compensation Committee, Audit Committee, and Sustainability Committee. The Company has also purchased liability insurance for all directors to enhance the effectiveness of corporate governance. In addition, the Company also arranges for Board members to participate in board-related continuing education courses every year, in order to enhance the professional capabilities of the Board of Directors.

(II) Increasing information transparency

In order to implement the spirit of corporate governance and effectively improve information transparency, the Company has strengthened the disclosure of operating and financial information in the annual report, company website, and Market Observation Post System, and established a spokesperson system to ensure that all material information can be disclosed in a timely and appropriate manner for reference by shareholders and stakeholders.

(II) Operations of the Audit Committee

A total of 7 (A) Audit Committee meetings were held in the previous period (2025). The attendance of the independent directors was as follows:

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (%) [B/A] | Remarks |
|---|---|---|---|---|---|
| Independent | Ming-Liang, | 7 | 0 | 100% | |

| | | | | | |
|---|---|---|---|---|---|
| Director (Convener) | Kao | | | | |
| Independent director | Geng-Wang, Liaw | 7 | 0 | 100% | |
| Independent Director | Chi, Chih | 7 | 0 | 100% | |

Other required disclosure:

I. Key work items of the Audit Committee

According to Article 3 of the Company's Audit Committee Charter, the main purpose is to supervise the following matters:

1. Fair presentation of the Company's financial statements.
2. Selection (dismissal) of accountants and their independence and performance.
3. Effective implementation of the Company's internal control system.
4. The Company's compliance with laws and regulations.
5. Management of the Company's existing or potential risks.

Summary of key tasks in 2025:

1. Assessment of the effectiveness of the internal control system.
2. Review major asset transactions.
3. Review material loans, endorsements, and guarantees.
4. Review the public offering, issuance, or private placement of equity securities.
5. Review annual and quarterly financial statements.

II. With regard to the functioning of the audit committee, when any one of the following situations applies, please state the audit committee's convening date and term, content of resolutions, content of independent directors' objections, qualified opinions, or major recommended items, the results of audit committee resolutions, and the Company's handling of the audit committee's opinions.

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

| Date of Audit Committee Meeting | Term | contents of motion | Committee resolution | the Company's response to the committee's opinions |
|---|---|---|---|---|
| February 6, 2025 | 8th meeting of the 3rd Board | 1. Proposal to amend the Company’s 5th domestic unsecured convertible bond issuance and conversion regulations. | Concurrence. | Approved as proposed. |
| March 12, 2025 | 9th meeting of the 3rd Board | 1. The Company’s 2024 parent company only financial report and consolidated financial statement.<br>2. Proposed lifting of non-compete restrictions on directors.<br>3. Proposal for the private placement of common shares.<br>4. The Company's proposal of loans to affiliates.<br>5. The Company's proposal of endorsements and guarantees for affiliates.<br>6. Proposal of the capital increase record date for exercise of employee stock options and the 4th domestic secured convertible corporate bonds in Q1 2025.<br>7. The Company’s 2024 proposed independent auditor appointment and independence assessment and preliminary permission for the CPA firm and its affiliates to provide non-assurance services. | Concurrence. | Approved as proposed. |

| | | | | |
|---|---|---|---|---|
| | | 8. Proposed amendment to the Company's Articles of Incorporation and the Code of Ethical Conduct.<br>9. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman. | | |
| May 7, 2025 | 10th meeting of the 3rd Board | 1. The Company's proposal of loans to affiliates.<br>2. Proposal of the capital increase record date for exercise of employee stock options and the 4th domestic secured convertible corporate bonds in Q2 2025.<br>3. The Company intends to incorporate “Employee Remuneration Distribution Guidelines” into the internal control system. | Concurrence. | Approved as proposed. |
| June 20, 2025 | 11th meeting of the 3rd Board | 1. Proposal to amend the Capital Allocation Plan for the 5th domestic unsecured convertible bond issuance.<br>2. Proposal to amend the Company’s 5th domestic unsecured convertible bond issuance and conversion regulations. | Concurrence. | Approved as proposed. |
| August 6, 2025 | 12th meeting of the 3rd Board | 1. The Company's proposal of loans to affiliates.<br>2. The Company's proposal of endorsements and guarantees for affiliates.<br>3. Proposal of the capital increase record date for the conversion of the 4th domestic secured convertible bonds in Q3 2025.<br>4. Proposal to amend the Company's Personal Data Protection Management.<br>5. Proposal to amend the Company's General Principles of its internal control system. | Concurrence. | Approved as proposed. |
| September 26, 2025 | 13th meeting of the 3rd Board | 1. Proposal to amend the Capital Allocation Plan for the 5th domestic unsecured convertible bond issuance.<br>2. Proposal to amend the Company’s 5th domestic unsecured convertible bond issuance and conversion regulations.<br>3. Proposed budget for the construction of the Hsing-Lin Park Project by the subsidiary Hsing-Yeh Biotechnology Co., Ltd. | Concurrence. | Approved as proposed. |
| November 5, 2025 | 14th meeting of the 3rd Board | 1. The Company's proposal of loans to affiliates.<br>2. The Company's proposal of endorsements and guarantees for affiliates.<br>3. Proposal of the capital increase record date for the conversion of the 5th domestic unsecured convertible bonds in Q4 2025.<br>4. Proposal to update the Company's internal control system, including the addition of the "Production Cycle" and the revision to the "Purchasing and Payment Cycle."<br>5. Proposal to amend the Company's Regulations Governing Distribution of Remuneration to Employees.<br>6. Proposal to amend the "Payroll Cycle" of the Company's internal control system | Concurrence. | Approved as proposed. |

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors: None.

III. If independent directors recused themselves from an agenda item in which they have a conflict of interest, specify the name of the independent director, agenda item, reason for recusal, and

participation in voting: None.

IV. Communication between the Independent Directors and the Company's internal auditor and CPA (shall include important matters, methods, and results of communications regarding finances and the state of business of the Company).

(I) Communication between Independent Directors and the chief internal auditor:

| Date | Method | Matter | Results |
|---|---|---|---|
| March 12, 2025 | Audit Committee | 2024 Q4 internal audit report. | The internal audit report was approved after review and submitted by the chief auditor to the Board of Directors. |
| May 7, 2025 | Audit Committee | 2025 Q1 internal audit report. | The internal audit report was approved after review and submitted by the chief auditor to the Board of Directors. |
| August 6, 2025 | Audit Committee | 2025 Q2 internal audit report. | The internal audit report was approved after review and submitted by the chief auditor to the Board of Directors. |
| November 5, 2025 | Audit Committee | 1.2025 Q3 internal audit report.<br>2.2026 internal audit plan. | 1.The internal audit report was approved after review and submitted by the chief auditor to the Board of Directors.<br>2.The annual internal audit plan was approved after review and submitted to the Board of Directors for resolution. |

(II) Communication between Independent Directors and CPA:

| Date | Method | Matter | Results |
|---|---|---|---|
| March 12, 2025 | Communication meeting | 1. CPA's briefing and explanation of 2024 audit completion stage to independent directors and communication with governance units.<br>2. CPA's discussion and communication concerning the questions raised at the meeting by attendees. | Concurrence with the CPA audit conclusions and the 2024 individual and consolidated financial statements, which were then submitted to the Board of Directors for discussion. |
| May 7, 2025 | Communication meeting | 1. CPA's briefing to independent directors and explanation of 2025 Q1 consolidated financial reports.<br>2. CPA's discussion and communication concerning the questions raised at the meeting by attendees. | Concurrence with the CPA's audit conclusions and 2025 Q1 consolidated financial reports, and submission to the Board of Directors. |
| August 6, 2025 | Communication meeting | 1. CPA's briefing to independent directors and explanation of 2025 Q2 consolidated financial reports.<br>2. CPA's discussion and communication concerning the questions raised at the meeting by attendees. | Concurrence with the CPA's audit conclusions and 2025 Q2 consolidated financial reports, and submission to the Board of Directors. |
| November 5, 2025 | Communication meeting | 1. CPA's briefing to independent directors and explanation of 2025 Q3 consolidated financial reports.<br>2. CPA's discussion and communication concerning the questions raised at the meeting by attendees.<br>3. CPA's briefing to independent directors and explanation of 2025 audit planning stage and communication with governance units. | 1. Concurrence with the CPA's audit conclusions and 2025 Q3 consolidated financial reports, and submission to the Board of Directors.<br>2. Concurrence with the key audit matters identified by the CPAs in the planning stage; the audit conclusions and financial statements are expected to be communicated in March of next year. |

(III)Corporate governance implementation status and departure from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"? | ✓ | | The Company established its Corporate Governance Best Practice Principles, which were approved by the Board of Directors, and disclosed the principles on the Company's website and Market Observation Post System. | No major discrepancy |
| II. Shareholding structure & shareholders' rights | | | | |
| (I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure? | | ✓ | The Company holds shareholders' meetings to answer shareholders' questions face-to-face. Outside of meetings, the spokesperson, acting spokesperson, and investor relations unit of the Chairman's Office handle shareholders' questions or suggestions. | No major discrepancy |
| (II) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders? | ✓ | | The Company has dedicated stock affairs personnel to keep track of the above-mentioned items, and has entrusted the Stock Affairs Department of CTBC Bank to handle stock affairs-related matters. They keep track of major shareholders who actually control the Company and the list of ultimate owners of the major shareholders at any time. | No major discrepancy |
| (III)Does the Company establish and enforce risk control and firewall systems with its affiliated businesses? | ✓ | | The assets and finance between the Company and its affiliated enterprises are clearly divided and independent. The Company established the "Supervision and Management of Subsidiaries," "Operating Regulations for Conducting Financial and Business Transactions with Affiliated Enterprises, Concerned Parties, Specific Companies, and Corporate Groups," "Procedures Governing the Acquisition or Disposal of Assets," "Procedures for Endorsement and Guarantee," "Operational Procedures for Loaning Funds to Others," and "Transfer Pricing Policy of the Group," which are sufficient to implement risk management and provide a firewall between affiliated enterprises. | No major discrepancy |
| (IV) Has the Company established an internal regulation that prohibits the use of undisclosed information in the market? | ✓ | | The Company established the "Procedures for Handling Material Inside Information and Regulations on Insider Trading", which was approved by the Board of Directors and disclosed on the Company website, in order to protect the equality of shareholders and maintain the fairness of the stock market. | No major discrepancy |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| III. Composition and Responsibilities of the Board of Directors<br>(I) If the Board of Directors has drafted a diversity policy, what are the specific management objectives and implementation? | ✓ | | The "Corporate Governance Best Practice Principles" drafted by the Company has been passed by a resolution of the Board of Directors, and its content includes a plan for the diversification of Board composition and implementation. The Company's Board consists of 7 members, of which 3 are independent directors. Since the Company's industry chiefly consists of medical-related areas, 4 directors have a background in medicine; in addition, one director has a background in financial accounting, one director has a background in medical information software, and one director has a background in international trade. This composition is consistent with the Company's operating and development needs and the effectiveness of its functional committees. The Company emphasizes gender equality in the composition of Board members. However, due to the difficulty of finding female directors from medical industry fields to join the Board, the Company has made this a goal, and is striving to include female directors meeting the needs of the Company and the required specializations. The Company achieved this goal by adding one female director after the 7th-term Board of Directors was elected in the 2023 Annual Shareholders Meeting. We aim to onboard an additional female director during future Board reelections.<br>The Company has formulated its 2025 plan for succession of the Board of Directors and key management positions, and the Board of Directors has approved this plan on November 5, 2025.<br>Please refer to page 42 concerning the state of diversification of the Board of Directors. | No major discrepancy |
| (II) In addition to the Compensation Committee and Audit Committee set aside according to law, has the Company voluntarily set up other functional committees? | ✓ | | The Company has established a Sustainability Committee to strengthen its corporate governance and improve the effectiveness of the Board of Directors. The 2nd-term Sustainability Committee was established after the directors election in 2023. The members include Independent Director Ms. Chi, Chih, Independent Director Mr. Ming-Liang, Kao, and Independent Director Mr. Geng-Wang Liaw. | No major discrepancy |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| (III) Has the Company established a performance evaluation of the Board of Directors and the evaluation methods? Performance will be evaluated annually and the results will be reported to the Board of Directors. The results will be used to assess the remuneration and nomination of individual directors. | ✓ | | The Company's Board of Directors passed the "Regulations for Board of Directors' Performance Evaluation" on March 24, 2016, and conducts an internal Board performance evaluation every year. The internal Board performance evaluation should be conducted at the end of each year. External assessment by an independent professional organization or external team of experts and scholars must be performed at least once every three years, along with the annual assessment at the end of each year.<br>In January 2025, all directors and all functional committee (including the Compensation Committee, Audit Committee, and Sustainability Committee) members conducted self-evaluation of the performance of the 2024 Board of Directors and functional committees. In addition to the self-evaluation questionnaire, reference was made to the attendance of all Board members and functional committee members in 2024 (the attendance rate of all Board members rate was 80%-100%, while functional committee members achieved 100% attendance). This proves that all Board members and functional committee members are actively participating in the operations of the Board of Directors and the functional committees. Therefore, the evaluation result is that all Board members and functional committee members have demonstrated excellent performance.<br>Regarding the participation of all Board members in continuing education during 2024, all directors participated in at least 6 hours of continuing education consisting of director workshops; this enhanced their professional knowledge and skills, and ensured the effective operation of the Board of Directors and functional committees.<br>In December 2024, Taiwan Corporate Governance Association, an external organization, was engaged to conduct an external evaluation of the performance of the Board of Directors and functional committees for 2024. On February 6, 2025, two evaluation committee members and | No major discrepancy |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | evaluation specialists conducted a site visit and interviewed the Company's Chairman, all independent directors, the General Manager, and the Corporate Governance Officer.<br>Members of the committee responsible for the performance evaluation of the Board of Directors and responsible specialists appointed by the Taiwan Corporate Governance Association carried out their duties with impartiality, objectivity, and integrity, and there has been no situation that could affect their independence. All of them have signed confidentiality statements and declarations of independence and integrity. Based on its extensive experience in evaluating and implementing corporate governance systems, the Taiwan Corporate Governance Association conducted the evaluation from the perspectives of corporate planning, execution, supervision, and performance review functions, as well as the division of responsibilities and collaboration between the Board of Directors and management. The evaluation examined the following five key dimensions:<br>I. Composition & Division of Labor<br>II. Guiding, Monitoring and Oversight<br>III. Delegation & Risk Management<br>IV. Communication & Collaboration<br>V. Self-discipline & Diligence<br><u>Recommendations from the Taiwan Corporate Governance Association are as follows:</u><br>1. Sustainable development strategies and goals: It is recommended that the Company strengthen the connection between its sustainable development strategies and specific action plans and its core business, so as to enable the Board of Directors to motivate the management team to focus on the Company's long-term interests and the achievement of its sustainable development goals.<br>2. Risk management: It is recommended that the Company regularly | |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | review the powers and division of responsibilities of its functional committees in order to enable them to fulfill their duties of assisting the Board of Directors in supervising the risk management mechanism.<br>3. Procedures for reporting material unexpected events: It is recommended that the Company establish a clear reporting system and procedures for material unexpected information to improve the mechanism for the Board of Directors to supervise the Company's crisis management.<br>Improvement plan: The Company will implement improvements item by item in accordance with the Recommendations from the Taiwan Corporate Governance Association.<br>The implementation of the above assessment was submitted to the Compensation Committee for approval and reported to the Board of Directors on March 12, 2025.<br>In January 2026, all directors and all functional committee (including the Compensation Committee, Audit Committee, and Sustainability Committee) members conducted self-evaluation of the performance of the 2025 Board of Directors and functional committees. In addition to the self-evaluation questionnaire, reference was made to the attendance of all Board members and functional committee members in 2025 (all Board members and functional committee members achieved 100% attendance). This proves that all Board members and functional committee members are actively participating in the operations of the Board of Directors and the functional committees. Therefore, the evaluation result is that all Board members and functional committee members have demonstrated excellent performance.<br>Regarding the participation of all Board members in continuing education during 2025, all directors participated in at least 6 hours of continuing education consisting of director workshops; this enhanced their professional knowledge and skills, and ensured the effective operation of | |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | the Board of Directors and functional committees.<br>The implementation of the above assessment was submitted to the Compensation Committee for approval and reported to the Board of Directors on March 10, 2026. | |
| (IV) Does the Company regularly implement assessments on the independence of CPA? | ✓ | | The Company conducts a regular annual assessment of the independence of the independent auditor, and this assessment of the independent auditor's independence is conducted by the Board of Directors through a questionnaire containing 11 independence indicators (including the independence of appointment relationships, and of the communication or submission of reports, etc. by the independent auditor, and directors, managers, and concerned parties). This assessment is conducted by the Audit Committee and Board of Directors at the end of each year. The independent auditor must provide an independence declaration and the completed independence assessment questionnaire to the Board of Directors to serve as a basis for review.<br>On March 12, 2025, the Audit Committee and the Board of Directors added AQI indicator items provided as a reference by the CPA firm, which included 5 major aspects and 13 audit quality indicators. The independent auditor also provided an impartial independence declaration and a completed independence assessment questionnaire to serve as a basis for review and approval of the 2025 independent auditor independence assessment.<br>On March 10, 2026, the Audit Committee and the Board of Directors added AQI indicator items provided as a reference by the CPA firm, which included 5 major aspects and 13 audit quality indicators. The | No major discrepancy |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | independent auditor also provided an impartial independence declaration and a completed independence assessment questionnaire to serve as a basis for review and approval of the 2026 independent auditor independence assessment.<br>Please refer to page 45 for the assessment questionnaire items. | |
| IV. Whether the listed OTC company is equipped with qualified and appropriate number of corporate governance personnel, and designated corporate governance directors, responsible for corporate governance related matters (including but not limited to providing directors and supervisors with the necessary information to perform their duties, assisting directors and supervisors to comply with laws and regulations, handle the relevant matters of the Board of Directors and shareholders' meetings, and produce the Board meeting and shareholders' meeting minutes)? | ✓ | | The Company's Finance Department concurrently serves as the corporate governance unit, and Chief Financial Officer Yi-Chun, Chen serves as the Corporate Governance Officer to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Chief Financial Officer Chen has held a managerial position overseeing finance, stock affairs, and procedures of public companies for at least three years. The main responsibilities of corporate governance personnel are to provide information for directors to perform their duties, assist directors with regulatory compliance, handle matters related to Board meetings and shareholders' meetings, handle company registration and change of registration, prepare proceedings for Board meetings and shareholders' meetings, and arrange continuing education courses for directors.<br>The state of operations in 2025 was submitted to the Board on March 10, 2026, and included the following:<br>1. Periodically notifying the Board members of any amendments to the latest laws and regulations relating to the Company's business lines and corporate governance.<br>(1) Following the Board meeting on November 5, 2025, the Company conducted a legal and regulatory training session on corporate governance for Board members: The session covered the latest regulatory updates (including the Securities and Exchange Act, Regulations Governing the Offering and Issuance of Securities by Securities Issuers, Directions Governing the Establishment of Board of Directors by TWSE/TPEx Listed Companies and the Exercise of Powers by the Board, and Taiwan Stock Exchange Corporation Rules | No major discrepancy |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds), as well as handling of internal material information, prevention of insider trading, disgorgement of short-swing profits, and shareholding reporting of insiders. The session lasted approximately 30 minutes and was attended by all 7 directors.<br>(2)The Company’s monthly meeting on November 10, 2025 raised the awareness of all employees regarding corporate governance laws and regulations: The meeting covered the latest regulatory updates, handling of internal material information, prevention of insider trading, and disgorgement of short-swing profits. Time: approximately 30 minutes; participation: 104 persons.<br>2. Assisting in arranging the communication meeting between independent directors and chief internal auditor and independent auditors to help the independent directors better understand the Company's business, finance and internal controls.<br>3. Arranging continuing education programs for independent directors and the other directors.<br>(1)On June 20, 2025, the Company arranged an in-house training session, titled "Strategies and Legal Compliance Issues in a Hostile Takeover," delivered by Attorney Chi Lee from Lee & Li Attorneys-at-Law. All 7 directors attended the session.<br>(2) The Board members were arranged to attend courses organized by the competent authorities, such as the Insider Trading Prevention Awareness Meeting, Corporate Governance Forum, Sustainable Finance and Climate Change Summit, and the Building Taiwan’s Capital Market Summit. As of December 2025, all directors had completed 6 hours of continuing education.<br>4. Reporting on the state of functioning of corporate governance at the Company to the Board of Directors, independent directors, and Audit Committee, and confirming whether the holding of the Company's shareholder's meeting and directors' meeting comply with relevant laws and corporate governance rules and regulations.<br>5. Responsible for checking the issuance of material information concerning major resolutions of the Board following Board meetings, | |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | and ensuring the legal compliance and correctness of the content of such material information, so as to ensure that investors have equal access to trading information.<br>6. Notification of directors 7 days in advance of Board meetings, holding of meetings, and provision of meeting information; advance reminder if any issues require any directors to recuse themselves, and completion of compilation of meeting minutes within 20 days after each meeting.<br>7. Execution of annual director performance assessment based on the "Regulations for Board of Directors' Performance Evaluation" to ensure effective corporate governance. External assessment by an independent professional organization or external team of experts and scholars must be performed at least once every three years, along with the annual assessment at the end of each year.<br>(1) The 2024 external performance evaluation of the Board of Directors and functional committees conducted by Taiwan Corporate Governance Association, an external organization, in December 2024 was reported to and passed by the Compensation Committee on March 12, 2025, and was then submitted to the Board of Directors.<br>(2) The 2024 internal performance evaluation of the Board of Directors and functional committees (including the Compensation Committee, Audit Committee, and Sustainability Committee) conducted in January 2025 was reported to and passed by the Compensation Committee on March 12, 2025, and was then submitted to the Board of Directors.<br>(3) The 2025 internal performance evaluation of the Board of Directors and functional committees (including the Compensation Committee, Audit Committee, and Sustainability Committee) conducted in January 2026 was reported to and passed by the Compensation Committee on March 10, 2026, and was then submitted to the Board of Directors.<br>8. Handling registration of the shareholders' meeting date in advance in accordance with law, and production of notices, meeting handbooks, and minutes within the statutory period, and registration of changes | |

<table>
<tr><th rowspan="2">Evaluation Project</th><th colspan="3">Current Operation</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>when amending the Articles of Incorporation or holding the election of directors.<br>9. Maintaining good investor relations: Planning to arrange two investors' meetings each year to communicate and exchange ideas with institutional investors and general shareholders, so that investors can obtain sufficient information to evaluate the Company's reasonable value in the capital market for the protection of shareholders' equity. The Company convened two investors' meetings in 2025.<br>10. The Company has purchased liability insurance for directors and managers, which will reduce business losses and risk of major damage to the Company and shareholders.<br>11. The qualifications and independence of independent directors are reviewed annually, with the results reported to the Board of Directors on November 5, 2025.<br>12. Chief Financial Officer and Corporate Governance Officer Yi-Chun, Chen attended the following continuing education programs in 2025:
<table>
<tr><th>Date</th><th>Course name</th><th>Hours</th></tr>
<tr><td>2025.05.08</td><td>Internal Audit and Internal Control Practices of Company Employee Reward and Compensation Systems</td><td>6</td></tr>
<tr><td>2025.06.20</td><td>Strategies and Legal Compliance Issues in a Hostile Takeover</td><td>3</td></tr>
<tr><td>2025.06.24</td><td>Corporate Governance Forum</td><td>3</td></tr>
</table></td><td></td></tr>
<tr><td>V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?</td><td>✓</td><td></td><td>The Company recognizes that good relationship with the stakeholders is an important basis for corporate growth, and the Sustainability Committee defines stakeholders based on the GRI Glossary and discusses and identifies the following five types of stakeholders based on its understanding of the various types of parties contacted within the scope of each department's business: Customers, suppliers, investors, employees, and general public. The Company has set up the Stakeholders section on its official website to list the corresponding contact person for different stakeholders, in hopes of accurately holding on to stakeholders' expectations for the Company and properly responding to their concerns.</td><td>No major discrepancy</td></tr>
</table>

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | In addition, the Company's Sustainability Committee periodically reports the status of communication with various stakeholders to the Board of Directors, and hopes that this will achieve even greater respect and protection for stakeholders' rights and interests. | |
| VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs? | ✓ | | The Company has commissioned a professional shareholder service agency - CTBC Bank Stock Affairs Department to deal with matters of the shareholders' meeting. | No major discrepancy |
| VII. Information Disclosure | | | | |
| (I) Does the Company establish a website to disclose financial and corporate governance information? | ✓ | | The Company's financial and corporate governance information is published on the MOPS as required by the competent authorities, and disclosed on its official website as well. | No major discrepancy |
| (II) Does the Company have other information disclosure channels (e.g. establishing an English website, appointing designated people to handle information collection and disclosure, implementing a spokesperson mechanism, webcasting investor conferences)? | ✓ | | The Company designates dedicated staff to maintain, collect, and disclose the corporate information. The Company's financial and business information is announced through a single channel by the corporate spokesperson, acting spokesperson or investor relations to ensure the implementation of spokesperson mechanism. Information such as presentation and video of institutional investors' meetings convened from time to time is also published as required by the competent authorities and published in the Investors section of the Company's official website in traditional Chinese and English for the reference by the public. | No major discrepancy |
| (III) Has the Company published and reported the annual financial reports within 2 months after the end of the accounting year and published and reported the first, second, and third quarter financial reports and monthly operating statuses within the regulated period? | ✓ | | The Company announces annual financial reports and declares the financial reports for the first, second, and third quarters as well as the operating situation for each month in accordance with the provisions of the Securities and Exchange Act, and announced and reported such information ahead of time when reporting each quarterly financial report in 2025. | No major discrepancy |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| VIII. Is there any other significant information helpful to the understanding of the Company's corporate governance operations (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and the status of directors' and supervisors' liability insurance)? | ✓ | | 1. Employees' rights and concern for employees: The Company has established an Employee Welfare Committee to promote various welfare measures and activities, has instituted a retirement pension system, encourages employees to participate in various types of education and training, provides Labor Insurance, National Health Insurance, Group Insurance, and Employee Stock Ownership Trust, and respects the rights of its employees.<br>2. Investor relations: To uphold the rights of investors and fulfill its responsibilities to its shareholders, the Company discloses financial and sales information in accordance with laws and regulations.<br>3. Supplier relations: The Company and its suppliers enjoy open communication channels and excellent interaction.<br>4. Stakeholders' rights: Stakeholders may communicate and propose recommendations to the Company to safeguard their lawful rights.<br>5. Continuing education for directors (2025): Please refer to page 46.<br>6. Implementation of risk management policies and risk assessment standards: In order to reduce and avoid any possible risks, the Company focuses on its core business, promotes various policies in accordance with relevant laws, and has established relevant standards to regulate implementation.<br>7. Implementation of customer policies: To ensure the quality of customer service, the Company actively responds to all customer complaints, and adequately determines the source of any problems and where responsibility should be assigned.<br>8. Purchase of liability insurance for directors: The Company has purchased liability insurance for directors, which will reduce risk of major damage to the Company and shareholders through business errors and negligence.<br>9. Intellectual property management plans linked to operational objectives and their implementation status: Please refer to page 47. | No major discrepancy |
| IX. Please provide explanation and measures for improvement in the Company's corporate governance evaluation results published in the most recent year, as well as the improvement measures, and measures for the improvement of the corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation. | | | | |

| Evaluation Project | Current Operation | | | Deviations from "the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| Based on the results of the 11th Corporate Governance Assessment released in April 2025, the improvements that have been done and yet to be done are shown on page 44. | | | | |

Board of Directors diversity policy

| Diversification item / Name of Director | Basic composition | | | | Professional knowledge and skills | | | Complies with abilities that must be possessed by the Board of Directors as a whole (Note 1) |
|---|---|---|---|---|---|---|---|---|
| | Gender Age | Nationality | Also an employee of the Company | Independent director tenure (max. 3 terms) | Professional background | Professional skills | Industrial experience | |
| Chairman: Tien-Ying, Lee | Male 41~50 years | ROC | ✓ | — | Biotechnology and medicine | Passed national physician's examination | Chief Resident, Department of Infectious Disease, Mackay Memorial Hospital; Superintendent, YeeZen General Hospital | 1 2 3 4 5 6 7 8 |
| Vice Chairman: Pei-Lin, Lee | Male 71~80 years | ROC | ✓ | — | Biotechnology and medicine | Experience as leader of TWSE/TPEx listed company | Radiology Dept., National Taiwan University Hospital, Chairman of the Company and its subsidiaries and second-tier subsidiaries | 1 2 3 4 5 6 7 8 |
| Director: Chun-Shung, Huang | Male 81~90 years | ROC | — | — | Biotechnology and medicine | Passed national physician's examination | Superintendent, Mackay Memorial Hospital; Chief Consultant and Orthopedic Physician, YeeZen General Hospital | 1 2 3 4 5 6 7 8 |
| Director: Yung-Shun, Chuang | Male 71~80 years | ROC | — | — | Information technology | Experience as leader of TWSE/TPEx listed company | Chairman, AAEON Technology Inc. | 1 2 3 4 5 6 7 8 |
| Independent Director: Geng-Wang, Liaw | Male 41~50 years | ROC | — | (Note 2) | Biotechnology and medicine | Passed national physician's examination | Vice Superintendent, YeeZen General Hospital | 1 2 3 4 5 6 7 8 |
| Independent Director: Chi, Chih | Female 61~70 years | ROC | — | ✓ | International Trade | 40 years of experience in import and export trade | Chairman and President of U-Super Technology Co., Ltd., Director/Assistant Vice President/Chief Operating Officer, | 1 2 3 4 6 7 8 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Taiwan Region, Ascend Technology Co., Ltd. | |
| Independent Director: Ming-Liang, Kao | Male 71~80 years | ROC | — | ✓ | Accounting | Has a CPA license | CPA, Datong Accounting Firm | 1 2 3 4 6 7 8 |

Note 1: The following abilities must be possessed by the Board of Directors as a whole:

I. Ability to make sound business judgments.
II. Ability to perform accounting and financial analysis.
III. Ability to manage a business.
IV. Ability to perform crisis management.
V. Knowledge of the industry.
VI. Has an international market perspective.
VII. Has leadership ability.
VIII. Has decision-making ability.

Note 2: Considering the Company's industry characteristics, independent director Geng-Wang, Liaw possesses extensive experience and professional expertise in the Company's related industries. Although he has served as an independent director of the Company for three consecutive terms, the Company continues to rely on his professional expertise as a physician to provide decision-making guidance and recommendations to the Board of Directors and functional committees.

Explanation of Corporate Governance Evaluation results released in the most recent year

According to the results of the 11th (2024) corporate governance evaluation released by the TWSE CGC in April 2025, the Company scored in the top 6% to 20% of all listed companies. In the category of companies with a market value between TWD 5 to 10 billion by the end of 2024, the Company was ranked in the top 6%~10% of TWSE/TPEx listed companies. The following table contains priority items requiring improvement and strengthening measures for indicators that have been improved and not yet been improved in the 11th (2024) corporate governance evaluation:

| **(I) Situation has been improved** | |
|---|---|
| **Indicators** | **Improvements** |
| Has the Company disclosed its policy linking senior executive compensation to ESG-related performance evaluation? | The Company has disclosed such information in its 2024 Sustainability Report. |
| Has the Company's Sustainability Report been submitted to and approved by the Board of Directors? | The Company has been submitting its prepared sustainability report to the Board of Directors for approval since 2024. |
| Has the Company disclosed its annual greenhouse gas emissions for the past two years? | The Company has disclosed such information in its 2024 Annual Report. |
| Has the Company formulated a greenhouse gas reduction management policy, including reduction targets, implementation measures, and achievement status? | The Company has disclosed such information in its 2024 Annual Report and 2024 Sustainability Report. |
| **(II)Priority items requiring improvement and improvement measures** | |
| **Indicators** | **Measures to take** |
| Does the Company convene its annual general shareholders' meeting before the end of May? | The Company plans to convene its annual general shareholders' meeting before the end of May in future years. |

According to the results of the 12th (2025) corporate governance evaluation released by the TWSE CGC in April 2026, the Company scored in the 21% to 35% of all listed companies. In the category of companies with a market value between TWD 5 to 10 billion by the end of 2025, the Company was ranked in the 11%~20% of TWSE/TPEx listed companies.

CPA independence evaluation questionnaire

| Professionalism & Independence | Yes | No | Description |
|---|---|---|---|
| 1. Does the CPA take an absolutely independent stand when carrying out the internal control check and financial statements certification for the Company? | ✓ | | |
| 2. Is the CPA equipped with adequate and appropriate professional capability and experience to effectively carry out the above jobs? | ✓ | | |
| 3. Does the CPA comply with the Norm of Professional Ethics for CPA and have no direct or indirect interest in the Company which may affect its independence? | ✓ | | |
| 4. Does the CPA timely communicate with the Company's directors, supervisors, managers and related parties? | ✓ | | |
| 5. Does the CPA do due diligence to provide the Company with full and correct services and/or suggestions? | ✓ | | |
| 6. Is the CPA not a director or independent director of the Company or its affiliates? | ✓ | | |
| 7. Is the CPA not a shareholder of the Company or its affiliates? | ✓ | | |
| 8. Is the CPA not on the payroll list of the Company or its affiliates? | ✓ | | |
| 9. Is the CPA doing the auditing service for the Company not for the seventh consecutive year? | ✓ | | |
| 10. Does the CPA confirm that his PWC accounting firm is compliant to the norm of independence? | ✓ | | |
| 11. Is the joint-practice CPA at PWC not taking any of the Company's job positions as a director, manager or others that may significantly affect the audit operations, within a year after resigning from auditing the Company? | ✓ | | |

Continuing education for directors in 2025

| Title | Name | Date of continuing education | Course name | Hours of continuing education |
|---|---|---|---|---|
| Director | Pei-Lin, Lee | 20250620 | Strategies and Legal Compliance Issues in a Hostile Takeover | 3 |
| Director | Tien- Ying, Lee | 20250620 | Strategies and Legal Compliance Issues in a Hostile Takeover | 3 |
| Director | Chun-Shung, Huang | 20250620 | Strategies and Legal Compliance Issues in a Hostile Takeover | 3 |
| Director | Yung-Shun, Chuang | 20250620 | Strategies and Legal Compliance Issues in a Hostile Takeover | 3 |
| Independent Director | Geng-Wang, Liaw | 20250620 | Strategies and Legal Compliance Issues in a Hostile Takeover | 3 |
| Independent Director | Chi, Chih | 20250620 | Strategies and Legal Compliance Issues in a Hostile Takeover | 3 |
| Independent Director | Ming-Liang, Kao | 20250620 | Strategies and Legal Compliance Issues in a Hostile Takeover | 3 |
| Independent Director | Chi, Chih | 20250624 | Corporate Governance Forum | 3 |
| Director | Chun-Shung, Huang | 20250624 | Corporate Governance Forum | 3 |
| Director | Yung-Shun, Chuang | 20250709 | 2025 Cathay Sustainable Finance and Climate Change Summit | 3 |
| Director | Yung-Shun, Chuang | 20250731 | 2025 Building Taiwan's Capital Market Summit | 3 |
| Director | Pei-Lin, Lee | 20251003 | 2025 Insider Trading Prevention Awareness Meeting | 3 |
| Director | Tien- Ying, Lee | 20251003 | 2025 Insider Trading Prevention Awareness Meeting | 3 |
| Independent Director | Geng-Wang, Liaw | 20251003 | 2025 Insider Trading Prevention Awareness Meeting | 3 |
| Independent Director | Ming-Liang, Kao | 20251110 | Key Public Finance and Taxation Issues in 2025 | 3 |

[Intellectual property management plan linked to operational objectives and their implementation status]

In April 2020, the Company formulated an Intellectual Property Management Plan, which is implemented, interpreted, and provided consulting services by the legal department. The implementation status of the preceding year is reported to the Board of Directors once a year.

Intellectual Property Management Planning

The Company values its own intellectual property rights and also respects the intellectual property rights of others. In conducting research and development, technology introduction, operations, and marketing, the Company prioritizes not infringing on the intellectual property rights of others.

In the face of domestic and international competitors, as well as upstream and downstream partners, the Company strives to develop its proprietary patented technologies to avoid ambiguity in positioning and strategic intent in the competitive market. Therefore, the Company has designated the "cultivation of intellectual property" as a critical task for the R&D team.

1. The Company's patent planning, portfolio, and training (establishment of an internal patent system) are explained as follows:

1.1 Patent proposal system

The Company has designed a patent proposal aligned with the content of an actual patent application specification. For example, each patent proposal should include: 1) The subject of the invention; 2) The purpose of the invention; 3) The problem that the invention is intended to solve; 4) The effects achieved by the invention; 5) Specific technical means and implementation methods.

1.2 Patent proposal review system

The Company selects patent proposals from numerous submissions that align with its development objectives, thereby avoiding wasting resources on matters that do not contribute to the Company's growth. In reviewing patent proposals, all of the following factors are considered: 1) Whether the proposal aligns with the Company's short-, medium-, and long-term development objectives; 2) Whether the proposal can be converted into a patentable subject matter; 3) Whether the proposal has economic value (including whether the technology or product is unique in the market or has substitutes, the length of the technology life cycle, licensing value, and the costs of application and maintenance).

1.3 Patent incentive system

Under the patent incentive system, the Company provides different rewards based on the economic value of the proposal and the subsequent application status. Bonuses may also vary depending on the type of patent granted (e.g., invention patents, utility model patents, and design patents). In addition, the patent incentive system may be integrated with other personnel systems of the Company (e.g., salary adjustments, promotion, rewards, and punishments) to enhance the effectiveness of patent

incentives.

1.4 Patent application planning

| Patent Title | Country | Category | Planned areas |
|---|---|---|---|
| Intelligent Sterilization Technology Process | Taiwan | Invention Patent | a)Electronic source placement and design of conveyor belt systems (including rotation mechanisms).<br>b)Optimization of electronic source quantity and/or optimal product stack dimensions for dose uniformity ratio (DUR).<br>c)Combination of electronic sources and other sterilization devices. |
| Radiation-Resistant Products | Taiwan | Invention Patent | Irradiation-crosslinked plastic parts |
| Application of Sterilization Validation Technology in Medical Devices | Taiwan | Invention Patent | |

2. Regarding the Company's trademark application and planning:

2.1 Trademark application

The Company's newly acquired registration of the trademark "CHC" is intended to showcase CHC Healthcare Group's unique character of precision and attention to detail, thereby enhancing its external brand image and brand consistency.

2.2 Trademark management

The legal department is responsible for trademark applications and renewals, and provides related legal assessments and advice.

2.3 Trademark use

Each trademark-using unit shall use the Company's trademark on the goods listed in the trademark registration certificate and in the Company's business operations in order to maintain the Company's exclusive trademark rights.

3. Regarding the protection of trade secrets:

3.1 Employees

The Company's policies and employment contracts stipulate that employees have a confidentiality obligation and must not disclose confidential information. Employees who violate this obligation shall be held civilly and criminally liable. This confidentiality obligation shall survive the termination of employment. Business data organized or undertaken by each unit that has economic value to the

Company's production, sales, or operations shall be subject to appropriate confidentiality measures according to the nature of the data. Employees are prohibited from using illegal computer programs and must comply with the legal restrictions imposed by the owners of computer programs and databases. Before leaving the Company, employees must return all Company information, documents, and other trade secrets in their possession.

3.2 External parties

Where confidential projects undertaken by each unit require the opinion or review of business consultants or external professionals (such as translation agencies), the relevant units shall request such external parties to sign a non-disclosure agreement or include confidentiality clauses in the engagement contract at the time of invitation. The units shall also require such external parties to ensure that the services they provide do not infringe upon the intellectual property rights or trade secrets of others. In the event of any breach causing damage to the Company, the engaged party shall be held liable for damages.

4.Intellectual property education and training

4.1 Comprehensive intellectual property education and training

Every new employee, regardless of department, must receive basic training on intellectual property and patent knowledge, aiming to inspire employees to generate innovative ideas suitable for patent applications and to instill a deep-rooted awareness of trade secret protection in their daily work.

4.2 Tiered intellectual property education and training

The Company provides in-depth patent training for employees in specific departments, such as patent-related and R&D departments. For example, instructors are engaged to provide training on patent knowledge, patent literature search skills, patent document drafting, trademark use in marketing, and trade secret protection, aiming to improve the practical capabilities of employees of specific departments in handling intellectual property-related matters. In addition, employees who are interested in patents are selected for further patent training to cultivate key patent personnel, so that these employees can guide and drive internal patent output and serve as a communication bridge between internal R&D staff and external patent agents.

5.Formulation of short- and medium-term strategies for the development of corporate intellectual property

5.1 Short-term strategy

In the short term, the Company focuses on establishing the overall understanding and importance of the intellectual property system within the enterprise. Secondly, it is necessary to establish internal systems for patent applications, including procedures for proposal submission, review

processes, incentive programs for R&D employees, and coordination with external patent agents.

5.2 Medium-term strategy

The medium-term goal is to establish an integrated and dynamic information platform that covers industry, products, markets, technologies, patents, legal matters, and competitors. The platform is developed to assist decision-makers in monitoring competitive dynamics in real time. Additionally, the Company plans to establish relationships among the industry in which it operates, related products, specific supply chains, relevant technologies and patents, and intellectual property rights.

Implementation status for 2025

In addition to actively engaging with companies or individuals with promising industry development prospects to explore potential collaboration opportunities, the Company's Venture Capital Department has established the "CHC Innovation Platform & Incentive Program." To date, multiple employees have contributed creative ideas and preliminary outlines. Through feasibility reviews, the Company continuously evaluates whether to proceed to intellectual property applications (patents or copyrights) based on the criteria of industrial applicability, novelty, and inventiveness.

Employees from the technical department of the Group's subsidiary, Shin-Ho Instruments Co., Ltd., maintain close contact with patent engineers from Li Young International Patent & Trademark Office. The two parties have discussed the integration of intelligent sterilization technology (for both medical and non-medical devices) processes with related hardware and software, assessing the feasibility of filing invention patent applications.

The Company attaches the utmost importance on the protection of trade secrets and requires both employees and external parties to fulfill their confidentiality obligations. In addition to previously inviting practicing attorneys from law firms to conduct knowledge sharing on "Company Information Security - From the Perspective of Personal Data and Trade Secrets" and "Anti-Corruption and Corporate Integrity," the Information Technology Department continuously conducts periodic information security awareness training and information equipment/software training for all employees while strengthening employees' confidentiality practices in the use of communication software. The Legal Affairs Department also proposes recommendations during interdepartmental meetings on any possible or potential violations of confidentiality obligations, enhancing employees' information security awareness and ensuring compliance with the trade secret protection requirements of original manufacturers and customers.

The implementation status for 2025 was reported to the Board of Directors on March 10, 2026.

(IV) The composition and state of functioning of the salary compensation committee or nomination committee, if established, should be disclosed

The Company has not established a nomination committee; the composition and state of functioning of the salary compensation committee are disclosed as follows:

1. Profiles of the Members of the Compensation Committee

| Identity (Note 1) | Criteria / Name | Professional qualifications and experience | State of independence | Number of Other Public Companies where the Individual Concurrently Serves as a Member of the Compensation Committee |
|---|---|---|---|---|
| Independent Director (Convener) | Geng-Wang, Liaw | Please refer to pages 11~12<br>2. Professional qualifications and independence analysis of directors and supervisors<br>(1)Disclosure of professional qualifications of directors and supervisors and independence information concerning independent directors | Please refer to pages 11~12<br>2. Professional qualifications and independence analysis of directors and supervisors<br>(1)Disclosure of professional qualifications of directors and supervisors and independence information concerning independent directors | 0 |
| Independent Director | Chi, Chih | | | 0 |
| Independent Director | Ming-Liang, Kao | | | 1 |

2. Operations of the Compensation Committee

(1) The Company's Compensation Committee comprises 3 members.

(2) Term of current members: From August 7, 2023 - June 11, 2026, a total of 3 (A) meetings of the most recent years' Remuneration Committee were held in the most recent year (2025). The attendance was as follows:

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance Rate (in person) (%) (B/A) | Remarks |
|---|---|---|---|---|---|
| Convener | Geng-Wang, Liaw | 3 | 0 | 100% | - |
| Member | Chi, Chih | 3 | 0 | 100% | - |
| Member | Ming-Liang, Kao | 3 | 0 | 100% | - |

Other required disclosure:

I. Key annual priorities of the Compensation and Remuneration Committee:

(I) Set and periodically review the performance evaluation standards for the Company's directors and managers, as well as their annual and long-term performance objectives, and the policies, systems, standards, and structure of compensation. The details of the performance evaluation standards are disclosed in the Annual Report.

(II) Assess regularly the progress of directors and managers toward their performance objectives, and determine the content and amount of their individual compensation packages.

II. In the event the Board of Directors does not adopt or wishes to amend the proposals of the Compensation Committee, please state the date and number of the Board meeting, the content of the proposals, resolution from the Board of Directors, and the method the opinion from the Compensation Committee was handled (e.g., if the salaries and compensations approved by the Board was higher than the suggested levels from the Compensation Committee, please state the differences and reasons)

N/A, please see the table below.

III. If a member has a dissenting or qualified opinion, if a member has a dissenting or qualified opinion, that a member has a record or reservation that is recorded or stated in a written statement, the date and session of the Compensation Committee, the content of the proposal, all members' opinions, and the handling of the opinions of the member of the Compensation Committee shall be stated

N/A, please see the table below.

| Date of Compensation Committee meeting | Term | Discussion items | Resolution | The Company's handling of the opinions of Compensation Committee members |
|---|---|---|---|---|
| March 12, 2025 | 6th meeting of the 6th Board | 1. Distribution of remuneration to employees and directors in 2024.<br>2. Revision of the Company's manager performance evaluation and remuneration standards.<br>3. Revision of the Company's existing Regulations Governing Distribution of Remuneration to Employees.<br>4. The Company's proposed 2024 performance evaluation of the Board of Directors and functional committees.<br>5. 2024 Directors' remuneration report<br>6. Review on distribution of year-end bonuses to managers in 2024.<br>7. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman. | Unanimous concurrence by the Committee. | Passed unanimously after submission to the Board of Directors. |
| November 5, 2025 | 7th meeting of the 6th Board | 1. Proposed provision of remuneration to directors and employees for 2025.<br>2. Implementation status of the Company's 2025 plan for succession of the Board of Directors and key management positions.<br>3. Proposal to amend the Company's Regulations for Board of Directors' Performance Evaluation.<br>4. Revision of the Company's Regulations Governing Distribution of Remuneration to Employees.<br>5. Proposal to formulate the 2026 work plan of the Compensation Committee. | Unanimous concurrence by the Committee. | Passed unanimously after submission to the Board of Directors. |
| November 13, 2025 | 8th meeting of the 6th Board | 1. Proposal for the review of the remuneration for the Company's new Chairman and Vice Chairman. | Unanimous concurrence by the Committee. | Passed unanimously after submission to the Board of Directors. |

(V) State of implementation of promotion of sustainable development and discrepancies from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons for discrepancies

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| I. Has the Company established a governance framework and dedicated (concurrent) responsible unit for the promotion of sustainable development? Has the Board of Directors authorized senior management to handle this issue? What is the state of oversight by the Board of Directors? | ✓ | | The Company has established a Sustainability Committee (please refer to page 77 for the organizational structure) to improve the management and implementation of corporate sustainability. The Committee is a functional committee of the Board of Directors and has established the Sustainability Committee Charter.<br>The Sustainability Committee is formed by the Company's three independent directors and contains five working groups responsible for corporate governance, customer service, employee welfare, environmental sustainability, and social participation to integrate resources from various departments and incorporate ESG as a link in the Company's sustainability management strategy.<br>The Sustainability Committee convenes at least once each year, and is mainly responsible for the drafting of annual ESG plans reflecting the Company's business strategies and tracking of implementation results, review of corporate sustainability policies, systems, and management strategies, assignment of working groups to prepare and issue annual sustainability reports, and regular reporting to the Board of Directors concerning the implementation status in Q1 as well as the sustainability report and status of communication with CHC's various stakeholders in Q3 of each year.<br>The Company's Board of Directors regularly listens to reports from the Sustainability Committee and management team, and bears responsibility for approval of annual sustainability reports, annual ESG plans, and review of past implementation results. In addition, the Board of Directors also monitors engagement between the Company and stakeholders, routinely checks whether the content of the Company's "Sustainable Development Best Practice Principles" has kept up with the times, and when necessary urges relevant units to make revisions. The Board of Directors thus placed a leadership and supervisory role concerning corporate sustainable development. | No major discrepancy |

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to the Company's operations and formulate corresponding risk management policies or strategies based on the materiality principle? (Note 1)</td><td>✓</td><td></td><td>The Company has established a risk management committee, and drafted "Policies and Procedures for Risk Management", which have been approved by the Board of Directors. The Board of Directors serves as the highest decision-making unit with regard to risk management mechanisms, and the position of risk management head has been established to consolidate risk management duties. Under the risk management head, legal compliance, customer service, and environment community units perform risk control-related matters. The Risk Management Committee regularly reports its state of operations to the Audit Committee and Board of Directors on an annual basis, which confirms the effective management of risk-related issues. Under the Board of Directors, the Audit Office has also incorporated the risk management system and regulations within internal audit operating procedures, which ensures the effective continuing implementation of this system.<br>The risk assessment conducted by the Company’s Risk Management Committee covers the Company and all its subsidiaries. Following the principle of materiality, the Committee conducts risk assessments on environmental, social, and corporate governance (ESG) issues relevant to business operations, which serve as a reference for risk management and operational strategy planning.<br>For details on the implementation status of cybersecurity risk management, please refer to "Cybersecurity management" on page 135.<br>The risk management process established by the Company includes the following: risk identification, risk measurement, risk monitoring, risk reporting, and risk response. The Risk Management Committee's implementation status in 2025 is summarized below:
<table>
<tr><th>Risk Category</th><th>Risk Identification</th><th>Risk Measurement/ Monitoring</th><th>Risk Response</th></tr>
<tr><td>Social: Hazard Risks</td><td>Global Financial crises</td><td>◆ Closely monitor global political and economic updates.<br>◆ Closely monitor the impact of measures following the</td><td>No material risks were identified upon implementation of the</td></tr>
</table>
</td><td>No major discrepancy</td></tr>
</table>

| Promotion item | Implementation status | | | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|---|---|
| | Yes | No | Summary | | | |
| | | | | | inauguration of the new U.S. President. | monitoring procedures set out in the left column. |
| | | | Corporate Governance: Strategic and Operational Risks | Investment risks<br>Operational risks | ◆ Conduct investment evaluations of innovative businesses and pre- and post- investment analyses of subjects, to assess whether the implementation of investment aligns with expectations.<br>◆ Thoroughly examine the reasonableness and validity of quotations in response to adjustments in prices, exchange rates, tariffs, etc. | No material risks were identified upon implementation of the monitoring procedures set out in the left column. |
| | | | Corporate Governance: Financial Risks | Information security risks<br>Central bank interest rate adjustments | ◆ Track exchange rate trends in 2025 to assess if there are any material risks to the Company.<br>◆ Track deposit and lending rate fluctuations in 2025 to assess if there are any risks significantly affecting the Company. | No material risks were identified upon implementation of the monitoring procedures set out in the left column. |
| | | | Corporate Governance: Compliance Risks/ Contract Risks | Compliance risks<br>Contract risks | ◆ Understand and comply with newly promulgated laws and regulations related to listed companies to protect the Company | No material risks were identified upon implementation of the |

| Promotion item | Implementation status | | | | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|---|---|---|
| | Yes | No | Summary | | | | |
| | | | | | from penalties for non-compliance.<br>◆ Effectively control and manage contract delivery schedules to prevent the Company's non-compliance with contract terms and conditions caused by delays from global shipping disruptions. | monitoring procedures set out in the left column. | |
| | | | Environmental Risks: Climate Change Risks | Immediate risks (Extreme weather events) | ◆ Establish emergency response management procedures and effectively implement them when extreme weather events (e.g., typhoons, heavy rainfall) occur as well as review and revise these procedures as needed.<br>◆ Install UPS equipment and remote backup system, and regularly perform testing and maintenance. A dedicated person will be assigned to verify the condition of the equipment in the event of extreme weather events.<br>◆ Take out commercial insurance to mitigate | No material risks were identified upon implementation of the monitoring procedures set out in the left column. | |

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | losses caused by extreme weather events. | |
| | | | Other Risks: No material risks identified; N/A; N/A | |
| III. Environmental issues | | | | |
| (I) Has the Company established a suitable environmental management system based on the characteristics of its industry? | ✓ | | The Company is located in Taipei City, where the waste disposal is handled in accordance with Regulations Governing Disposal and Recycling of General Waste. In addition, the Company established a plant in the Tongluo Science Park of Hsinchu Science Park for the irradiation business at the end of March 2024, and the plant's operations comply with international environmental protection conventions and environmental protection regulations of the region. The Company has not violated any environmental protection regulations. In promoting environmental safety and health, promulgation of relevant regulations and concepts are given from time to time to enhance employees' awareness and reduce workplace risks. | No major discrepancy |
| (II) Does the Company endeavor to increase energy efficiency and use recycled materials with low environmental load? | ✓ | | In order to increase the effectiveness of resource use, the Company has drafted an energy conservation/ carbon emissions reduction working plan for office areas, has implemented trash classification, and has established recycling stations; recycled materials with low environmental load chiefly consist of office paper and toilet tissue. The Company continues to procure the recyclable paper bearing the FSC international Green Mark or Ministry of the Interior's Green Mark. Furthermore, in order to reduce paper consumption, the Company communicates to all workers that the paper may be used for double-sided and reverse page copying and printing. | No major discrepancy |
| (III) Has the Company evaluated the potential risks and opportunities posed by climate change to the present and the future of the Company and has measures been implemented in response to climate issues? | ✓ | | A detailed explanation of the Company's analysis of climate change risks and opportunities has been disclosed in the environmental sustainability chapter of the Company's sustainability report. | No major discrepancy |
| (IV) Has the Company calculated its greenhouse gas emissions, water consumption, and total | ✓ | | The Company’s energy consumption mainly comes from direct emissions (Scope 1) and purchased energy (Scope 2). Scope 1 | No major discrepancy |

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>waste over the past two years and formulated GHG emissions and water consumption reduction measures or waste management measures?</td><td></td><td></td><td>emissions are fixed and vary depending on the operational sites. These sources include: stationary emission sources (diesel for emergency generators), mobile emission sources (gasoline for company vehicles), and fugitive emission sources (refrigerants and fire extinguishers). Scope 2 emissions accounted for 99% and above of all Scope 1+2 emissions in the past 2 years. Hence, only Scope 2 emissions are used to measure the Company’s GHG reduction results in the current stage. Since the Company has no production processes, there are no process emission sources.<br>Greenhouse gas emissions during the most recent two years (Scope 2) Units: Tons<br><table><tr><th>Year</th><th>Greenhouse gas emissions (CO2)</th></tr><tr><td>2025</td><td>1,368.60</td></tr><tr><td>2024</td><td>1,110.52</td></tr></table>Furthermore, the Company has engaged a professional consulting firm to conduct greenhouse gas inventory ahead of schedule in 2025. For details, please refer to the Greenhouse Gas Inventory section of the Environmental Sustainability chapter in the Sustainability Report.<br><br>The Company's water conservation plan calls for the full-scale implementation of housekeeping water conservation, and seeks to derive the greatest possible benefit from water resources. The Company used 10,943 units of water in 2025, which was obtained from tap water and rainwater recovery ponds; the Company will continue to draft water recycling plans and devise an evolutionary approach to boost overall water use efficiency.<br>Water consumption during the most recent two years Units: kWh<br><table><tr><th>Year</th><th>Water usage</th></tr><tr><td>2025</td><td>10,943</td></tr><tr><td>2024</td><td>24,291</td></tr></table>The Company is not a manufacturer, and its working environment consists of ordinary offices; waste chiefly consists of waste produced by personnel during their every day work, and is handled in accordance with local government regulations.</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>Total weight of waste produced during the most recent two years<br>Units: Kg<br><table><tr><td>Year</td><td>Total weight of waste</td></tr><tr><td>2025</td><td>10,152</td></tr><tr><td>2024</td><td>9,726</td></tr></table>For detailed information on the Company’s environmental management, please refer to the Environmental Sustainability chapter in the Company’s sustainability report.</td><td></td></tr>
<tr><td>IV. Social issues<br>(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>✓</td><td></td><td>In order to fulfill CSR and protect the basic human rights of all employees, clients, and stakeholders, we strictly comply with the principles disclosed in international human rights conventions, and respect internationally recognized basic human rights of labors, such as prohibiting child labor, eliminating employment and occupational discrimination. We establish relevant administration policies and procedures, and abide by the labor-related laws and regulations of the local competent authorities to protect the legitimate rights and interests of employees.<br>The Company's human rights policy applies to all employees and has been disclosed on the Company website. The Human Resources and General Affairs Department is the designated unit responsible for this matter. The policy details are as follows:<br>The company respects and supports internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights, the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work, and complies with local laws and regulations and endeavors to reduce human rights risks or alleviate the impact of human rights incidents through remedial measures.<br>Principles of administration:<br>1. Prohibition of any forms of discrimination.<br>2. Prohibition of forced labor and child labor.<br>3. Providing fair and reasonable salaries and working conditions.</td><td>No major discrepancy</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>4. Establishing a safe, hygienic, and healthy working environment.<br>5. Regularly reviewing and evaluating relevant systems.</td><td></td></tr>
<tr><td></td><td></td><td></td><td>Human rights issues of concern and specific actions:<table><tr><th>Item</th><th>Specific actions</th></tr><tr><td>Prohibiting any and all forms of discrimination</td><td>The Company complies with local government labor laws and regulations, international standards, and the Company's Human Rights Policy, implements relevant internal rules and regulations, and performs internal audit procedures. Chapter 2 "Employment and Dismissal" of the Working Rules specifies the principle of no discrimination: The Company's hiring and dismissal of employees shall not be predicated on an employee's race, class, language, ideology, religion, party affiliation, native place, gender, marital status, appearance, facial features, mental/physical disability, place of birth, sexual orientation, age, or past union membership.</td></tr><tr><td>Prohibition of forced labor</td><td>The Company complies with local government labor laws and regulations, international standards, and the Company's Human Rights Policy. The company confirms that candidates' provision of service and employment terms are entirely voluntary before hiring any persons, and has no forced or compulsory labor.</td></tr><tr><td>Prohibition of child labor</td><td>In accordance with the management principles in the Company's Human Rights Policy, the Company only accepts job-seekers over the age of 18 when</td></tr></table></td><td></td></tr>
</table>

| Promotion item | Implementation status | | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|---|
| | Yes | No | Summary | | |
| | | | | conducting employment interviews, and conducts investigations to confirm newly-hired employees; these two levels of checking ensure that no underage persons are hired. | |
| | | | Establishing a safe, hygienic, and healthy working environment | To ensure a safe working environment, the Company arranges regular annual fire safety inspections, and maintains the safety and good condition of all facilities. In addition, the company has voluntarily provided safe and private nursing rooms ensuring that female employees who have given birth can return to the workplace while also caring for their families.<br>• In accordance with Article 15 of the Labor Health Protection Rules issued by the Ministry of Labor and ISO 45001 Health Examination Management Procedures, the Company arranges health examinations for employees every two years, which allows tracking of employees' state of health.<br>The Company has established the "Workplace Sexual Harassment Prevention, Complaint, and Punishment Measures" to prevent sexual harassment and protect the rights and interests of victims. These Measures provide employees with channels for accepting sexual harassment complaints, and the Company has designated specific persons to bear responsibility for assisting victims and responding to incidents. | |
| | | | Human rights due diligence process: | | |

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>

Please refer to the Care for Employees chapter in the Company's Sustainability Report for details regarding the Company's human rights policy and its implementation status.</td><td></td></tr>
<tr><td>(II) Has the Company implemented reasonable employee benefits (including compensation, holidays, and other benefits) and is employee performance reflected appropriately in compensation?</td><td>✓</td><td></td><td>The CHC Healthcare Group is committed to creating a worry-free work environment for employees, strives to improve various systems, and provides good and comprehensive welfare measures, so that every employee and their families can enjoy a comfortable and pleasant life, and appreciate the care and consideration of the Company.<br>1. Salary system:<br>The Company attracts outstanding talent and motivates employees based on a fair and competitive market-based compensation system. The payroll structure is determined by linking the overall goals of the Group and the department with individual work results on the basis of the performance evaluation regulations drafted by the Group; thanks to its open and transparent promotion mechanism, the Company promotes outstanding human resources, and provides greater responsibilities and corresponding better compensation and bonuses to drive the development of the organization. The Company further provides equal rewards for the same work and equal promotion opportunities to men and women, and seeks to promote sustainable and inclusive economic growth.
<table>
<tr><th>Item</th><th>2024</th><th>2025</th></tr>
<tr><td>Percentage of supervisory positions filled by women</td><td>41.27%</td><td>39.18%</td></tr>
<tr><td>Percentage of female</td><td>54.07%</td><td>61.58%</td></tr>
</table></td><td>No major discrepancy</td></tr>
</table>

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |

| employees | | |
|---|---|---|

In general, employees receive monthly salaries for 12 months annually, plus performance bonuses or year-end bonuses based on incentive programs. The performance/year-end bonuses issued to individual employees in 2025 were equivalent to 2.1 months of salary. In addition, compensations and stock dividends are also available, aimed for profits sharing as a feedback to the employee contributions to the Company.

(1) Year-end bonuses: According to the Employee Performance Evaluation Guidelines, the Group releases yearly bonuses based on the overall profitability at the end of the year.

(2) Distribution of employee compensation during year: Handled in accordance with Paragraph 1, Article 24-1 of the Articles of Incorporation: If there is an outstanding balance after subtracting cumulative losses from the Company's profits for the year (pre-tax profit before subtracting remuneration to employees and directors), at least 0.05% shall be appropriated as employee remuneration. The Articles of Incorporation also stipulates that no less than 20% of the employee compensation shall be appropriated to entry-level employees. Distribution standards shall comply with the Group's "Employee Remuneration Distribution Guidelines," and this remuneration shall be distributed at the end of June each year.

(3) Allotment of shares to employees: Depending on the overall operational needs of the Group, shareholding, seasoned equity offering, and stock options may be given according to relevant guidelines, formulated for employees to follow.

(4) Salary adjustment:

| 2024 average compensation adjustment | 2025 average compensation adjustment | 2026 average compensation adjustment |
|---|---|---|
| 1.0% | 1.0% | 2.4% |

2. A comprehensive, considerate benefit system:

(1)Insurance plan: In accordance with the relevant law, the Group provides labor insurance and health insurance to each employee, so that they can be fully protected. In addition, the Group also

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |

plans a group insurance for employees starting from the date they report to duty, including life insurance, accident insurance, medical insurance and cancer insurance. If the employee is on a sabbatical leave due to a military service, major injury, or childbirth, he or she may continue to participate in the Group's group insurance, so that the protection can be continued.

(2)Three festivals gift money: The Group distributed gifts to the three major Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival, wishing colleagues a happy holiday.

(3)Retirement system: According to the Labor Standards Act, a sound pension system and retirement-related measures are enacted. According to the Labor Pensions Act, an amount equivalent to 6% of the monthly salary is paid to the personal account with the Bureau of Labor Insurance, Ministry of Labor, and together with the Group's sound financial structure to provide solid pensions appropriation and payment.

(4)Health management: In addition to the fully subsidized health checkup for the new recruits, the Group regularly applies to the Bureau of Labor Insurance for occupational hazard inspections every year, covering general health checkups, special health checkups, etc., and handles annual health checkups for all employees once in every two years.

(5)Staff dormitory: Considering the needs of short-term travel of employees and the safety and convenience of long-distance commuting employees, the Group has staff dormitory available to provide a comfortable living environment for employees who are traveling or in training.

(6)Employee Welfare Committee: The "CHC Healthcare Group Employee Welfare Committee" is established in accordance with the law to actively promote various employee welfare measures. Expenditures related to various employee benefits in 2024 and 2025 are as follows:

Units: NT$

| Year | Funeral subsidies | Medical subsidies | Marriage subsidies | Travel subsidies |
|---|---|---|---|---|
| 2025 | 35,000 | 4,200 | 96,000 | 1,963,600 |
| 2024 | 28,000 | 3,600 | 36,000 | 1,417,825 |

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |

| Year | Birthday gifts | Maternity benefits | Advanced study subsidies | Three festivals gift money |
|---|---|---|---|---|
| 2025 | 98,500 | 24,000 | 27,184 | 294,000 |
| 2024 | 92,000 | 40,000 | 5,000 | 264,000 |

3. Retirement system and state of implementation

(1)With regard to work seniority before and after being subject to the Labor Standards Act, pensions shall be calculated according to the pension standards specified in Article 84-2 and Article 55 of the Labor Standards Act.

(2)When choosing to be subject to the pension plan as stipulated in the Labor Standards Act in accordance with the Labor Pension Act or reserving work seniority accumulated before applicability of the Labor Pension Act, pensions shall be paid according to the provisions of the preceding subparagraph.

(3)For employees who are subject to the pension plan stipulated in the Labor Standards Act and who are forced to retire in accordance with Subparagraph 2, Paragraph 1 of Article 35, if their mental disability or physical disability is caused by the execution of their duties, they are entitled to additional 20% of the pension according to the provisions of the preceding paragraph.

(4)For employees who are subject to the Labor Pension Act, the Company shall deposit an amount equivalent to 6% of the employees' monthly salary into their personal pension accounts.

(5)Eligibility for retirement and application procedures are briefly described as follows~

① Employees may apply for retirement if they meet any one of the following conditions:

(1)Has worked for 15 years or more and reached the age of 55. (2) Has worked for 25 years or more.

(3)Has worked for 10 years or more and reached the age of 60.

② The Company may not force employees to retire unless they meet any one of the following conditions:

(1)Where the worker attains the age of 65.

(2)Where the worker is unable to perform his/ her duties due to

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | disability.<br>The retirement age specified in item 1 of the preceding paragraph may be postponed through mutual agreement between the employer and the worker. The Company may request the central competent authority to adjust the retirement age prescribed in item 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength, or otherwise of a special nature. However, the adjusted age shall not be less than 55 years.<br>③ The determination of retirement age shall be based on household registration records and shall be calculated from the date of birth.<br>④ How to calculate seniority: If an employee has any of the following circumstances, his/her seniority shall be counted together: (1) He/She obtained approval (2) He/She is still in the probationary period (3) He/She has been transferred from the Company to a subsidiary directly or indirectly 100% owned by the Company and is formally employed by the subsidiary. The employee's years of service at the Company and the subsidiary he/she was transferred to may be combined.<br>⑤ Application for retirement must be submitted in writing one month in advance.<br>4. Employee shareholding trust: The employee stock ownership meeting of CHC Healthcare Group was established on March 13, 2024, and it was agreed that a certain amount of each member's monthly salary (hereinafter referred to as "Self-contribution") would be deposited and a certain percentage of incentives would be provided by the member's company to a trust for management funds and long-term purchase of the Company's stocks. The purpose is to instill employees with concepts of long-term savings, investment, and financial management, and accumulate personal wealth for retirement. | |
| (III) Has the Company provided employees with a safe and healthy working environment, and routinely implemented safety and health education for employees? | ✓ | | In addition to compliance with the government safety and health related laws and regulations, and in consideration for employees' safety and welfare, and in compliance with ISO 45001, the Company has established an occupational safety and health management manual and related procedures in accordance with the spirit of ISO 45001. Aiming at zero occupational accidents and strengthened self-management, we are continuously improving occupational safety and | No major discrepancy |

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>health performance, reducing occupational accidents, protecting labor safety and health, and complying with the requirements of the competent authority and stakeholders including customers and employees. All employees must abide by the procedures and rules specified in the manual, and maintain the effective functioning of the occupational safety and health management system.<br>Safety:<br>The Company upholds labor laws and regulations, the Occupational Safety and Health Act, and the spirit of ISO 45001. In 2025, the Company conducted 1 occupational safety and health training session, 3 disaster prevention training sessions across Taiwan, and 1 training session on sexual harassment and workplace bullying. These training were conducted to ensure that employees are aware of and comply with relevant regulations, and helped thoroughly implement occupational health and safety management.
<table>
<tr><th>Occupational injury cases since 2025</th><th>Number of fire accidents in 2025</th><th>Number of casualties due to fire accidents in 2025</th><th>Number of casualties as a percentage of all employees in 2025</th></tr>
<tr><td>9</td><td>0</td><td>0</td><td>0%</td></tr>
<tr><td>Including traffic accidents when going to and from work; all involved only minor injuries. Looking ahead to the future, we will continue to care for our employees and strengthen safety awareness.</td><td colspan="3">If the incident occurs, it will be handled in accordance with emergency response management procedures</td></tr>
</table>
Health:<br>We offer corporate health insurance and new employee health checkups. Following the spirit of ISO 45001 standards, we have established health checkup procedures and give health check-ups for all employees every two years to look after the employees' health.<br>In addition, according to the Labor Health Protection Rules, operations exposed to ionizing radiation are particularly looked into, where the</td><td></td></tr>
</table>

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | high-risk employees are medical technicians, and their belonging departments send their names each year to the HR department which will then file applications to the Bureau of Labor Insurance for special health checkups and regular follow-ups to protect these employees. Furthermore, since January 1, 2022, the Company has implemented on-site service regulations for medical personnel, and is cooperating with Yeezen General Hospital to provide monthly on-site consultations with a registered nurse (3 hours per session) and physician consultations 3 times annually (3 hours per session). The Company also promptly monitors the indicators in employees' health checkup reports (such as BMI, high blood sugar, high cholesterol, and high blood pressure) and offers guidance accordingly.<br>The Company's headquarters in Neihu District, Taipei contains an exercise area for use by employees, and a trainer from outside the Company has been hired to teach fitness classes. We believe that exercise enables participants to immerse fully themselves at the physical, mental, and interpersonal levels, improve their mood, and give them the courage and determination to overcome challenges and difficulties. Exercising regularly will not only benefit employees' physical and mental health but also boost the positive attitude throughout the Company.<br>In addition to the above measures, to prevent sexual harassment, the Company has established the Workplace Sexual Harassment Prevention, Complaint, and Punishment Measures in accordance with the Gender Equality in Employment Act, the Amendments to the Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace, and the Sexual Harassment Prevention Act. A dedicated reporting channel has been established accordingly. The Company strictly prohibits any form of sexual harassment, gender discrimination, violence, threats, or intimidation to foster a gender-equal workplace. We make every effort to create a happy, secure, and trusted working environment. No discrimination cases occurred in 2025. | |

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| (IV) Has the Company established effective career and competence development and training plans? | ✓ | | The Company's current training programs consist of four types:<br>1. Pre-employment training: All new employees are counseled and oriented to understand the Company's organization, business overview, labor safety and health, and standard procedures.<br>2. Internal training: Employees are given internal training to enhance their basic job competence and professional capability.<br>3. External training: Depending on the employees' job needs and positions, the external training is given to enhance their professional skills and leadership capability.<br>4. Overseas advanced study: To meet the future corporate development or job requirements, employees are recommended by their supervisors for going abroad to receive professional training.<br>Please refer to the Care for Employees chapter in the Company's sustainability report for details. | No major discrepancy |
| (V) Does the Company comply with relevant laws and regulations and international criteria regarding customer health and safety, customer privacy, and the marketing and labeling of products and services, and formulate consumer protection or customer rights policies and complaint procedures? | ✓ | | The instruments and equipment distributed by the Group comply with relevant laws and international standards. Before being sold domestically, medical device inspection and registration must be carried out in accordance with the regulations promulgated by the Ministry of Health and Welfare, and the equipment must have correct labels or instructions and user manuals. In response to the implementation of the Medical Device Act on May 1, 2021, the Group will continue to comply with the Act to ensure the safety, efficacy, and quality of medical devices used by customers. Regarding the consumer rights protection policy and complaint procedures, the Group formulates standard operating procedures for handling quality complaints, serious adverse events, and product recall notifications in accordance with relevant regulations of the Ministry of Health and Welfare. In addition, the Group implemented QMS labeling operations and adopted the Regulations of Medical Device Good Distribution Practice in 2022. The relevant certifications are renewed every three years. | No major discrepancy |
| (VI) Has the Company formulated supplier management policies to demand that suppliers follow guidelines related to environmental, professional safety and | ✓ | | The Company's "Corporate Sustainability Statement," which explicitly lists environmental protection, safety, health, human rights, ethics, and government requirements relating to social responsibility, requires that suppliers sign this statement and comply with relevant | No major discrepancy |

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>health, and labor rights issues and regulate the execution of the guidelines?</td><td></td><td></td><td>regulations, and jointly fulfill their corporate social responsibilities. As many as 90% of this year's newly-acquired suppliers have signed this statement.<br>The contents of the "Corporate Sustainability Statement" are as follows:<br><table><tr><td>Comply with relevant regulations on waste water, waste gas, solid waste, hazardous waste and noise control</td><td>Take systematic measures to reduce the consumption of energy resources and reduce emissions</td><td>Ensure that products and services do not use illegal and environmentally hazardous substances prohibited by customers</td></tr><tr><td>Ensure that employees can have a safe and healthy working environment through effective management</td><td>Provide an equal and fair working environment and prohibit any form of discrimination</td><td>Respect the basic human rights of employees and prohibit any and all forms of insulting behavior</td></tr><tr><td>Provide employees with a safe, clean diet and potable water</td><td>Provide adequate and qualified sanitary and environmental facilities, such as public facilities, etc.</td><td>Respect the freedom of employees and prohibit any and all forms of forced labor</td></tr><tr><td>Promote labor-management cooperation and respect the opinions of employees</td><td>Comply with general corporate ethics</td><td>No child labor</td></tr><tr><td>Minor and female employees labor protection</td><td>Respect employees' right to free association and</td><td>Appropriate salary and benefits</td></tr></table></td><td></td></tr>
</table>

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | collective bargaining | |
| | | | Prioritize information and communication security protection / Prioritize the protection of personal privacy rights | |
| V. Does the Company refer to internationally accepted report preparation standards or guidelines to prepare sustainability reports and other reports that disclose the Company's non-financial information? Has the Company received assurance or certification of the aforementioned reports from a third-party accreditation institution? | ✓ | | The Company's sustainability report is based on the GRI Standards released by the Global Sustainability Standards Board (GSSB), and has been prepared in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. The sustainability report discloses non-financial information of the Company and its subsidiaries. The Company also adopts industry guidelines in the SASB Standards and the United Nations Global Compact. However, the Company has not sought the assurance opinions of third-party verification units. | No major discrepancy |

VI. If the Company has drafted its own sustainable development rules based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation:

The Company established "Sustainable Development Best Practice Principles," which were implemented after being approved by the Board of Directors. The most recent revision was made in coordination with the amendment to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" in March 2023. At present, there are no major discrepancies between the Company's "Sustainable Development Best Practice Principles" and the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies". Please refer to the Company's website and MOPS for relevant contents.

VII. Other important information to facilitate better understanding of the Company's implementation of sustainable development:

(I) Environmental protection: The Company actively implements energy conservation and carbon reduction and related environmental policies at its offices, and also attaches importance to suppliers' sustainability management performance. And mechanisms are established to evaluate and audit new and existing domestic and foreign qualified suppliers in terms of their quality, occupational safety and health, based on the supplier management procedures, for joint commitment to the environmental sustainability.

(II) Social contributions: The Company hopes that the introduction of high-end medical equipment and technical services can allow the public to enjoy more precise treatment, more sufficient medical resources, and even higher quality medical services, thereby promoting citizens' overall health and well-being and making a contribution to society.

(III) Social welfare: In the spirit of contributing to society, the Company actively participates in social welfare activities, provides assistance to underprivileged groups such as persons living in remote areas, assists in offering charity medical services, and advocates for healthy living. The Company provides necessary resources to underprivileged groups that need assistance, and encourages employees to participate in volunteer service. In the event of natural disasters and major accidents, CHC provides emergency assistance without hesitation, and vigorously participates in disaster relief or caring activities initiated by various parties.

(IV) Customer service: The Company distributes high-end medical equipment and cultivates a manufacturer-certified technical service team to assist customers in

| Promotion item | Implementation status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | Summary | |
| equipment installation and take charge of the training programs and after-sale maintenance with comprehensive services. Customer complaints are handled and responded by the sales unit and technical unit immediately, and the customer service toll-free telephone number is set up to ensure the customers' rights.<br>(V) Human rights policy: The Company strictly complies with laws and regulations, supports and voluntarily complies with human rights standards in international conventions, and is committed to creating a friendly, diverse, discrimination-free workplace, where all employees enjoy equal treatment and equal right to work regardless of gender, age, nationality, race, skin color, and political views. The Company also provides opportunities for individuals to freely express ideas and seek development. CHC is committed to fostering a workplace that values human rights and is free from discrimination and harassment.<br>(VI) Occupational safety and health: The Company protects employees' safety and well-being in accordance with relevant government health and safety laws and regulations. The Company also implements related management systems to strengthen self-management, continues to improve occupational health and safety performance, lowers the risk of occupational accidents, and protects employees' safety and health. | | | | |

Note 1: The principle of materiality refers to instances in which environmental, social, and corporate governance issues have a significant impact on the Company's investors and other stakeholders.

Implementation status of climate-related information

| Item | Implementation status |
|---|---|
| 1. Describe supervision and governance of climate- related risks and opportunities by the board of directors and management. | Board of Directors:<br>◆ The Company has established a Risk Management Committee, with the Board of Directors serving as the highest level decision-making unit of the Group's risk management mechanism and assuming the ultimate responsibility for overall risk management.<br>◆ The Board of Directors approves the Company's risk management policies based on the overall business strategy and environment, in order to manage the risk of hazards and strategic and operational risks, financial risks, compliance risks/contract risks, and other ESG risks related to the Company's operations. Climate-related risks were identified as the Company's main environmental risks based on the principle of materiality, and the risk management manager and the environmental and social working groups under the Risk Management Committee were assigned to further conduct assessments of climate-related risks and opportunities.<br>◆ The Board of Directors and the Audit Committee regularly listen to reports of the Risk Management Committee every year to understand its operations and ensure that relevant risk issues are effectively managed.<br>Management:<br>◆ The Company's Risk Management Committee has the position of risk management manager, who is appointed by the Board of Directors as the highest level manager responsible for risk management-related matters. |

| Item | Implementation status |
| --- | --- |
| | ◆ The risk management manager is responsible for supervising environmental and social working groups to complete the assessment of climate-related risks and opportunities, develop appropriate response measures and strategies on this basis, and manage and track them in daily operations.<br>◆ The risk management manager regularly reports the status of risk management to the Audit Committee, and submits the report to the Board of Directors for approval. |
| 2. Describe how the climate risks and opportunities identified affect the Company's business, strategies, and financial position (short-term, mid-term, long term). | ◆ The Company is not in the manufacturing industry. After assessment, we determined that climate-related risks will not have a significant negative impact on the Company's business, strategy, and financial planning in the short term.<br>◆ The Risk Management Committee has completed the identification of short-, medium-, and long-term climate-related risks, formulated appropriate response measures on this basis, and actively reduced the negative impact of climate-related risks by improving resource use efficiency.<br>◆ The Company is actively developing low-carbon products and services, invests in transition towards sustainability, faces the emerging opportunities brought by climate-related risks, and effectively integrates them with the Company's business strategies, in order to bring positive benefits to the Company's overall medium- to long-term financial planning and business development. |
| 3. Describe the impact of extreme weather events and transition actions on the Company's financial position. | ◆ Establish emergency response procedures for disasters following the spirit of ISO 45001.<br>◆ Install UPS equipment and remote backup system, and regularly perform testing and maintenance. In the event of extreme weather events, a dedicated person will be assigned to verify the condition of the equipment.<br>◆ Reduce losses caused by natural disasters by purchasing commercial insurance. |
| 4. Describe how the identification, assessment, and management process of climate risks is integrated in the overall risk management system. | ◆ The Company's Board of Directors serves as the highest decision-making unit with regard to risk management mechanisms, and the position of risk management manager has been established to consolidate risk management duties; under the risk management manager, legal compliance, customer service, and environmental and social working groups perform risk control-related matters, in which environmental and social working groups are responsible for the identification and assessment of climate-related risks.<br>◆ The risk of hazards, strategic and operational risks, financial risks, compliance risks/contract risks and other ESG risks identified by the Company are all within the Risk Management Committee's scope of responsibilities. Climate-related risks under environmental risks have also been included in the Company's risk management process |

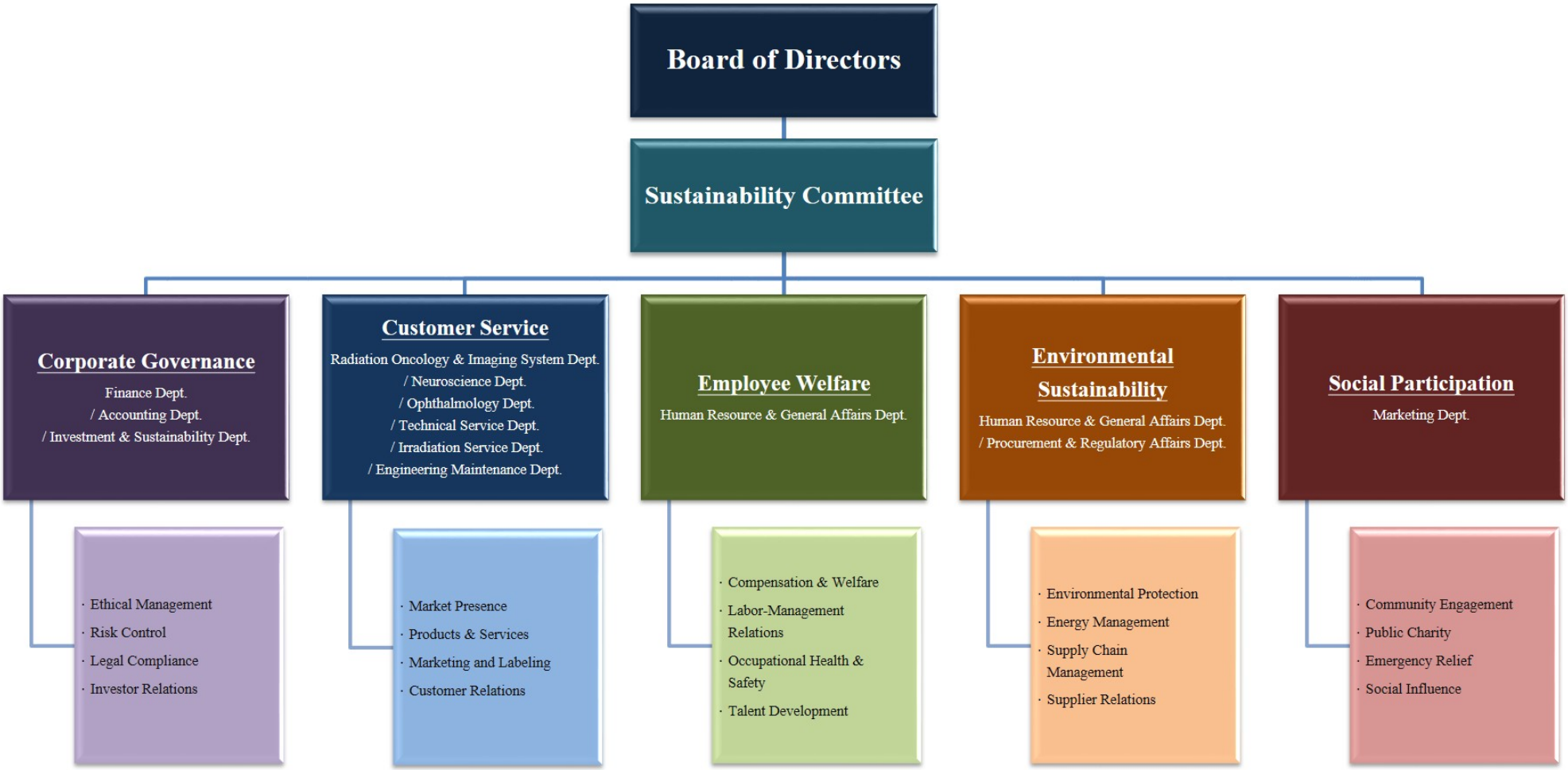
<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>and integrated into the overall risk management system.</td></tr>
<tr><td>5. If scenario analysis is carried out to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.</td><td>Climate change scenario analysis has not been conducted.</td></tr>
<tr><td>6. If there is a transition plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.</td><td>None.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, describe the basis for pricing.</td><td>None.</td></tr>
<tr><td>8. If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon offset or RECs are used to achieve goals, describe the source and amount of offset quota or the number of RECs.</td><td>The Company's paid-in capital is less than NT$5 billion. We will disclose our GHG inventory and assurance information in stages in coordination with the Financial Supervisory Commission's "Sustainable development roadmap of TWSE/TPEx-listed companies." The parent company is required to disclose its GHG inventory and assurance information in the third stage (i.e., the inventory will be completed in 2026 and the verification will be completed in 2028). Subsidiaries in the consolidated financial statements are required to complete their inventory in 2027 and complete verification in 2029.<br>The Company proposed the schedule for GHG inventory and verification of the parent company and subsidiaries at the start of 2022 Q2 in accordance with regulations of the Financial Supervisory Committee. The schedule was submitted to the Board of Directors for approval, and controlled on a quarterly basis. The Company will continue to monitor and complete its GHG inventory and verification in accordance with the reference guidelines and relevant regulations issued by the competent authority, regularly report the implementation status to the Board of Directors every quarter, and formulate carbon reduction goals, strategies and specific action plans.</td></tr>
<tr><td>9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.</td><td>
<table>
<tr><th>Greenhouse Gas (GHG) work plan of parent company and wholly-owned subsidiaries</th><th>Expected time of completion</th><th>Description</th></tr>
<tr><td>Establishment of GHG inventory guidance plan and inventory list preparation</td><td>December 2025</td><td>The Company entered into a contract with a consultant for ISO 14064-1 guidance and GHG inventory list preparation in December 2025. The project was officially launched.</td></tr>
<tr><td>Data collection for GHG</td><td>February</td><td>Relevant data for January to</td></tr>
</table>
</td></tr>
</table>

| Item | Implementation status | | |
|---|---|---|---|
| | inventory | 2026 | December 2025 will be collected based on the verification scope in January 2026. |
| | Completion of GHG inventory list and report compilation | March 2026 | In February 2026, the consultant will perform emission calculations based on the collected data.<br>In March 2026, the consultant will provide the emission calculation results.<br>In April 2026, based on internal audit results, the consultant will complete the inventory list and report compilation. |
| | Completion of GHG inventory report | May 2026 | In May 2026, an internal audit will be conducted. The consultant will issue the GHG inventory report. |

| GHG work plan of other subsidiaries included in the consolidated financial statements | Expected time of completion | Description |
|---|---|---|
| Establishment of dedicated (or part-time) units, designation of full-time (or part-time) personnel and their scope of duties | December 2025 | Completed in December 2025. |
| Formulation of GHG inventory plans | March 2026 | The Company entered into a contract in December 2025 with a consultant to implement ISO 14064-1. The project was officially launched.<br>The implementation schedule will |

| Item | Implementation status | | |
|---|---|---|---|
| | | | be finalized between January and February in 2026.<br>Relevant data for January to December 2026 will be collected based on the disclosure scope starting in March 2026. |
| | Complete the GHG inventory | April 2026 - February 2027 | From April 2026 to January 2027, the consultant will review data collected by each department.<br>In February 2027, an internal audit will be conducted. |
| | Completion of GHG inventory list and report | June 2027 | From March to May 2027, the GHG inventory list and report will be compiled.<br>In June 2027, the GHG inventory list and report will be completed. |

Sustainability Committee Organizational Structure



(VI) Compliance with Integrity Management and Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons

| Evaluation Project | Current Operation | | | Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Summary | |
| I. Formulating policies and plans for ethical corporate management<br>(I) Does the Company specify ethical corporate management policies and methods in its bylaws, external cases, and Board of Directors approved Integrity Policies and are the directors and senior management actively fulfilling their commitment to business policies? | ✓ | | The Company has drafted "Integrity Procedures and Code of Conduct", which has been passed by the Board of Directors and posted in the corporate governance section of the Company's website at http://www.cyhc.com.tw. The Integrity Procedures and Code of Conduct governs all employees' ethics and responsibilities when engaging in business activities, and covers the behavior of individual employees, groups, and the Company toward the public and stakeholders. And the responsible unit should hold at least one internal advocacy every year to arrange the chairman, general manager or senior management to convey the importance of integrity to the directors, employees and assignees. | No major discrepancy |
| (II) Has the Company established assessment measures for risks of dishonest behaviors to regularly analyze and evaluate activities with higher dishonesty risk within the scope of operations? Following this, has the Company established solutions to prevent dishonesty and at least cover the prevention measures stated in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies? | ✓ | | The Company referenced domestic and foreign standards or guidelines in the establishment of the prevention program, which covers precautionary measures for the following behaviors:<br>I. Offering or accepting of bribes.<br>II. Providing illegal political donations.<br>III. Improper charitable donations or sponsorships.<br>IV. Offering or accepting of unreasonable gifts, entertainment, or other improper benefits.<br>V. Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights.<br>VI. Engaging in unfair competition.<br>VII. The research and development, purchase, manufacture, provision, or sale of products or services that directly or indirectly damage the rights, health, or safety of consumers or other stakeholders. | No major discrepancy |

| Evaluation Project | Current Operation | | | Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Summary | |
| (III) Has the Company clearly stated the operating procedures, behavioral guidelines, punitive actions, and reporting mechanisms in the preventive measures for dishonest behavior and implemented and regularly assessed and amended the solution? | ✓ | | The Company established the "Ethical Corporate Management Operating Procedures and Code of Conduct," "Code of Ethical Conduct," and "Performance Evaluation Regulations," which expressly stipulated that entertainment or gifts, kickbacks or other illegal benefits shall not be accepted for the performance or violation of duties, and that employees may not use their position to misappropriate funds from bank employees or clients, nor are they allowed to use their position to illegally benefit themselves or others. The Company established a dedicated unit formed by Company and employee representatives to jointly discuss matters. Employees are notified of their punishment and may file an appeal if they have any questions, in order to establish a fair reward and punishment system. | No major discrepancy |
| II. Implementation of ethical corporate management | | | | |
| (I) Has the Company evaluated the integrity records of its property and stipulated ethical conduct in its transactions with partners? | | ✓ | The Company evaluates and audits the quality/environmental safety system of its business partners, and selects vendors with honest behavior for transactions. Transactions with unqualified vendors may be suspended after approval from the supervisor. For future procurements, the contracts signed will contain an ethical conduct clause. | No major discrepancy |
| (II) Has the Company established a Corporate Integrity Management Unit, which will report to the Board of Directors and regularly (at least once a year) report the status of the prevention of dishonest behavior solution and supervision implementation? | ✓ | | The Company has designated the Human Resources and General Affairs Department as the responsible unit to handle the revision, implementation, interpretation, consultation services, and reporting registration related to the Integrity Procedures and Code of Conduct, as well as to supervise their implementation. The implementation status is reported to the Board of Directors and senior management once a year. The report this year was presented on March 10, 2026. The above procedures are disclosed on the Company website. The Company further promotes awareness and ensures effective implementation through monthly all-hands meetings. In 2025, a total of 12 monthly all-hands meetings were conducted. In addition, the Human Resources and General Affairs Management Department conducts integrity and ethical conduct training to new hires upon onboarding. At least once a year, the department conducts training on the Integrity Procedures and Code of Conduct, the Code of Ethical Conduct, and related laws and regulations. On August 4, 2025, the department conducted relevant training for current managers and | No major discrepancy |

| Evaluation Project | Current Operation | | | Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Summary | |
| | | | employees. The 1-hour session discussed anti-corruption and corporate integrity, attended by 52 participants. The presentation materials were subsequently distributed to all employees via email. No major violations of the Company's integrity management policies occurred in 2025. | |
| (III) Has the Company established policies to prevent conflicts of interest and provide appropriate communication channels, and implemented such policy properly? | ✓ | | The Company sets forth its policy on preventing conflicts of interest in the "Ethical Corporate Management Operating Procedures and Code of Conduct" , and has established the "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading" to provide directors and managers with explanations on whether there is a potential conflict of interest through appropriate channels. The above procedures are disclosed on the Company website, and are further promoted during senior management meetings to strengthen implementation. there were a total of 24 such executive meetings given in the year of 2025. | No major discrepancy |
| (IV) Has the Company effectively implemented accounting measures and internal control measures for integrity management? Has the internal auditing unit drafted relevant auditing plans in response to the results of the dishonest behavior risk evaluation? Has the internal audit unit verified the implementation of the prevention of dishonest behavior solution or commissioned an accountant to do so? | ✓ | | The Company established an effective accounting system and internal control system to ensure the implementation of ethical corporate management. The internal audit unit assesses the risk of unethical conduct and formulates related audit plans to audit the compliance with unethical conduct prevention programs. The accountants also conduct annual internal control system audits. | No major discrepancy |
| (V) Does the Company regularly hold internal and external training for ethical corporate management? | ✓ | | The Company promotes and allows its employees to clearly understand its ethical corporate management philosophy and standards through business management meetings. | No major discrepancy |
| III. Operation of the whistleblowing channel | | | | |
| (I) Has the Company established a concrete whistleblowing and reward system, established convenient whistleblowing channels, and designated appropriate personnel to handle the case being exposed by the whistle-blower? | ✓ | | The Company has determined a whistle-blowing system and relevant personnel regulations, including a concrete whistle-blowing and incentive system, and has established a whistle-blowing mailbox and 0800 whistle-blowing hotline as convenient whistle-blowing channels. The dedicated unit for accepting investigation of parties who are the subject of whistle-blowing reports in the Audit Office. | No major discrepancy |

| Evaluation Project | Current Operation | | | Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Summary | |
| (II) Has the Company formulated a standard investigation procedure for reported matters, measures for handling the procedures after the investigation, and related confidentiality measures? | ✓ | | The Company's whistle-blowing system already includes standard operating procedures for investigation of whistle-blowing cases, including the following content: Types of whistle-blowing cases, and whistle-blowing operating procedures, etc.; If irregularities reported in whistle-blowing cases have been verified, the relevant units must submit concrete improvement plans and adopt relevant measures, and must submit a report to the Board of Directors when necessary: Confidentiality mechanisms shall be applied throughout the handling of whistle-blowing cases in all circumstances, and the confidentiality of whistle-blowers' identities, whistle-blowing case content, and relevant evidence shall be strictly maintained. | No major discrepancy |
| (III) Has the Company adopted protection against inappropriate disciplinary actions for the whistle-blower? | ✓ | | The Company's whistleblowing system has stipulated related provisions for the protection of whistleblowers, such as prohibiting the disclosure of the whistleblower's identity, and damaging the whistleblower's interests or providing different working conditions, in order to protect the whistleblower from improper treatment due to whistleblowing. | No major discrepancy |
| IV. Strengthening information disclosure<br>Has the Company disclosed content and effectiveness of its ethical corporate management best practice principles on its website and the Market Observation Post System (MOPS)? | ✓ | | The Company has disclosed the Ethical Corporate Management Operating Procedures and Code of Conduct and on its website and the MOPS.<br><br>In addition, the Company's website has a "Corporate Social Responsibility Section" to disclose information related to corporate social responsibility and corporate governance. Ethical corporate management related standards and implementation results are disclosed under the "Corporate Governance Section." | No major discrepancy |
| V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies", describe any gaps between the prescribed best practices and the actual implementation:<br>The Company has established the “Ethical Corporate Management Operating Procedures and Code of Conduct” and the “Code of Ethical Conduct.” There is no difference between its operation and the code established. Good corporate governance and risk management mechanisms are established based on the business philosophy of integrity, fairness, transparency, self-discipline, and responsibility for the Company's sustainable development. | | | | |
| VI. Other important information that facilitates the understanding of the implementation of ethical corporate management: (such as review and amendment of the Company's Ethical Corporate Management Best Practice Principles)<br>Regularly conduct internal audits on daily operating procedures to reduce the possibility of corruption through effective internal control mechanisms and internal | | | | |

| Evaluation Project | Current Operation | | | Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Summary | |
| control self-evaluation. | | | | |

(VII) Disclose other material information that will benefit understanding of the Company's corporate governance status:

Under "Corporate Governance" on the Company's website (http://www.chcg.com), the dedicated section "Corporate Governance Status" is provided for inquiries from investors.

(VIII) The following matters shall be disclosed for the implementation status of the internal control system

1. Internal Control Statement : For detailed information, please refer to the Market Observation Post System at https://mops.twse.com.tw/mops/#/web/t06sg20
2. Any CPA commissioned to conduct a project review of the ICS shall disclose the CPA's audit report: None.

(IX) Major Resolutions of Shareholders' Meeting and Board Meetings

| Type of Meeting | Date | Important Resolutions |
|---|---|---|
| Board of Directors | 2025.02.06 | 1. Proposal to amend the Company's 5th domestic unsecured convertible bond issuance and conversion regulations. |
| Board of Directors | 2025.03.12 | 1. The Company's 2024 parent company only financial report and consolidated financial statement.<br>2. The Company's proposed distribution of earnings in 2024.<br>3. The Company's proposed 2024 business report.<br>4. The Company's proposed 2024 internal control system statement.<br>5. The Company's 2025 business plan and annual budget.<br>6. Distribution of the Company's dividends and bonuses in cash in 2024.<br>7. Distribution of remuneration to employees and directors in 2024.<br>8. The Company's 2024 directors' remuneration report.<br>9. Proposed amendment to the Company's "Articles of Incorporation".<br>10. Proposed amendment to the Company's "Code of Ethical Conduct".<br>11. The Company's 2024 shareholders meeting approved the report on implementation of the private placement of common shares.<br>12. Proposal for the private placement of common shares.<br>13. Proposed lifting of non-compete restrictions on directors.<br>14. The Company's holding of the 2025 annual shareholders' meeting and acceptance of the proposal times and locations proposed by shareholders holding more than 1% of all shares.<br>15. The Company's proposal of loans to affiliates.<br>16. The Company's proposal of endorsements and guarantees for affiliates.<br>17. Proposal of the capital increase record date for exercise of employee stock options and the 4th domestic secured convertible corporate bonds in Q1 2025.<br>18. The Company's proposed CPA appointment and assessment of independence and competence in 2025.<br>19. The Company's proposal to formulate the "Operating Procedures for Sustainability Report Preparation and Assurance".<br>20. The Company's proposed 2024 performance evaluation of the Board of Directors and functional committees.<br>21. Proposed application for bank credit limits.<br>22. The Company's proposed amendments to the "Manager Performance Evaluation and Remuneration Standards" and the "Employee Remuneration Distribution Guidelines".<br>23. Distribution of year-end bonuses to managers in 2024.<br>24. Review and adjustment of remuneration of the Company's Chairman and Vice Chairman. |
| Board of Directors | 2025.05.07 | 1. The Company's proposed Q1 2025 consolidated financial statement.<br>2. The Company's proposal of loans to affiliates.<br>3. Proposal of the capital increase record date for exercise of employee stock options and the 4th domestic secured convertible corporate bonds in Q2 2025.<br>4. Proposed application for bank credit limits.<br>5. The Company intends to incorporate "Employee Remuneration Distribution Guidelines" into the internal control system. |
| Shareholders Meeting | 2025.06.04 | 1. Ratification of the Company's 2024 business report and financial statements.<br>2. Ratification of the proposed 2024 distribution of earnings.<br>3. Approval of the Company's revised Articles of Incorporation. |

| Type of Meeting | Date | Important Resolutions |
|---|---|---|
| | | 4. Approval of lifting the non-compete restrictions on directors.<br>5. Approval of the private placement of common shares. |
| Board of Directors | 2025.06.20 | 1. Proposal to amend the Capital Allocation Plan for the 5th domestic unsecured convertible bond issuance.<br>2. Proposal to amend the Company's 5th domestic unsecured convertible bond issuance and conversion regulations. |
| Board of Directors | 2025.08.06 | 1. The Company's proposed Q2 2025 consolidated financial statement.<br>2. The Company's proposal of loans to affiliates.<br>3. The Company's proposal of endorsements and guarantees for affiliates.<br>4. Proposal of the capital increase record date for the conversion of the 4th domestic secured convertible bonds and the 5th domestic unsecured convertible bonds in Q3 2025.<br>5. Proposal to amend the Company's Personal Data Protection Management.<br>6. Proposal to amend the Company's General Principles of its internal control system.<br>7. Proposed application for bank credit limits.<br>8. The Company's proposed 2024 Sustainability Report. |
| Board of Directors | 2025.09.26 | 1. Proposal to amend the Capital Allocation Plan for the 5th domestic unsecured convertible bond issuance.<br>2. The Company's proposal of loans to affiliates.<br>3. Proposed budget for the construction of the Hsing-Lin Park Project by the subsidiary Hsing-Yeh Biotechnology Co., Ltd. |
| Board of Directors | 2025.11.05 | 1. The Company's proposed Q3 2025 consolidated financial statement.<br>2. The Company's proposed 2026 internal audit plan.<br>3. The Company's proposal of loans to affiliates.<br>4. The Company's proposal of endorsements and guarantees for affiliates.<br>5. Proposal of the capital increase record date for the conversion of the 5th domestic unsecured convertible bonds in Q4 2025.<br>6. Proposal to update the Company's internal control system, including the addition of the "Production Cycle" and the revision to the "Purchasing and Payment Cycle."<br>7. Proposal to amend the Company's Regulations Governing Distribution of Remuneration to Employees.<br>8. Proposal to amend the "Payroll Cycle" of the Company's internal control system.<br>9. Proposal to amend the Company's Regulations for Board of Directors' Performance Evaluation.<br>10. Proposed provision of remuneration to directors and employees for 2025.<br>11. Implementation status of the Company's 2025 plan for succession of the Board of Directors and key management positions.<br>12. Proposed application for bank credit limits. |
| Board of Directors | 2025.11.13 | 1. Proposal for the dismissal of the Chairman and Vice Chairman.<br>2. Proposal to re-elect the Chairman and Vice Chairman. |
| Board of Directors | 2025.11.13 | 1. Proposal for the review of the remuneration for the Company's Chairman and Vice Chairman. |
| Board of Directors | 2026.03.10 | 1. The Company's 2025 parent company-only financial report and consolidated financial statement.<br>2. The Company's proposed distribution of earnings in 2025. |

| Type of Meeting | Date | Important Resolutions |
|---|---|---|
| | | 3. The Company’s proposed 2025 business report.<br>4. The Company’s proposed 2025 internal control system statement.<br>5. The Company’s 2026 business plan and annual budget.<br>6. Distribution of the Company’s dividends and bonuses in cash in 2025.<br>7. Distribution of remuneration to employees and directors in 2025.<br>8. The Company’s 2025 directors’ remuneration report.<br>9. Report on the status of the private placement of common shares approved by the Company's 2025 Annual Shareholders’Meeting.<br>10. Proposed amendment to the Company’s “Articles of Incorporation”.<br>11. Proposed election of all directors.<br>12. Nomination of candidates for directors and independent directors and review of the nominated candidates' qualifications.<br>13. Proposed lifting of non-compete restrictions on newly-appointed directors.<br>14. Matters relating to the Company's 2026 Annual Shareholders’Meeting and the submission period and location for proposals and nominations from shareholders holding 1% or more of all shares.<br>15. The Company's proposal of loans to affiliates.<br>16. Proposal of the capital increase record date for the conversion of the 5th domestic secured convertible bonds in Q1 2026.<br>17. The Company’s proposed CPA appointment and assessment of independence and competence in 2026.<br>18. Proposal to amend the Company's Implementation Rules of Internal Audit.<br>19. The Company’s proposed 2025 performance evaluation of the Board of Directors and functional committees.<br>20. Distribution of year-end bonuses to managers in 2025.<br>21. Proposed application for bank credit limits.<br>22. Proposal for the review of the remuneration for the Company's Chairman and Vice Chairman. |
| Board of Directors | 115.04.22 | 1.The Company's proposed private placement of common shares.<br>2. The Company's proposed revision of the " General Principles”,”Internal Audit Implementation Rules”, “Production Cycle”.<br>3. The Company's proposed revision of the "Corporate Governance Best Practice Principles."<br>4. Added matters concerning the holding of the Company's 2026 annual shareholders meeting. |
| Board of Directors | 115.05.06 | 1. The Company’s proposed Q1 2026 consolidated financial statement.<br>2. The Company’s proposal of loans to affiliates.<br>3. The Company’s proposal of endorsements and guarantees for affiliates.<br>4. Proposal of the capital increase record date for the conversion of the 5th domestic secured convertible bonds in Q2 2026.<br>5. Proposed application for bank credit limits.<br>6. Proposal of buying the Company’s stocks for transfer to employees based on relevant regulations. |

(X) For the most recent year and as of the date of this annual report, the Directors or Supervisors have agreed that the dissenting opinions concerning important resolutions passed by the Board of Directors have been documented or declared in written form; main content includes:

None.

IV. Information concerning fees paid to CPA

(I) Audit and non-audit fees paid to CPA, to the accounting firm of the CPA, and its affiliates, and content of non-audit services

Units: NT$ thousand

| Accounting firm | Name of CPA | Audit period | Audit fee | Non- audit fee | Total | Remarks |
|---|---|---|---|---|---|---|
| PricewaterhouseCoopers (PwC) Taiwan | Yu-Fang Yen<br>Sheng-Wei, Teng | 2025 | 2,310 | 450 | 2,760 | Tax certification, foreign language translation, and reviewing of the salary information checklist for full-time employees not in managerial positions |

The following items should be disclosed in any of the following circumstances:

1. If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amounts of the audit fees before and after the replacement and the causes shall be disclosed

N/A.

2. Where accounting fees paid for the year were at least 10% less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed

N/A.

V. Replacement of CPA

(I) Regarding the former CPA

N/A.

(II) Regarding the successor CPA

N/A.

(III) Letter from the former CPA in response to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Regulations Governing Information to be Published in Annual Reports of Public Companies

N/A.

VI. If the Company's Chairman, President, and managers in charge of its finance and accounting operations had worked for the CPA's accounting firm or its affiliate in the past year, the name, title, and duration at the CPA's accounting firm or affiliate should be disclosed.

None.

VII. Changes in shareholding of directors, supervisors, managers, major shareholders

(I) Changes of equity by directors, supervisors, managers, and key shareholders (holding more than 10% of total shares)

(1) For detailed information on equity transfer, please refer to the Market Observation Post System (https://mops.twse.com.tw/mops/#/web/query6_1) by navigating to: Basic Information → Shareholdings, Pledges, and Transfers of Directors, Supervisors, and Major Shareholders → Summary Table of Changes in Shareholding of Directors and

Supervisors → “Summary Table of Changes in Shareholding of Directors, Supervisors, Managers, and Major Shareholders Holding 10% of Shares or More” and “Summary Table of Pledge Established by Directors, Supervisors, Managers, and Major Shareholders Holding 10% of Shares or More”. https://mops.twse.com.tw/mops/#/web/query6_1

(2)For detailed information on changes in share pledge: please refer to the Market Observation Post System via the following link: https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(II) Information on the related parties of equity transfers

None.

(III)Information on where the counterparties of equity pledges are related parties

None.

## VIII. Relationship among the top ten shareholders

Units: share

| Name | Current shareholding | | Spouse & minor shareholding | | Shareholding by nominee arrangement | | Name and relationship between the company's top ten shareholders, or spouses or relatives within two degrees | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | % | Shares | % | Shares | % | Name | Relationship | |
| Princeton Healthcare Limited<br>Representative: Pei-Lin, Lee | 28,257,983 | 14.47% | 0 | 0.00% | 0 | 0.00% | Su-Ching, Chen | The representative of Princeton Healthcare Limited is the spouse of Su-Ching, Chen. | N/A |
| | 6,426,151 | 3.29% | 3,863,808 | 1.98% | 0 | 0.00% | Tien-Ying, Lee | The representative of Princeton Healthcare Limited and Tien-Ying, Lee are father and son. | |
| Tien- Ying, Lee | 9,613,985 | 4.92% | 22,000 | 0.01% | 0 | 0.00% | Princeton Healthcare Limited | Tien-Ying, Lee and the representative of Princeton Healthcare Limited are father and son. | N/A |
| | | | | | | | Pei-Lin, Lee | Father and son | |
| | | | | | | | Su-Ching, Chen | Mother and son | |
| Pei-Lin, Lee | 6,426,151 | 3.29% | 3,863,808 | 1.98% | 28,257,983 | 14.47% | Princeton Healthcare Limited | Representative of Princeton Healthcare Limited | N/A |
| | | | | | | | Su-Ching, Chen | Spouse | |
| | | | | | | | Tien- Ying, Lee | Father and son | |
| Shui-Cheng Tu | 5,239,033 | 2.68% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | N/A |
| Errand Co., LTD.<br>Representative: Kun-Chang Su | 4,722,000 | 2.42% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | N/A |
| | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | |
| Su-Ching, Chen | 3,863,808 | 1.98% | 6,426,151 | 3.29% | 0 | 0.00% | Princeton Healthcare Limited | Su-Ching, Chen is the spouse of the representative of Princeton Healthcare Limited. | N/A |
| | | | | | | | Pei-Lin, Lee | Spouse | |
| | | | | | | | Tien- Ying, Lee | Mother and son | |

| Name | Current shareholding | | Spouse & minor shareholding | | Shareholding by nominee arrangement | | Name and relationship between the company's top ten shareholders, or spouses or relatives within two degrees | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | % | Shares | % | Shares | % | Name | Relationship | |
| Chia-Yuan Investment Co., Ltd. Representative: Su-Chiu, Wu | 3,481,000 | 1.78% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | N/A |
| | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | |
| Cun Shang Tian Yuan Co., Ltd. Representative: You-Tung Chien | 3,053,000 | 1.56% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | N/A |
| | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | |
| Morgan Stanley and Co. International Ltd. investment account under the custody of HSBC Bank (Taiwan) Limited | 2,099,342 | 1.07% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | N/A |
| Hang Chang | 1,611,182 | 0.82% | 0 | 0.00% | 0 | 0.00% | N/A | N/A | N/A |

IX. The number of shares of reinvested businesses concurrently held by the Company, the Company's directors, supervisors, managers, and affiliates directly/indirectly controlled by the Company, and the consolidated shareholding ratio.

March 31, 2026 Units: thousand shares/%

| Reinvested Companies (Note 1) | Ownership by the Company | | Direct or Indirect Ownership by Directors/Supervisors/ Managers | | Total Ownership | |
|---|---|---|---|---|---|---|
| | Shares | % | Shares | % | Shares | % |
| Chiu Ho Medical System Co., Ltd. | 445,000 | 100% | 0 | 0% | 445,000 | 100% |
| TOMORROW MEDICAL SYSTEM CO., LTD | 90,800 | 100% | 0 | 0% | 90,800 | 100% |
| Chiu Ho Scientific Co., Ltd. | 9,854 | 100% | 0 | 0% | 9,854 | 100% |
| Hua Lin Instruments Co., Ltd. | 30,000 | 100% | 0 | 0% | 30,000 | 100% |
| Shin-Ho Biotech Co., Ltd. | 49,300 | 100% | 0 | 0% | 49,300 | 100% |
| E Century Health Care Corporation | 44,000 | 100% | 0 | 0% | 44,000 | 100% |
| TONG-LIN INSTRUMENTS CO., LTD. | 31,000 | 100% | 0 | 0% | 31,000 | 100% |
| Chiu Ho Biotech Co., Ltd. | 6,000 | 100% | 0 | 0% | 6,000 | 100% |
| CHC Healthcare (BVI) Limited | 0.94 | 100% | 0 | 0% | 0.94 | 100% |
| CHC Healthcare (HK) Limited | 100 | 100% | 0 | 0% | 100 | 100% |
| CHC (Guangzhou) Medical Technology Co., Ltd. | USD 9,503,000 (Note 2) | 100% | 0 | 0% | USD 9,503,000 (Note 2) | 100% |
| Chiu Ho (CHINA) Medical Technology Co., Ltd | USD 7,544,000 (Note 2) | 100% | 0 | 0% | USD 7,544,000 (Note 2) | 100% |
| Hsing-Yeh Biotechnology Co., Ltd | 93,600 | 100% | 0 | 0% | 93,600 | 100% |
| Neusoft CHC Medical Service Co., Ltd | RMB 3,672,000 (Note 2) | 51% | 0 | 0% | RMB 3,672,000 (Note 2) | 51% |
| SenCare Healthcare Company | 19,400 | 65.99% | 0 | 0% | 19,400 | 65.99% |
| PT CHC Medika Indonesia | 2.566 | 100% | 0 | 0% | 2.566 | 100% |
| CHC Long-Term Care Corporation | NT$ 31,040,000 (Note 3) | 97% | NT$ 960,000 (Note 3) | 3% | NT$ 32,000,000 (Note 3) | 100% |
| Treasure of Health Co., Ltd. | 6,653 | 50% | 0 | 0% | 6,653 | 50% |
| CHC Healthcare (UK) Limited | 380 | 100% | 0 | 0% | 380 | 100% |
| Exotic Pet Care Experts Co., Ltd. | 408 | 51% | 0 | 0% | 408 | 51% |
| K&M International Trading Co., Ltd. | 2,607 | 90% | 0 | 0% | 2,607 | 90% |
| Let We Care Seniors Service Co., Ltd. | 472 | 74.88% | 0 | 0% | 472 | 74.88% |

| Reinvested Companies (Note 1) | Ownership by the Company | | Direct or Indirect Ownership by Directors/Supervisors/ Managers | | Total Ownership | |
|---|---|---|---|---|---|---|
| | Shares | % | Shares | % | Shares | % |
| Happy Healthcare Company | 1,014 | 51% | 0 | 0% | 1,014 | 51% |
| CHENG-HSIN Biotechnology Co., Ltd | 1,200 | 40% | 0 | 0% | 1,200 | 40% |

Note 1: The Company's long-term investments recognized under the equity method.
Note 2: It is a company limited by shares that has not issued shares, so the capital contribution amount and capital contribution ratio were provided.
Note 3: It is a corporation that has not issued shares, so the capital contribution amount and capital contribution ratio were provided.

# Three. Capital Overview

## I. Capital and Shares

### (I) Sources of capital

Units: Shares; NT$

| Month/Year | Par value (NT$) | Authorized capital | | Paid-in capital | | Remarks | | |
|---|---|---|---|---|---|---|---|---|
| | | Shares | Ratio | Shares | Ratio | Sources of Capital | Capital Increased by Assets Other than Cash | Others |
| Nov. 2009 | 10 | 100,000 | 1,000,000 | 10,000 | 100,000 | Incorporation | None | Note 1 |
| Dec. 2009 | 13.6585 | 60,000,000 | 600,000,000 | 60,000,000 | 600,000,000 | Conversion of 44,818,604 shares and exchange of 15,171,396 shares | None | Note 2 |
| Feb. 2010 | 13.6585 | 100,000,000 | 1,000,000,000 | 78,742,908 | 787,429,080 | Cash capital increase | None | Note 3 |
| Mar. 2010 | 13.6585 | 130,000,000 | 1,300,000,000 | 101,407,472 | 1,014,074,720 | Cash capital increase | None | Note 4 |
| Dec. 2010 | 77 | 130,000,000 | 1,300,000,000 | 105,303,576 | 1,053,035,760 | Cash capital increase | None | Note 5 |
| June 2011 | 71.5 | 130,000,000 | 1,300,000,000 | 108,103,576 | 1,081,035,760 | Cash capital increase | None | Note 6 |
| Nov. 2012 | 78 | 130,000,000 | 1,300,000,000 | 120,000,000 | 1,200,000,000 | Cash capital increase | None | Note 7 |
| Oct. 2013 | 80 | 200,000,000 | 2,000,000,000 | 130,000,000 | 1,300,000,000 | Cash capital increase | None | Note 8 |
| Oct. 2014 | 10 | 200,000,000 | 2,000,000,000 | 130,264,250 | 1,302,642,500 | Exercise of employee stock options | None | Note 9 |
| Jan. 2015 | 10 | 200,000,000 | 2,000,000,000 | 130,346,000 | 1,303,460,000 | Exercise of employee stock options | None | Note 10 |
| Apr. 2015 | 10 | 200,000,000 | 2,000,000,000 | 130,373,250 | 1,303,732,500 | Exercise of employee stock options | None | Note 11 |
| July 2015 | 10 | 200,000,000 | 2,000,000,000 | 130,383,250 | 1,303,832,500 | Exercise of employee stock options | None | Note 12 |
| Oct. 2015 | 10 | 200,000,000 | 2,000,000,000 | 130,409,750 | 1,304,097,500 | Exercise of employee stock options | None | Note 13 |
| Dec. 2015 | 58.8 | 200,000,000 | 2,000,000,000 | 139,409,750 | 1,394,097,500 | Cash capital increase | None | Note 14 |
| Jan. 2016 | 10 | 200,000,000 | 2,000,000,000 | 139,702,750 | 1,397,027,500 | Exercise of employee stock options | None | Note 14 |
| Apr. 2016 | 10 | 200,000,000 | 2,000,000,000 | 139,723,750 | 1,397,237,500 | Exercise of employee stock options | None | Note 15 |
| Aug. 2016 | 10 | 200,000,000 | 2,000,000,000 | 139,733,750 | 1,397,337,500 | Exercise of employee stock options | None | Note 16 |
| Oct. 2016 | 10 | 200,000,000 | 2,000,000,000 | 139,793,750 | 1,397,937,500 | Exercise of employee stock options | None | Note 17 |

| Month/Year | Par value (NT$) | Authorized capital | | Paid-in capital | | Remarks | | |
|---|---|---|---|---|---|---|---|---|
| | | Shares | Ratio | Shares | Ratio | Sources of Capital | Capital Increased by Assets Other than Cash | Others |
| Jan. 2017 | 10 | 200,000,000 | 2,000,000,000 | 139,847,750 | 1,398,477,500 | Exercise of employee stock options | None | Note 18 |
| Apr. 2017 | 10 | 200,000,000 | 2,000,000,000 | 139,855,750 | 1,398,557,500 | Exercise of employee stock options | None | Note 19 |
| Jul. 2017 | 10 | 200,000,000 | 2,000,000,000 | 139,870,750 | 1,398,707,500 | Exercise of employee stock options | None | Note 20 |
| Oct. 2017 | 10 | 200,000,000 | 2,000,000,000 | 139,913,621 | 1,399,136,210 | Exercise of employee stock options | None | Note 21 |
| Jul. 2019 | 10 | 250,000,000 | 2,500,000,000 | 140,386,871 | 1,403,868,710 | Exercise of employee stock options | None | Note 22 |
| Nov. 2019 | 10 | 250,000,000 | 2,500,000,000 | 141,633,539 | 1,416,335,390 | Exercise of employee stock options and conversion of convertible bonds | None | Note 23 |
| Aug. 2020 | 10 | 250,000,000 | 2,500,000,000 | 141,865,789 | 1,418,657,890 | Exercise of employee stock options | None | Note 24 |
| Oct. 2020 | 10 | 250,000,000 | 2,500,000,000 | 151,289,882 | 1,512,898,820 | Exercise of employee stock options and conversion of convertible bonds | None | Note 25 |
| Jan. 2021 | 10 | 250,000,000 | 2,500,000,000 | 157,043,855 | 1,570,438,550 | Exercise of employee stock options and conversion of convertible bonds | None | Note 26 |
| Apr. 2021 | 10 | 250,000,000 | 2,500,000,000 | 157,067,355 | 1,570,673,550 | Exercise of employee stock options | None | Note 27 |
| July 2021 | 10 | 250,000,000 | 2,500,000,000 | 157,293,355 | 1,572,933,550 | Exercise of employee stock options | None | Note 28 |
| Nov. 2021 | 10 | 250,000,000 | 2,500,000,000 | 157,327,605 | 1,573,276,050 | Exercise of employee stock options | None | Note 29 |
| Nov. 2021 | 10 | 250,000,000 | 2,500,000,000 | 156,327,605 | 1,563,276,050 | Canceled treasury stock | None | Note 29 |
| **Nov. 2021** | **35.1** | **250,000,000** | **2,500,000,000** | **161,049,605** | **1,610,496,050** | **Private placement of common shares** | **None** | **Note 29** |

| Month/Year | Par value (NT$) | Authorized capital | | Paid-in capital | | Remarks | | |
|---|---|---|---|---|---|---|---|---|
| | | Shares | Ratio | Shares | Ratio | Sources of Capital | Capital Increased by Assets Other than Cash | Others |
| Jan. 2022 | 10 | 250,000,000 | 2,500,000,000 | 161,053,605 | 1,610,536,050 | Exercise of employee stock options | None | Note 30 |
| Apr. 2022 | 10 | 250,000,000 | 2,500,000,000 | 161,084,105 | 1,610,841,050 | Exercise of employee stock options | None | Note 31 |
| Aug. 2022 | 10 | 250,000,000 | 2,500,000,000 | 161,534,855 | 1,615,348,550 | Exercise of employee stock options | None | Note 32 |
| Nov. 2022 | 10 | 250,000,000 | 2,500,000,000 | 161,543,105 | 1,615,431,050 | Exercise of employee stock options | None | Note 33 |
| Jan. 2023 | 10 | 250,000,000 | 2,500,000,000 | 161,553,105 | 1,615,531,050 | Exercise of employee stock options | None | Note 34 |
| May 2023 | 10 | 250,000,000 | 2,500,000,000 | 163,785,694 | 1,637,856,940 | Exercise of employee stock options and conversion of convertible bonds | None | Note 35 |
| Jul. 2023 | 10 | 250,000,000 | 2,500,000,000 | 164,967,136 | 1,649,671,360 | Exercise of employee stock options and conversion of convertible bonds | None | Note 36 |
| Nov. 2023 | 10 | 250,000,000 | 2,500,000,000 | 166,050,291 | 1,660,502,910 | Exercise of employee stock options and conversion of convertible bonds | None | Note 37 |
| Feb. 2024 | 10 | 250,000,000 | 2,500,000,000 | 166,419,375 | 1,664,193,750 | Exercise of employee stock options and conversion of convertible bonds | None | Note 38 |
| Apr. 2024 | 10 | 250,000,000 | 2,500,000,000 | 166,755,598 | 1,667,555,980 | Exercise of employee stock options and conversion of convertible bonds | None | Note 39 |
| Aug. 2024 | 10 | 250,000,000 | 2,500,000,000 | 166,845,149 | 1,668,451,490 | Conversion of convertible corporate bonds | None | Note 40 |

| Month/Year | Par value (NT$) | Authorized capital | | Paid-in capital | | Remarks | | |
|---|---|---|---|---|---|---|---|---|
| | | Shares | Ratio | Shares | Ratio | Sources of Capital | Capital Increased by Assets Other than Cash | Others |
| Jan. 2025 | 10 | 250,000,000 | 2,500,000,000 | 166,865,149 | 1,668,651,490 | Exercise of employee stock options | None | Note 41 |
| May 2025 | 10 | 250,000,000 | 2,500,000,000 | 184,648,871 | 1,846,488,710 | Exercise of employee stock options and conversion of convertible bonds | None | Note 42 |
| Sep. 2025 | 10 | 250,000,000 | 2,500,000,000 | 185,711,966 | 1,857,119,660 | Exercise of employee stock options and conversion of convertible bonds | None | Note 43 |
| Oct. 2025 | 10 | 250,000,000 | 2,500,000,000 | 195,310,989 | 1,953,109,890 | Conversion of convertible corporate bonds | None | Note 44 |

Note 1: Letter of Approval, dated 11/27/2009, Fu-Tsen-Yie-Shan-Zi No.09891131200.
Note 2: Letter of Approval, dated 12/18/2009, Gin-Sho-Shan-Zi No.09801290060.
Note 3: Letter of Approval, dated 02/09/2010, Gin-Sho-Shan-Zi No.09901029260.
Note 4: Letter of Approval, dated 03/17/2010, Gin-Sho-Shan-Zi No.09901050740.
Note 5: Letter of Approval, dated 12/22/2010, Gin-Sho-Shan-Zi No.09901281880.
Note 6: Letter of Approval, dated 06/09/2011, Gin-Sho-Shan-Zi No.10001115870.
Note 7: Letter of Approval, dated 11/08/2012, Gin-Sho-Shan-Zi No.10101231660.
Note 8: Letter of Approval, dated 10/11/2013, Gin-Sho-Shan-Zi No.10201208320.
Note 9: Letter of Approval, dated 10/17/2014, Gin-Sho-Shan-Zi No.10301216930.
Note 10: Letter of Approval, dated 01/26/2015, Gin-Sho-Shan-Zi No.10401007850.
Note 11: Letter of Approval, dated 04/24/2015, Gin-Sho-Shan-Zi No.10401068910.
Note 12: Letter of Approval, dated 07/23/2015, Gin-Sho-Shan-Zi No.10401147860.
Note 13: Letter of Approval, dated 10/14/2015, Gin-Sho-Shan-Zi No.10401214610.
Note 14: Letter of Approval, dated 01/08/2016, Gin-Sho-Shan-Zi No.10501000920.
Note 15: Letter of Approval, dated 04/14/2016, Gin-Sho-Shan-Zi No.10501069930.
Note 16: Letter of Approval, dated 08/03/2016, Gin-Sho-Shan-Zi No.10501170840.
Note 17: Letter of Approval, dated 10/18/2016, Gin-Sho-Shan-Zi No.10501243740.
Note 18: Letter of Approval, dated 01/17/2017, Gin-Sho-Shan-Zi No.10601006010.
Note 19: Letter of Approval, dated 04/19/2017, Gin-Sho-Shan-Zi No.10601049020.
Note 20: Letter of Approval, dated 07/18/2017, Gin-Sho-Shan-Zi No.10601101290.
Note 21: Letter of Approval, dated 10/20/2017, Gin-Sho-Shan-Zi No.10601143210.
Note 22: Letter of Approval, dated 07/01/2019, Gin-Sho-Shan-Zi No.10801077540 and dated 07/24/2019, Gin-Sho-Shan-Zi No. 10801088920.
Note 23: Letter of Approval, dated 11/04/2019, Gin-Sho-Shan-Zi No.10801138690.
Note 24: Letter of Approval, dated 08/03/2020, Gin-Sho-Shan-Zi No.10901132660.
Note 25: Letter of Approval, dated 10/14/2020, Gin-Sho-Shan-Zi No.10901195090.
Note 26: Letter of Approval, dated 01/15/2021, Gin-Sho-Shan-Zi No.11001009100.
Note 27: Letter of Approval, dated 04/28/2021, Gin-Sho-Shan-Zi No.11001063840.
Note 28: Letter of Approval, dated 07/14/2021, Gin-Sho-Shan-Zi No.11001121250.
Note 29: Letter of Approval, dated 11/12/2021, Gin-Sho-Shan-Zi No.11001193180.
Note 30: Letter of Approval, dated 01/19/2022, Gin-Sho-Shan-Zi No.11101007390.
Note 31: Letter of Approval, dated 04/18/2022, Gin-Sho-Shan-Zi No.11101065410.
Note 32: Letter of Approval, dated 08/12/2022, Gin-Sho-Shan-Zi No.11101133650.
Note 33: Letter of Approval, dated 11/22/2022, Gin-Sho-Shan-Zi No.11101200060.

Note 34: Letter of Approval, dated 01/17/2023, Gin-Sho-Shan-Zi No.11230009520.
Note 35: Letter of Approval, dated 05/09/2023, Gin-Sho-Shan-Zi No.11230063290.
Note 36: Letter of Approval, dated 07/25/2023, Gin-Sho-Shan-Zi No.11230142710.
Note 37: Letter of Approval, dated 11/14/2023, Gin-Sho-Shan-Zi No.11230197500.
Note 38: Letter of Approval, dated 02/05/2024, Gin-Sho-Shan-Zi No.11330006500.
Note 39: Letter of Approval, dated 04/29/2024, Gin-Sho-Shan-Zi No.11330060980.
Note 40: Letter of Approval, dated 08/12/2024, Gin-Sho-Shan-Zi No.11330129210.
Note 41: Letter of Approval, dated 01/20/2025, Gin-Sho-Shan-Zi No.11430003990.
Note 42: Letter of Approval, dated 05/05/2025, Gin-Sho-Shan-Zi No.11430052910.
Note 43: Letter of Approval, dated 09/05/2025, Gin-Sho-Shan-Zi No.11430115010.
Note 44: Letter of Approval, dated 10/30/2025, Gin-Sho-Shan-Zi No.11430166480.

Units: share

| Types of Shares | Authorized capital | | | Remarks |
|---|---|---|---|---|
| | Issued Shares (Note) | Un-issued Shares | Total | |
| Registered ordinary shares | 195,310,989 | 54,689,011 | 250,000,000 | |

Note 1: The Company's stocks are listed stocks.
Note 2: The Company’s repurchase of treasury shares are 381,000 shares up to the date of the annual report.

(II) List of major shareholders (list all shareholders with 5% or more shares, or the names of the top ten shareholders, and specify the number of shares and percentage held by each shareholder on the list)

April 6, 2026 Units: share

| Shares / Major Shareholders | Shareholding | % |
|---|---|---|
| Princeton Healthcare Limited | 28,257,983 | 14.47% |
| Tien-Ying, Lee | 9,613,985 | 4.92% |
| Pei-Lin, Lee | 6,426,151 | 3.29% |
| Shui-Cheng Tu | 5,239,033 | 2.68% |
| Errand Co., LTD. | 4,722,000 | 2.42% |
| Su-Ching, Chen | 3,863,808 | 1.98% |
| Chia-Yuan Investment Co., Ltd. | 3,481,000 | 1.78% |
| Cun Shang Tian Yuan Co., Ltd. | 3,053,000 | 1.56% |
| Morgan Stanley and Co. International Ltd. investment account under the custody of HSBC Bank (Taiwan) Limited | 2,099,342 | 1.07% |
| Hang Chang | 1,611,182 | 0.82% |

(III)Dividend Policy and Implementation Status

1. Dividend policy set forth in the Articles of Incorporation

In accordance with law, taxes shall first be paid from any earnings remaining in the Company's final accounts at year-end, and then funds used to make up losses from past years; if there is still a remaining balance, 10% shall be contributed to the statutory reserve. However, when the statutory reserve has already reached the Company's paid-in capital, this requirement shall not apply. The Company shall then allocate or reverse the special reserve in accordance with the law. If there is still any profit remaining, it will be combined with accumulated undistributed earnings in previous years into accumulated distributable earnings to shareholders, and at least 50% shall be allocated for the earnings distribution proposal prepared by the Board of Directors and submitted to the shareholder's meeting for approval before being distributed.

Pursuant to the Company Act, the Company authorizes the Board of Directors to distribute all or a part of dividends or legal reserve and capital surplus specified in Article 241, Paragraph 1 of the Company Act in cash by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

The Company is currently in a growth stage and plans to adopt a balanced dividend policy in distributing dividends, with appropriate distribution of stock dividends and cash dividends. The Company's dividends shall be distributed in the form of cash dividends ranging from 20% to 100% of the total annual distribution. However, the actual distribution ratio may be adjusted based on the actual profit status of the current year and future capital

planning.

2. Distribution of shareholder dividends proposed in the latest shareholders' meeting

The Company's 2025 earnings distribution proposal was approved by a resolution of the Board of Directors on March 10, 2026, with the cash dividend of NT$1.1 per share for a total of NT$214,842,088 and awaits submission to the 2026 Annual Shareholders' Meeting.

3. Expected material changes to the dividend policy: None.

(IV) Effect of the proposed stock dividends (to be adopted by the shareholders' meeting) on the Company's business performance and earnings per share

The Company's 2025 earnings distribution proposal was approved by a resolution of the Board of Directors on March 10, 2026, with a cash dividend of NT$1.1 per share to be distributed; no stock dividends are consequently to be distributed and there will be no resulting impact.

(V) Remuneration to employees, directors and supervisors

1. Percentage or scope of remuneration to employees, directors, and supervisors provided in Company's Articles of Incorporation

If there is an outstanding balance after subtracting cumulative losses from the Company's profits for the year (pre-tax profit before subtracting remuneration to employees and directors), at least 0.05% shall be appropriated as employee remuneration; and no more than 5% shall be distributed as directors' remuneration.

Of the aforementioned employee remuneration, no less than 20% shall be appropriated to entry-level employees.

The distribution of employees' and directors' remuneration in the preceding two paragraphs shall be determined by a resolution adopted by a majority vote at a Board of Directors' meeting attended by two-thirds or more of the directors, and be reported at a shareholders' meeting.

Employee bonuses may be paid in shares or cash. Employees of subsidiaries that meet certain criteria may also qualify. The distribution regulations are established by the chairman.

2. Basis for estimating the amount of remuneration of employees, directors, and supervisors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period

The basis for estimating the Company's remuneration to employees and directors and the basis for calculating the number of shares distributed as stock dividends are based on the ratio specified in the Articles of Incorporation, and are recognized as expenses and liabilities. However, if the amount decided by the Board of Directors is significantly different from the estimate, the profit or loss for the current year will be adjusted retrospectively. If the actual amount decided by the shareholders' meeting is different from the estimate, it will be recognized as profit or loss in the following year.

3. Distribution of remuneration passed by the Board of Directors

(1) The amount of employees' remuneration and directors' and supervisors' remuneration distributed in cash or stock. In case of any discrepancy between the amounts and the amortized estimates for the year, the differences, reasons, and responses shall be disclosed.

This has been approved by a resolution of the Board meeting on March 10, 2026, but is yet to be submitted to the 2026 Annual Shareholders' Meeting.

The employee bonuses and remuneration of directors and supervisors approved by the Board of Directors is as follows:

| Distribution Items | Amount (NT$) |
|---|---|
| Cash dividend to employees | 115,000 |
| Stock dividend to employees | None |
| Remuneration to directors and supervisors | 5,600,000 |

The foregoing proposed remuneration to employees and directors and supervisors approved by the Board of Directors is not different from the estimated amount in 2025.

(2) The amount of employee remuneration to be paid in stocks as a percentage of the sum of net income after tax on the standalone financial statements and total employee remuneration

The Company's remuneration to employees was resolved by the Board of Directors on March 10, 2026 without stock dividend planned; therefore, it is not applicable.

4. Actual distribution of remuneration to employees, directors, and supervisors in the previous year (including dividend shares, amount, and stock price), discrepancies, if any, from the amount of remuneration to employees, directors, and supervisors previously recognized, and the causes and treatments for the discrepancies

For the 2024 earnings distributions proposal passed by the shareholders' meeting on June 4, 2025, the actual cash dividend and stock dividend to employees, and remuneration to directors and supervisors are as follows:

| Distribution Items | Amount (NT$) |
|---|---|
| Employee cash bonus | 150,000 |
| Employee stock bonus | None |
| Remuneration to directors and supervisors | 5,600,000 |

The aforementioned dividend distribution is not different from the estimated amount in 2024 and the amount approved by a resolution of the Board of Directors on March 12, 2025.

(VI) Buy-back of Treasury Stock : (Any repurchase still in progress)

May 15th, 2026

| | |
|---|---|
| Treasury stocks: Batch Order | 2nd Batch |
| Purpose of buy-back | Share transfer to employees |
| Type of shares repurchased | Common stock |
| Limit on the total value of shares repurchased | NT$69,000,000 |
| Period for share repurchase | May 7, 2026 – July 5, 2026 |
| Quantity of shares to be repurchased | 1,500,000 shares |
| Price range | NT$30-NT$46 |
| Class, quantity of shares repurchased | Common stock 381,000 shares |
| Value of shares repurchased | NT$ 10,978,265 |
| Quantity of repurchased shares as a percentage of total shares to be repurchased (%) | 25.4 % |

II. Bonds

(I) Bonds

| Type of corporate bond | The 5th domestic unsecured convertible corporate bond |
|---|---|
| Date of issue | June 20, 2025 |
| Face value | NT$100,000 |
| Place of issuance and transaction | Domestic |
| Issuance price | Issued at 100.5% of par value |
| Total amount | NT$900,000,000 |
| Interest rate | 0% |
| Term | 5-year<br>Due date: June 20, 2030 |
| Guarantee agency | N/A |
| Trustee | Bank SinoPac |
| Underwriting institution | Taishin Securities Co., Ltd. |
| Certification Lawyer | Handsome Attorneys-at-Law Lawyer Yawen Qiu |
| Certification CPA | PricewaterhouseCoopers (PwC) Taiwan<br>Yu-Fang Yen, CPA/Pei-Lin Tu, CPA |
| Repayment method | According to Article 5 of the Conversion Regulations, the coupon rate of the Convertible Bonds is 0%; therefore, no interest payment date or method is applicable. Unless the Bondholders convert the Convertible Bonds into common shares of the Company in accordance with Article 10 of the Conversion Regulations, exercise the put option in accordance with Article 19 thereof, the Company redeems the Convertible Bonds early in accordance with Article 18 thereof, or the Company repurchases and cancels the Convertible Bonds through a securities firm, the Company shall, within ten (10) business days after the maturity date, repay the Convertible Bonds in cash in a lump sum at their par value. If the repayment date falls on a day when the Taiwan Stock Exchange in Taipei is closed, such payment shall be postponed to the next business day. |
| Unpaid principal | NT$900,000,000 |
| Redemption or early payment terms | Please refer to the Company's 5th Domestic Unsecured Convertible Bond Issuance and Conversion Regulations. |
| Restrictions | Please refer to the Company's 5th Domestic Unsecured Convertible Bond Issuance and Conversion Regulations. |
| Names of credit rating agencies, evaluation dates, corporate bond evaluation results | N/A |

| Type of corporate bond | | The 5th domestic unsecured convertible corporate bond |
|---|---|---|
| Other rights attached | Common stock amount, overseas depositary receipts, or other securities that have been converted (exchanged or subscribed) as of the annual report printing date | No bondholders have exercised their conversion rights for the Convertible Bonds to date. |
| | Issuance and Conversion (stock exchange or subscription) Rules | Please refer to the Company's 5th Domestic Unsecured Convertible Bond Issuance and Conversion Regulations. |
| The issuance and conversion, stock exchange or subscription method, and the impact of the issuance conditions on possible dilution of equity and existing shareholders' equity | | When all remaining corporate bonds are converted into common shares based on the existing conversion price, an additional 19,148,936 shares must be issued, and the share capital expansion rate will be 9.80%, which will have limited impact on existing shareholders' equity. |
| Name of the depository agency for the exchange subject matter | | N/A |

(II) Convertible corporate bond information

| Type of corporate bond | | The 5th domestic unsecured convertible corporate bond | | |
|---|---|---|---|---|
| Item \ Year | | 2024 | 2025 | As of March 31 of the year |
| Convertible corporate bond market price | Max. | - | 121.30 | 108.00 |
| | Min. | - | 104.00 | 103.00 |
| | Average | - | 109.78 | 105.11 |
| Conversion price | | - | 47.0 | 47.0 |
| Issuance (handling) date and conversion price at the time of issuance | | - | Issuance date: June 20, 2025 Conversion price at the time of issuance: NT$47.0 | Issuance date: June 20, 2025 Conversion price at the time of issuance: NT$47.0 |
| Method for fulfilling conversion obligation | | - | Issuance of new shares | Issuance of new shares |

(III)Exchangeable Bonds

None.

(IV)Shelf Registration for Issuing Bonds

None.

(V) Corporate Bonds with Warrants

None.

III. Preferred Stock Issuance

None.

IV. Global Depository Receipts

None.

V. Employee stock options and new restricted employee shares

(I) Status of the Company's outstanding employee share options (up to the date of the annual report) and impact on the shareholder equity

None.

(II) The names of the managers and the top ten employees who have acquired employee stock options as of the date of report, and the acquisition and subscription status of the stock options

1. First employee stock option in 2017

April 6, 2025 Units: NT$ thousand, unless otherwise specified; 1,000 shares

| Job Title | | Name | Number of shares obtained | Ratio of shares acquired to total shares issued | Exercised | | | | Unexercised | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Number of shares subscribed | Subscription price | Subscription amount | Ratio of shares subscribed to total shares issued | Number of shares subscribed | Subscription price | Subscription amount | Ratio of shares subscribed to total shares issued |
| Managers | Chief Human Resources Officer | Pei-Lin, Lee | 210 | 0.11% | 22.50<br>177.50<br>10 | NT$30.5 (Note 1)<br>NT$27.4 (Note 3).<br>NT$25.5 (Note 5) | 5,804.75 | 0.11% | 0 | NT$25.5 (Note 5) | 0 | 0% |
| | Chief Investment Officer | Tien-Ying, Lee | | | | | | | | | | |
| | Chief Executive Officer, Oncology Business Group | Yee-Min, Jen | | | | | | | | | | |
| | General Manager | Ming-Lun, Lee | | | | | | | | | | |
| | Chief Financial Officer | Yi-Chun, Chen | | | | | | | | | | |
| Employee | Vice President | Chung-Ming Chuang | 550 | 0.30% | 101.25<br>98.25<br>151.75<br>135<br>8.75<br>20 | NT$31.9<br>NT$30.5 (Note 1)<br>NT$28.8 (Note 2)<br>NT$27.4 (Note 3)<br>NT$26.5 (Note 4)<br>NT$25.5 (Note 5) | 15,037.775 | 0.28% | 35 | NT$25.5 (Note 5) | 892.5 | 0.02% |
| | Vice President | Ming-Fa Hsieh | | | | | | | | | | |
| | Vice President | Fang-chin Chang | | | | | | | | | | |
| | Assistant vice presidents | Min-Tsung Chuang | | | | | | | | | | |
| | Assistant vice presidents | Yuan-Hsin Wu | | | | | | | | | | |
| | Special Assistant | Kui-Hsiang Huang | | | | | | | | | | |
| | Assistant vice presidents | Hsi-Hsiang Sang | | | | | | | | | | |
| | Assistant vice presidents | Hsu-Hong Tai | | | | | | | | | | |
| | Manager | Su-Hua Luo | | | | | | | | | | |
| | Deputy Manager | Wen-Po Lu | | | | | | | | | | |

Note 1: In response to the 2020 dividend distribution, the Company adjusted the employee stock option price from NT$31.9 to NT$30.5 on July 18, 2020 in accordance with the Company's Regulations Governing the Issuance of Employee Stock Options.

Note 2: In response to the 2021 dividend distribution, the Company adjusted the employee stock option price from NT$30.5 to NT$28.8 on August 3, 2021 in accordance with the Company's Rules Governing the Issuance of Employee Stock Options.

Note 3: In response to the 2022 dividend distribution, the Company adjusted the employee stock option price from NT$28.8 to NT$27.4 on July 19, 2022 in accordance with the Company's Rules Governing the Issuance of Employee Stock Options.

Note 4**:** In response to the 2023 dividend distribution, the Company adjusted the employee stock option price from NT$27.4 to NT$26.5 on July 18, 2023 in accordance with the Company's Rules Governing the Issuance of Employee Stock Options.
Note 5: In response to the 2024 dividend distribution, the Company adjusted the employee stock option price from NT$26.5 to NT$25.5 on July 16, 2024 in accordance with the Company's Rules Governing the Issuance of Employee Stock Options.
Note 6: The number of shares issued as of April 6, 2026 was 195,310,989 shares. First employee stock option in 2017 has been expired on April 12, 2025.

(III)Issuance of new restricted employee shares

None.

VI. Status of New Shares Issuance in Connection with Mergers and Acquisitions

None.

VII. Financing Plans and Implementation

For detailed information, please refer to the Market Observation Post System (https://mopsov.twse.com.tw/mops/web/bfhtm_q2) by navigating to: Investment Section → Section on Fundraising Plan Execution.
Website: https://mopsov.twse.com.tw/mops/web/bfhtm_q2

# Four. Operational Highlights

I. Business activities

(I) Business Scope

1. The Company: General investment.

2. The Group

(1) Main areas of business operations

Engaged in the distribution, repair and maintenance, and leasing of equipment for radiation oncology, neurology, medical imaging, ophthalmology, and surgery/surgical service, the sale of related parts and consumables, the sale of pharmaceuticals and health supplements, and the provision of irradiation services.

(2) Revenue ratio

Units: NT$ thousand

| Product | 2025 | |
|---|---|---|
| | Amount | Revenue ratio |
| Sales of medical instruments and equipment | 1,288,886 | 29.30% |
| Rental revenue | 1,114,829 | 25.35% |
| Service revenue | 362,440 | 8.24% |
| Sales of pharmaceuticals and health supplements and other revenues | 1,632,125 | 37.11% |
| Total | 4,398,280 | 100.00% |

(3) The Group's current product (service) items:

①Products (Services)

A. Distributed radiation oncology equipment brands: Elekta, PTW, Ashland, C-RAD, IBA, Klarity Medical, ALCARE, Neutron Therapeutics, etc.

B. Distributed neuroscience equipment brands: Elekta, MEGIN, Leica, Baxter, IMRIS, SONY, CROWNJUN, CYBERDYNE, MEDICAPTURE, MICROTEK, etc.

C. Distributed medical imaging equipment brands: Swissray, etc.

D. Distributed ophthalmology equipment brands: BAUSCH+LOMB, Ellex, Leica, BVI, Quantel, ALBOMED, Plasmapp, ESW Vision, etc.

E. Neg (Nippon Electric Glass): Distribution of lead glass for medical use.

F. Autonomously developed information system sales and cooperation: iROIS.

G. Maintenance, repair, technical consultation, system upgrading, and parts replacement of distributed equipment.

H. Equipment collaboration and professional consulting: Including collaboration and management services for medical instruments, equipment, consumables, information hardware/software, and other specific equipment for departments such as radiation oncology, neuroscience, medical imaging, and ophthalmology. Providing evaluations related to the establishment, procurement, and upgrading of medical equipment, as well as consultation for planning and design of sites and installation of hardware/software for medical institutions.

I. Sales of medicines and health supplements: Supplies of medicines and health

supplements needed by pharmacies and medical institutions.

J. Irradiation services: Photon and electron beam technology services, laboratory testing services, irradiation modification and enhancement services.

②Distributed product brands and items

A.Radiation oncology

| Distributed brands | Products |
|---|---|
| Elekta | Linear Accelerator (LINAC)<br>MRI linear accelerator<br>Image-guided radiotherapy<br>Electronic medical information management system<br>Computer treatment planning system<br>Radiotherapy patient fixation equipment<br>Ultrasound image-guided radiotherapy system<br>Remote after-loading intracavitary brachytherapy system<br>Intracavitary brachytherapy device<br>X-ray simulator<br>Integrated X-ray intracavitary brachytherapy special photography system<br>Low-dose prostate tissue interstitial implantation treatment system |
| PTW | Radiotherapy quality confirmation equipment<br>Radiological diagnostic quality confirmation equipment<br>Radiation calibration measurement system equipment |
| Ashland | Self-display dose verification film for quality validation |
| C-RAD | Radiotherapy laser scanning instant positioning system |
| IBA | Proton therapy system |
| Klarity Medical | Radiation oncology patient peripheral equipment |
| ALCARE | Patient immobilization cushion during radiation therapy |
| Neutron Therapeutics | Boron Neutron Capture Therapy (BNCT) system |

B.Neuroscience

| Distributed brands | Products |
|---|---|
| Elekta | Leksell gamma knife – stereotactic radiosurgery system<br>Stereotactic radiosurgery system |
| MEGIN | Magnetoencephalography (MEG) system |

| | |
|---|---|
| Leica | Surgical microscope |
| Baxter | Operating table, surgical lamp, surgical column<br>Patient positioning accessories during surgery<br>Surgery-related smart products and solutions<br>Surgical table compatible with Integrated Table Motion for the da Vinci Xi Surgical System |
| IMRIS | MRI hybrid surgical theatre |
| SONY | NUCLeUS |
| CROWNJUN | Surgical sutures and instruments |
| CYBERDYNE | Hybrid assistive limb |
| MEDICAPTURE | Medical image processing system<br>Surgical imaging integration system<br>AI-powered imaging analysis and processing system |
| MICROTEK | Surgical microscope sterilization set |

C. Medical imaging

| Distributed brands | Products |
|---|---|
| Swissray | Digital X-ray System |

D. Ophthalmology

| Distributed brands | Products |
|---|---|
| BAUSCH+LOMB | Excimer laser system<br>Corneal flap femtosecond laser system<br>Cataract femtosecond laser system<br>Corner template cutter |
| Ellex | Ophthalmoscope laser |
| Leica | Surgical microscope |
| BVI | Artificial intraocular lens |
| Quantel | Ophthalmic ultrasound |
| ALBOMED | Artificial vitreous |
| Plasmapp | Micro plasma sterilizer |
| ESW Vision | Dry eye IPL therapy |

(4) New products (services) to be developed by the Group

① Promotion of medical service cooperation (equipment collaboration and technology transfer training).

② Expansion of the scope of application in cooperating medical departments at medical institutions.

③ Expansion of the cooperation with chain pharmacy channels.

④ Development of irradiation business.

⑤ Development of elderly care business.

⑥ Investment in the veterinary care business.

(II) Industry overview

1. The Company

The Company is an investment holding company. Its subsidiaries are primarily engaged in medical equipment distribution, leasing, and servicing, as well as the sales of medicines. Through the holding platform, the Company combines professionals and technical services in various medical fields, and integrates logistics management operations to reduce operating costs. As a result, the Company continues to lead the industry, aiming to become a leader in the medical service business internationally.

2. The Group

(1) Current status and development of industry

①Medical device industry

A research report of BMI Research pointed out that the global medical device market was US$555.6 billion in 2024, an increase of 7.9% from 2023. The market is expected to grow to US$651.4 billion in 2027, with an annual compound growth rate of approximately 5.4% from 2024 to 2027. In terms of region, the overall top three markets consist of the Americas (51.6%), Western Europe (24.5%), and the Asia Pacific (17.8%).

In terms of Taiwan’s medical equipment and healthcare industry, according to the “Medical Equipment Classification” announced by the Ministry of Health and Welfare, medical equipment is divided into medical equipment for diagnosis and monitoring, medical equipment for surgery and treatment, patient aid equipment and prosthesis, equipment for in vitro diagnosis, and other medical equipment apart from items in the above categories.

The Group focuses on the sale and collaboration of medical equipment for surgery and treatment, as well as medical imaging equipment for diagnosis and monitoring. These products are predominantly high-end medical instruments imported from overseas. Given the importance of treatment safety and diagnostic accuracy, brand reputation is a key consideration. Due to the high technological barriers to entry, manufacturing is highly concentrated, resulting in an oligopolistic market dominated by a few manufacturers. Product distribution requires a large amount of working capital, and the medical equipment license application is time-consuming. Regardless of whether engaged in production or distribution, the barriers to market entry are quite high. However, once a product is successfully introduced into the market, its potential profits are also higher than those of other industries due to the protection of patents and certifications and the long product life cycle.

According to the 2025 Biotechnology Industry in Taiwan, the revenue of Taiwan's medical equipment industry in 2024 was NT$153.5 billion, an increase of 4.4% from 2023, and the import value of the entire medical equipment industry amounted to

NT$106.4 billion in 2024, an increase of 4.2% from 2023. The top category of imported products is "Other articles of heading No. 9018", which are instruments and devices used by departments of internal medicine, surgery, dentistry, and veterinary medicine, accounting for 19.2% of total imports. The category consists of high-unit-price advanced medical products manufactured by leading brands from advanced countries. These products, which are also key products distributed by the Group, include computed tomography scanners, magnetic resonance imaging scanners, and high-energy particle therapy equipment. Since Taiwan is currently unable to produce or sell such items on its own, not much change in imported products is expected unless there is a significant change in the structure of Taiwan's medical equipment industry.

Although the size of the Taiwan market is not as large as that of Europe and the United States, the domestic market demand and per capita medical supplies consumption are increasing year by year due to the aging population structure and the expectation of the public in medical care quality. In particular, with the aging population and the increasing demand for medical care driven by the increase in chronic diseases, under the healthcare system, the demand for overall medical resources is significant. The public’s demand for medical quality and services has increased, and with the growing demand for self-funded plastic surgery and ophthalmology, the demand for imported high-end novel medical supplies is also quite high. With the growth of domestic demand, it is expected that the growth of imported medical supplies will continue to grow in the future.

② Pharmacy industry

According to Grand View Research, the global pharmacy market size was estimated at US$1.35 trillion in 2024 and is expected to grow at a CAGR of 7.3% from 2025 to 2030. The market growth is mainly due to changes in lifestyle, a rapidly aging population, and the growing prevalence of chronic diseases. The growing demand for prescription medications is also driving the growth of the pharmacy market. Moreover, advancements in technology have prompted more pharmacies to adopt cutting-edge digitalization programs. Leveraging digitalization and artificial intelligence automation, personalized retail experiences and loyalty programs are created, further contributing to the global pharmacy market growth.

According to the Statistical Classification of Industries (Rev.11) promulgated by the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan, the "Retail Sale of Pharmaceutical and Medical Goods and Cosmetics" refers to retail stores engaged in the sale of pharmaceuticals, medical goods, and cosmetics. According to the Ministry of Finance, sales revenue of Taiwan's pharmaceutical, medical goods, and cosmetics retail industry has shown an upward trend over the past five years, increasing from NT$222.2 billion in 2020 to NT$256 billion in 2024. The number of profit-seeking businesses engaged in the pharmaceuticals, medical goods, and cosmetics retail industry also grew from 25,103 in 2020 to 25,644 in 2024, indicating that the overall market

continues to expand.

③ Irradiation industry

Irradiation technology was introduced into the field of medical device sterilization in the 1950s and has developed rapidly with the widespread adoption of disposable medical devices. According to international industry analyses, there are more than 300 commercially-operated irradiation facilities worldwide. Approximately 80% of the capacity is used for medical device sterilization, equivalent to about one-third of the world's disposable medical devices (more than 25 billion units per year) being sterilized through irradiation. This data shows that irradiation facilities are highly critical and irreplaceable in the global medical sterilization system.

Delving deeper into the sources of irradiation energy, gamma rays were developed earlier. However, uncertainties in the supply chain of the key radioactive source material, Cobalt-60, and limitations in gamma irradiation applications have prompted new entrants to evaluate and invest in novel irradiation technologies such as electron beam (E-beam) and photon (X-ray) irradiation.

Taiwan's irradiation market has long relied on Gamma irradiation technology, primarily applied to medical device sterilization. In 2024, the Group completed the construction of high-energy E-beam and X-ray irradiation facilities. In addition to serving industries such as medical devices, food, and agricultural products, these facilities open up possibilities for irradiation modification and radiation testing of high-tech materials, significantly diversifying the supply structure and technological options in Taiwan's irradiation market.

(2) Correlation between upstream, midstream, and downstream

① Medical equipment and pharmaceutical market industry

In the medical equipment and pharmaceutical market industry chain, midstream distributors, medical management consulting firms, and medical technology service companies play a crucial role in addressing the limited accessibility of marketing networks and regional services faced by upstream medical instrument and equipment manufacturers, and pharmaceutical firms. This enables upstream companies to focus on research, development, and the manufacture of medical devices, equipment, and medicines. Additionally, channel distributors, with their comprehensive distribution networks, can establish cost-effective marketing channels, reduce marketing expenses, and assist upstream providers in distributing products more efficiently. Through various business models, they enable upstream products to quickly enter the market and help increase their market share.

The Group, with its established business models, has successfully engaged channel distributors, medical management consulting firms, and medical technology service companies, enabling it to promptly supply medical equipment and technologies required

by downstream medical institutions while reducing associated costs and business risks. For the general public, the Group contributes to improving convenience and providing a sense of security when purchasing essential medicines and health supplements. In general, midstream channel distributors integrate the demands of downstream medical institutions to procure from upstream providers. By adopting flexible inventory management and diversified brand distribution, they supply products based on customer demand. Through the division of labor of the upstream, midstream, and downstream businesses, the operational efficiency of the entire medical equipment industry is effectively improved.

② Irradiation industry

The irradiation industry chain is a technology service chain centered on ionizing radiation technologies (e.g., E-beam, X-ray, and Gamma). It is mainly used in fields such as medical device sterilization, food sterilization and preservation, agricultural product quarantine, polymer material modification, and material radiation resistance testing. The entire industry chain consists of upstream irradiation equipment suppliers, midstream irradiation technology service providers, and downstream application customers.

The Company's wholly-owned subsidiary, Shin-Ho Biotech Co., Ltd., acts as a midstream irradiation technology service provider in the irradiation industry chain. It has imported Rhodotron® TT300 Dou from IBA, a Belgian manufacturer, marking Asia's first dual-source cyclotron accelerator. The system provides E-beam (electron beam) and X-ray (photon) irradiation services. The introduction has expanded Taiwan's irradiation industry from traditional sterilization applications to advanced technologies such as material molecular structure modification. The application scope is wide-ranging and potential downstream customers include the food industry, agricultural industry, medical device industry, and high-tech industry.

(3) Various product development trends

①Medical instrument and equipment technology development trend

A. Electronic digitization of equipment: The combination of medical device technology and electronic information, bio-engineering precision manufacturing, new materials, and other technologies into emerging high-tech medical device applications, and the need to integrate with other medical devices in medical workplaces through network transmission is growing and becoming the main trend in the development of the medical equipment industry.

B. Minimally invasive medical surgical equipment: Medical devices have been evolving from traumatic (invasive) surgery to minimally invasive surgical equipment or other new technologies, and this trend has been reflected in devices used for cancer treatment, neurosurgery, and ophthalmic presbyopic laser correction surgery. Due to the advance in technology, much conventional inpatient surgery may eventually be replaced by outpatient therapeutic methods.

C. Innovative medical equipment with revolutionary development potential: The

medical industry has developed along with the rapid development of technologies, such as MR-Linac, compact proton therapy systems, Boron Neutron Capture Therapy (BNCT) system, MRI hybrid operating suites, hybrid assistive limb, and Excimer Lasers. These devices are different from the framework of traditional diagnosis and treatment. The production of equipment requires more advanced technologies and its future development is promising.

D. Medical equipment with artificial intelligence functionality: More and more medical devices with artificial intelligence (AI) functions have been approved and introduced in recent years. Medical devices with AI functions can receive large amounts of data, and automatically analyze and assess such data, while providing service, which can effectively assist in medical decision-making, optimize service processes, and enhance the relationship between medical personnel and patients.

② Medical equipment collaboration and medical management services

The demand for large-scale medical devices and equipment in Taiwan has increased year by year, and the acceptance of equipment collaboration has been increasing. The medical collaboration products provided by medical equipment dealers have become more extensive, and the scale of operations has also expanded. In addition to the medical device and equipment collaboration service provided, the Group, in response to customer needs, such as site planning, construction, business consulting, education and training, repair and maintenance, upgrade services, etc., has further developed a full range of integrated services with increasingly diversified and comprehensive services provided.

While stabilizing the Taiwanese market, the Group will also export its proud medical management services to China and Southeast Asia. The services will range from the most basic medical device and equipment collaboration and business consulting to the management service of individual department and even the entire hospital. The initial target clientele consists mainly of local large-scale medical institutions, and the Group expects to penetrate overseas markets by taking advantage of its own soft power. The medical management service not only provides all the medical equipment required by each department of the medical institution in order to eliminate the problem of integration efficiency on different systems, but also supports the education and training of equipment in various medical institutions at any time, providing professional skills or the planning of the medical staff training courses to deepen the dependence of the customer.

③ Pharmacy industry

The number of pharmacies in Taiwan continues to rise. According to the Ministry of Finance, R.O.C., the number of profit-seeking businesses engaged in the pharmaceuticals, medical goods, and cosmetics retail industry has grown to 25,644 in 2024, with total sales amounting to NT$256.0 billion. This significant number has led

to increasingly intense competition in the market. Chain pharmacy brands are proactively pursuing mergers to rapidly expand their networks, moving toward larger-scale, chain-based, and corporate group operations. Their goal is to enhance operational efficiency through strategies such as scaling up procurement and logistics, systematizing management, and sharing resources.

A report published by KPMG Taiwan at the end of 2024 revealed that chain pharmacies in Taiwan account for approximately 20% of the total, significantly lower than the 55–65% seen in Japan, Europe, and North America. This highlights that while the total number of pharmacies in Taiwan is nearly equivalent to the combined number of the two leading convenience store chains, 7-Eleven and FamilyMart, the proportion of chain pharmacies remains relatively low. It is expected that chain pharmacy brands in Taiwan will continue to grow in both the number of channels and sales through ongoing mergers and acquisitions.

④ Irradiation industry

In the early days, Taiwan's irradiation market was dominated by Gamma technology, with a robust regulatory foundation and stable demand. Since 2024, with the commissioning of high-energy E-beam/X-ray commercial facilities, the market has officially entered a new stage of development. The demand for sterilization of medical devices provides a stable foundation and is an indispensable key process in Taiwan's medical device supply chain. Irradiation of food/agricultural products remains relatively limited in scale due to both regulatory constraints and low public acceptance. High-tech material modification and radiation testing are emerging in recent years as growth drivers, which help improve equipment utilization rate and unit-added value. Overall, Taiwan’s irradiation market shows medium- to long-term positive significant growth potential.

Future market development will depend on capacity utilization, the ability to expand cross-industry applications, and strategies for responding to international regulatory and sustainability requirements. Taiwan's irradiation market is transitioning from a "single sterilization service" to an "irradiation platform industry featuring multiple technologies and applications." Companies that can simultaneously meet core medical device sterilization demand, show technological diversity, and achieve operational flexibility are expected to gain a structural advantage in future competition.

(4) Competitions

①Medical equipment distribution

The medical products distributed by the Group are mostly manufactured by renowned large manufacturers in Europe and the United States, and are the leading brands in the world. In addition to the professional R&D team and the clinical test reports and academic papers of renowned foreign medical centers, the manufacturers have obtained EU CE certification, US FDA license and TFDA license from the

Ministry of Health and Welfare with the relevant supporting documents made available. At present, competitors' products in the market are mostly limited to a few non-mainstream models, which are difficult to obtain customer recognition. Also, the competitors' brands are facing the dilemma of not having new functional models from the foreign manufacturers. Therefore, they are unable to compete against the leading brands with R&D capabilities that are distributed by the Group.

② Medical equipment collaboration and medical management services

The general leasing companies in the industry are mostly with financial backgrounds. The main operations are loaning funds, and the leasing projects are for factory equipment, aviation equipment, and general vehicles, etc. Currently, there are renowned large-scale leasing companies in the market, including Chailease, Hotai, and ORIX, but they are not specialized in medical equipment rental, and thus lack of professional integration services. The Group provides professional services to meet the needs of hospitals and clinics by not only providing medical equipment but also offering technical support from our technical team which is certified by the original manufacturers. The Group also provides the finest care and maintenance services, which ensure that the medical equipment provided to customers operates accurately. Furthermore, the Group has a stable financial situation and excellent long-term relationships with correspondent banks, which will ensure that it can provide customers with suitable collaboration arrangements.

③ Pharmacy industry

A report published by KPMG Taiwan at the end of 2024 categorizes pharmacies into four types: Category 1: individual pharmacies. Over 80% of traditional pharmacies in Taiwan fall under this category. However, due to their limited resources, weaker price negotiation capabilities, and restricted inventory capacity, these pharmacies have been in decline in recent years. Category 2: chain drugstores. These stores primarily focus on products such as cosmetics, skincare, and bath items. Their revenue from medicines is relatively low, and they are perceived as having less medical professionalism and trust (compared to other categories). Categories 3 and 4: chain pharmacies. Both of these categories feature scaled operations, strong price negotiation capabilities, comprehensive training programs for pharmacists, and robust channel management policies. Based on their characteristics, they are able to offer wholesome health management services, including medicinal products, medical supplies, health supplements, and household goods. The key distinction between the two is their store strategy—whether they adopt a standardized or differentiated approach. In summary, compared to individual pharmacies that focus on localized services, chain pharmacies

stand out for their ability to develop diversified business models that cater to various market demands. They are also more competitive due to having firmly established their niche in resource integration and digital transformation.

④ Irradiation industry

Demand for irradiation services in Taiwan is mainly driven by the growth of disposable medical devices, export-oriented supply chains, international regulatory requirements, and concerns over EO sterilization risks and supply chain resilience. These factors make irradiation sterilization a rigid demand with long-term stability, rather than a cyclical market sensitive to economic conditions. In terms of competitive landscape, Taiwan's irradiation industry operates inan imperfectly competitive market characterized by high barriers to entry due to a high technical threshold for new participants. Furthermore, competition among service providers is not purely price-driven; factors such as customer switching costs, supply chain resilience (e.g., source/equipment stability, batch quality consistency, and delivery reliability), and cooperation capabilities in related audits, certifications, and on-site inspections must also be considered. Overall, Taiwan's irradiation market is shifting from "competition based on single sterilization capability" to "competition based on multi-technology platforms & stable delivery capabilities," making it a professional process market where supply capacity defines the market ceiling while trust and stability determine competitive advantages.

(III)Overview of technologies and R&D (R&D expenses invested and technologies or products successfully developed in the past year and up to the date of report)

1. The Company

The Company is an investment holding company and therefore is not involved in technology or R&D.

2. The Group

The Group is not in the manufacturing industry and currently does not have a dedicated R&D department, so there were no R&D expenses in 2025.

(IV) Long-term and Short-term business development plan

1. The Company

The Company is an investment holding company, its subsidiaries mainly engage in the distribution, repair and maintenance, and lease of the equipment for radiation oncology, neurology, medical imaging, ophthalmology, and surgery/surgical service, and the sale of related parts, consumables, medicines, and health supplements. Long-term and short-term business development plans therefore reflect the Group as a whole. Please refer to the following.

2. The Group

(1) Short-term business development plan

①The Group continues to introduce the latest medical equipment and technologies, and seeks to become the distributor of medical products needed by other medical specialties, in order to develop diversified sales business and increase its market share.

② The Group is continuously training its professional technical team and expanding its medical management services at home and abroad, and by providing more timely and sounder services to upgrade medical service quality, aims to become the best choice for customers interested in cooperation in medical areas, while generating long-term stable revenue for the Group.

③ The Group is relying on the integration of resources to accelerate expansion of its chain pharmacy channel, and is employing its medical industry channel experience to enhance the size and level of its physical and online pharmacy channel.

④The Group has invested in the irradiation business, focusing on safe, efficient, and residue-free solutions. In addition, it provides irradiation services, including photon and electron beam technologies, to meet the sterilization and modification needs of domestic industries.

(2) Long-term business development plan

①The Group is expanding its business operations into Asia-Pacific medical markets, integrating upstream and downstream medical resources, marketing the most complete product lines, and continuously improving its high-value-added medical technologies and services, so as to lay the foundation for its medical services leadership in the Asia-Pacific region.

② Externally, the Group is continuously introducing highly competitive new products to expand its service channels and increase strategic partners, thereby achieving greater economy of scale;

internally, the Group is focusing on resource integration as a means of improving business performance and staying ahead of the rest of the industry.

③ We are promoting the application scope of irradiation technology, and gradually increasing equipment load to meet the market demand of food, livelihood, medical, aerospace, and electronic industries, and securing our position as a pioneer in domestic sustainable irradiation technology services.

④ The Group is developing its long-term care business, which includes elderly fitness, daytime care, elderly-friendly residential housing, and residential institutions, with a focus on preventive medicine and continuous care, reduction in the time spent by the elderly in bed, and helping seniors enjoy healthy, independent, and happy lives.

II. Market and Sales Overview

(I) The Company

N/A.

(II) The Group

1. Market Analysis

(1) Sales (Provision) regions of main products (services)

Units: NT$ thousand; %

| Sales region | 2024 | | 2025 | |
|---|---|---|---|---|
| | Amount | Ratio | Amount | Ratio |
| Taiwan | 3,523,648 | 97.86 | 4,326,077 | 98.36 |
| China | 64,637 | 1.80 | 63,504 | 1.44 |
| Others | 12,289 | 0.34 | 8,699 | 0.20 |
| Total | 3,600,574 | 100.00 | 4,398,280 | 100.00 |

(2) Market share

The main products distributed by the Group and their market share in Taiwan are as follows:

| Product Items | Distributed brands | Market share |
|---|---|---|
| Radiation oncology equipment | Elekta and other | ≥ 55% |
| Intracavitary brachytherapy systems | Elekta Nucletron | ≥ 80% |
| Water phantom radiation quality measurement certification system | PTW | ≥ 70% |
| Stereotactic radiosurgery system | Elekta Gamma Knife | ≥ 60% |
| Surgical microscope – neurosurgery/plastic surgery/otolaryngology | Leica | ≥ 50% |
| Imported brand multi-functional surgical table - HOR integrated table | Baxter | ≥ 30% |
| Surgical microscope - ophthalmology | Leica | ≥ 40% |
| Excimer laser system | BAUSCH+LOMB | ≥ 30% |
| Multi-focal/ multi-focal astigmatism intraocular lenses - self-paid | BVI | ≥ 15% |

(3) Overview of supply and demand and projected growth

Taiwan had a population of 23.30 million as of the end of 2024, with an average life expectancy of 80.77 years, including 77.42 years for men and 84.30 years for women. Compared to the global average life expectancy in 2024, as reported by the United Nations, the average life expectancy in Taiwan exceeds the global average by 6.7 years for men and 8.3 years for women. Taiwan officially became an "aged society" in 2018 (the proportion of people aged 65 and older exceeded 14%). Factors such as a lower birth rate, a shrinking working population, and negative population growth are indirectly accelerating demographic aging. According to population statistics from the Ministry of the Interior, Taiwan has become a "super-aged society" by the end of 2024 with the elderly population exceeding 20%. As the average life expectancy increases, the elderly population increases year by year, the rate of chronic diseases gradually increases, and demand for medical resources also steadily rises.

①Medical equipment distribution, collaboration, and medical management services

A. Radiation oncology specialist and neuroscience specialist

According to the data of the Ministry of Health and Welfare, a total of 201,383 persons died in 2024, of whom 54,032 persons died from malignant tumors, and accounted for over 25% of the total deceased. Malignant tumors have thus continued to be in the first place among the top ten causes of death in Taiwan. This indicates that the treatment of malignant tumors has become one of the most serious medical challenges in Taiwan. According to the statistics up to the end of 2024, there was a total of 468 hospitals in Taiwan, among which 101 hospitals have radiation oncology department setup, but there are 144 hospitals with more than 300 beds in service. Such hospitals are large enough to open a radiation oncology department to treat more patients. All of the aforementioned phenomena show that there is still room for growth in the demand for cancer radiation equipment in Taiwan.

B. Diagnostic imaging specialist

Most medical imaging devices, including MRI machines and computer tomography (CT) machines, are very costly and have a great impact on diagnostic decision-making. As a consequence, hospitals tend to chiefly consider brand names when making purchasing decisions. Due to medical imaging devices having an extremely high technological threshold, Taiwan largely depends on imports for the medical imaging equipment it needs. According to the 2025 Biotechnology Industry in Taiwan, of Taiwan's top ten medical device imports in 2024, "Other articles of heading No. 9018" ranked first with an import amount reaching NT$19.263 billion in 2023, up 3% compared to the previous year. The category includes medical imaging devices such as computed tomography scanners and magnetic resonance tomography scanners. With rising life expectancy and continued demographic aging in the future, a growing incidence of cardiovascular disease, rehabilitation, and orthopedic problems can be expected. This trend will continue to drive the growth of the medical imaging device market.

C. Ophthalmology

As of the end of 2024, there were approximately 4.67 million people in Taiwan over the age of 65, and these persons accounted for 20.06% of the total population. As a result, Taiwan has officially become a "super-aged society." With the growing elderly population and rising average life expectancy, the elderly are seeking a higher quality of life, which has increased demand for treatment of various eye diseases.

Further, the 3C products in the modern world, such as computers, mobile phones, and tablets have become indispensable tools to modern people. In the past, the ultraviolet rays of the sun are the only light hazard that is damaging to the human eyes, but now the light hazard from the use of 3C products indoors is also damaging to human eyes. The long-term direct view of the bright screen with the blue light from the 3C products causes eye diseases, such as cataracts and macular degeneration,

not only in the elderly but also in younger generation. This has led to a continuous increase in demand for ophthalmology surgical equipment and consumables.

② Pharmacy industry

From 2020 to 2024, the pharmaceuticals, medical goods, and cosmetics retail industry in Taiwan recorded sales growth of 15.21%. Further breaking the industry down into "cosmetics retail" and "pharmaceuticals and medical goods retail", the Company noticed that the five-year growth rate of the cosmetics retail was only 7.38%, whereas the pharmaceuticals and medical goods retail reached 17.81%, with continuous year-on-year growth throughout the five-year period. This shows a clear growth trend in the pharmaceuticals and medical goods retail. In response to Taiwan’s declining birthrate and aging population, pharmacies have been transforming their business models in recent years. They have shifted from a focus on medicine consultation and sales to a more diversified model, expanding their product lines and services to cover health management, medical supplies, assistive devices, maternal and infant products, and cosmeceuticals.

Amidst the declining birthrate trend, parents and senior family members are increasingly willing to spend generously to provide the best for newborns. When purchasing maternal and infant products, many parents prioritize the safety and value of the products over their price. In this context, pharmacists in pharmacies can serve as trusted advisors for parents, offering professional guidance as they browse and purchase maternal and infant products, elevating the overall consumer experience in physical channels. Moreover, Taiwan has officially entered a super-aged society, with individuals aged 65 and above comprising more than 20% of the population — meaning that, on average, one in every five people is a senior adult aged 65 and above. Furthermore, in 14 out of 22 counties and cities across the nation, the elderly population exceeds 20%, making over 60% of counties and cities now qualify as "super-aged". This phenomenon, however, presents a business opportunity of longevity for the pharmacy industry to tap into.

In response to the qualitative changes and transformations, the pharmacy industry starts to provide products and services based on chain-oriented, mixed, and diversified business strategies. The competition within this industry has already entered an era of capitalization, making it imperative for chain pharmacies to prioritize sustainable development through resource partnerships, mergers, innovation, and sound operational strategies. Currently, the number of chain pharmacies in Taiwan remains relatively low. However, with companies actively pursuing expansion, it is expected that the share of chain pharmacies will grow from the current 20% to 50% or more, comparable to levels seen in Europe, North America, and Japan.

③ Irradiation industry

Taiwan's irradiation market is a B2B professional process service market. On the demand side, it demonstrates a high level of demand stability. Specifically, the demand

for food and medical device sterilization is rigid and not easily affected by economic cycles. Furthermore, driven by the long-term growth of disposable medical devices, export-oriented supply chains (particularly to European and U.S. markets), concerns over EO sterilization risks, and considerations for supply chain redundancy, customers attach greater importance to stability, delivery schedule, and technological options rather than to price. The above demand structure is conducive to the development of E-beam and X-ray irradiation technologies. On the supply side, it can be observed that the high capital threshold and stringent regulatory and radiation safety requirements of the irradiation industry have resulted in a high degree of industry concentration, making it an oligopolistic market.

Further analysis of Taiwan's irradiation market suggests that medical device sterilization will account for approximately 50-55% of total capacity, food/agricultural product irradiation for approximately 30-35%, and high-tech materials and testing for approximately 10-15%. Due to the varying purposes of irradiation and the added value of the product items to be irradiated, irradiation facilities set different pricing structures for different industries. Therefore, the capacity share does not directly reflect the economic value generated by each application. It is expected that medical device sterilization will remain the core and main source of revenue for Taiwan's irradiation market in the short term, bolstered by highly rigid demand. Food irradiation, subject to regulatory restrictions, is expected to grow moderately. High-tech material modification and radiation testing are promising emerging applications that will effectively boost overall added value.

(4) Competitive niche

① A professional technical team

The high-end medical equipment distributed by the Group features precision design, and requires sophisticated technology throughout installation, upgrading, maintenance, and repair. The Group's technical team has been trained by the manufacturers, so the team is familiar with the mechanical structure and has sufficient and practical experience. The medical institutions are willing to cooperate continuously and the manufacturers are worry-free and rely on the Company for business promotion and market development with distribution rights secured soundly.

② The Group possesses professional medical experience, and maintains stable collaborative relationships with hospitals and clinics

The Group has been in the medical equipment industry for nearly 50 years, and has differentiated itself from its competitors through its flexible business model. With extensive experience in cooperation with hospitals, as well as the provision of repair, maintenance, and upgrading services, the Group has strengthened customer reliance, and has thus been able to establish deeper and more stable relationships with medical institutions.

③ Comprehensive radiation oncology, neuroscience, medical imaging, and ophthalmology product lines and an ample marketing staff system

The Group distributes the medical equipment that is manufactured by European and American manufacturers, including product lines of radiation oncology, neuroscience, diagnostic imaging, and ophthalmology. There are sufficient products for selection. The Group continues to import the latest medical equipment for the selection of medical institutions. The Group has an experienced business and technical team to market the products to various medical institutions. The Group, after the installation of equipment, assigns professional technicians to conduct training courses for medical institutions and provide comprehensive services to them.

④ Channel value highly recognized by foreign manufacturers

With nearly 50 years of experience in medical device and equipment industry, the Group has established excellent name recognition in the industry. Apart from the fact that foreign suppliers have actively negotiated distribution with the Group in view of the Group's professional service image, the Group has also selected suitable products from major brands for promotion based on customer needs and market trends.

In terms of channel value highly recognized by the suppliers, the Group has considerable initiative and relative bargaining leverage, which can help the Group gain favorable conditions for the company and increase the distributed brands with the professional marketing ability and complete distribution network. It indicates that the Group has strong distribution capabilities and successfully created the value of professional marketing channels for medical devices.

(5) Advantages and disadvantages of developing prospects, and countermeasures

①Advantageous factors

A.The Group's complete and diversified brands distribution

The Group distributes a full range of product lines, and distributes radiation oncology equipment brands including Elekta, PTW, Ashland, C-RAD, IBA, Klarity Medical, ALCARE, Neutron Therapeutics, etc. Brands of neuroscience equipment distributed by the Group include Elekta, MEGIN, Leica, Baxter, IMRIS, SONY, CROWNJUN, CYBERDYNE, MEDICAPTURE, MICROTEK, etc. Distributed medical imaging equipment brands: Swissray, etc. Distributed ophthalmology equipment brands: BAUSCH+LOMB, Ellex, Leica, BVI, Quantel, ALBOMED, Plasmapp, ESW Vision, etc. The medical lead glass made by Neg are also distributed by the Group. These are all internationally renowned brands with high popularity and market share, which have continued R&D investment to develop new products, new functions, and new technologies to initiate the new market demands and maintain competitive edges.

B. A professional technical service department

The Group's technical service department has dozens of technical engineers,

medical physicists, and medical radiation professionals ready to help customers quickly and precisely establish medical facilities. From the medical site planning, design and construction, to the medical equipment installation and testing, departmental management and consulting services, medical technician training, and all the way through equipment maintenance and subsequent upgrade services, the department covers one-stop full-customization medical management services, allowing customers to fully grasp market demands and ensure profitability and stable market shares.

C. Sound financial structure

The Group has a sound financial structure and has been engaged in the medical equipment market for nearly 50 years. The Group also has a highly effective management team, professional stability, excellent long-term collaborative relationships with banks, and uses funds with prudence.

D. Equipment and medical service establishment

With the rapid development of technologies, new medical equipment is constantly being introduced, and the demand for new ones is also on the rise. However, most of the new examination and treatment equipment is costly and, as a result, the market for cooperation in medical equipment presents growth potential. Under a leasing program, not only can the cost of medical institutions be reduced, but also the equipment can be customized based on particular needs so that the equipment can be well integrated to achieve optimal utilization. The Group also deepens the development of equipment collaboration to transform it into the comprehensive medical management services, and sets up service locations in Taiwan, China, and Indonesia, in order to have the internal technical team provide real-time technical support from installation and maintenance services to equipment upgrading. The leasing program can also be combined with comprehensive services including departmental planning and construction, management consultation, and medical technician training. The soft power of equipment and medical technology collaboration provided by the Group is deeply favored by medical institutions, making suppliers' long-term collaboration with us strongly desirable, as well as more stable and comprehensive partnership with upstream and downstream dealers.

E. High technical barriers in the radiation field

The Group possesses a strong competitive advantage in the fields of radiation medical equipment and irradiation technologies, mainly due to the high barriers to entry in the radiation field. Radiation equipment involves nuclear physics, precision mechanics, and advanced imaging algorithms, making it highly technologically complex. Furthermore, both the installation environment for radiation equipment and the construction of irradiation facilities require rigorous physical assessments and radiation shielding calculations to ensure that the wall thickness and structural design can prevent radiation leakage. In addition, radiation protection operations are subject

to strict regulation by the Nuclear Safety Commission. Service providers must possess highly professional radiation protection expertise and compliance experience, as well as the necessary professional personnel. Coupled with the high capital investment required for equipment, which often amounts to hundreds of millions, these requirements collectively create a very high barrier to entry in this field.

②Unfavorable factors and countermeasures

A. Foreign medical equipment manufacturer distribution contract is the main source of products

At present, domestic high-end or large-scale medical equipment is still mainly imported from Europe and the United States. Although the Group and foreign medical equipment manufacturers have signed equipment distribution contracts, however, if there is a change in the distribution rights subsequently, it will affect the Company's operations. Countermeasures are as follows:

(A) Win the affirmation of foreign medical equipment manufacturers with the continuous efforts of creating excellent sales results, and train professional technical team to install machines, replace parts, and perform repair and maintenance services subsequently. Also, take advantage of the marketing channels to help expand consumer market demand in order to obtain the affirmation of foreign medical equipment manufacturers, improve the dependency on the Group, establish stable cooperative relationship, result in an irreplaceable status, so that the distribution rights will not be replaced arbitrarily.

(B) Obtain the medical equipment certificate issued by the Ministry of Health and Welfare: The medical equipment to be imported into Taiwan must be inspected and registered according to the relevant regulations of the Ministry of Health and Welfare. The documents to be inspected are cumbersome and time-consuming, and must be handled by personnel familiar with professional requirements. The equipment registration certificate should be owned by the applicants so the foreign manufacturers cannot arbitrarily change the distribution rights and influence the import rights.

(C) Cooperate with foreign medical equipment manufacturers to arrange academic courses. In addition to regularly inviting foreign professional doctors or technical engineers to give lectures or courses in Taiwan, occasionally hold seminars in response to academic research or medical technology updates, sign contracts with large medical centers to conduct clinical research, and establish professional teaching centers so foreign manufacturers will have to rely on the Group to assist on the education promotion and regional markets development and to establish a partnership.

B. National Health Insurance adopts a total payment system to squeeze the profit of medical institutions

The income of various medical institutions is unstable, which has an impact on

domestic medical-related industries. As a result, medical institutions have adopted a conservative attitude in preparing budget for the procurement of large-scale medical electronic equipment. Since there is a limit on the purchase amount, the Group strives to reach a balance between the selling price of the manufacturers and the buying price of the customers in order to generate profits. Countermeasures are as follows:

(A) Based on the Group's medical integration and comprehensive professional experience to analyze and assess costs for customers, and apply the innovative technology advantages to make comprehensive construction planning and arrangements. Also, provide a cooperation of medical equipment and technology to help customers shorten the learning curve and improve or maintain products and service price reasonably.

(B) Reduce the proportion of products paid by National Health Insurance. Introduce self-funded health care related items, such as MRI-Linac, compact proton therapy systems, and high-end intraocular lens, etc.

(C) The Group continues to expand its business scope, developing overseas markets, and increasing and diversifying business entities in order to reinforce corporate sustainability.

C. Difficulty in engineer recruitment

Because electronic equipment specialists are needed for the installation and maintenance of medical equipment, the Group takes the graduation from an electronic engineering department of a university as a basic qualification when recruiting engineers. However, the current reality is that a majority of university graduates with electronic engineering degrees prefer to work in the electronics industry, which makes it difficult for the Group to recruit electronic engineering talent. The Group will work on attracting more professional talents with the incentives of a well-established labor-management communication platform of a listed company, a perfect welfare system, a reasonable salary policy, and diversified talent training channels.

D. Pharmacists in short supply

According to the Federation of Taiwan Pharmacists Associations, the number of pharmacists in practice in Taiwan has now exceeded 30,000, with more than half working in community pharmacies and clinics. However, in the post-COVID-19 era, coupled with the impacts of an aging population, the number of pharmacies nationwide continues to grow. This expansion, alongside the increasing workforce demands of chain brands, has led to a shortage of pharmacists as competition for talent intensifies. The Group has been actively cultivating talent for the medical industry. By partnering with universities and colleges through medical industry-academia alliances and establishing internship pharmacies, the Group provides students with opportunities to apply their knowledge to hands-on practices before entering the workforce and helps build a talent pool for the medical industry.

2. Key applications and production processes of main products

(1) Key applications of main products

| Product name | Intended use |
|---|---|
| Radiation oncology digital linear accelerator | Linear accelerator produces high-energy radiation for treatment by accelerating high-energy electrons in a vacuum linear accelerating tube, causing electrons to strike the tungsten target, releasing energy to produce high-energy (million volts) therapeutic radiation in order to destroy cancer (tumor) cells. Also, in terms of equipment technology, the linear accelerator used to perform 3D spatial conformal radiotherapy and intensity-modulated radiotherapy. These new radiotherapy technologies aim to increase the therapeutic dose in order to increase tumor control rates.<br>The current popular models on the market can perform the latest image-guided treatments with integrating accelerators, X-ray sources, and instant electronic verification imaging systems. The doctor before operating on the patient will use the X-ray to confirm the tumor position. If necessary, the treatment position can be adjusted, which can effectively prevent the error caused by the patient's posture, increase the treatment accuracy, and reduce the side effects of the treatment. |
| MRI linear accelerator | The latest model introduced by Elekta combined with MRI and linear accelerator and the real-time nuclear magnetic resonance imaging to locate the patient's treatment position, and accurately identify the location of the tumor by the unique precision of the magnetic resonance imaging to improve treatment accuracy. |
| Proton therapy system | Proton therapy system is high-end radiotherapy equipment. Its physical characteristics are that when the proton beam penetrates human tissue, its energy will go up with distance and go down at the end of the range (i.e., where the tumor is located) with Bragg peak generated to give high-dose radiation and kill cancer cells without damaging healthy tissues. Because proton therapy has spread-out Bragg peak (SOBP) characteristics, in addition to reducing the risk of damage to normal tissues during the treatment, the side effects of radiotherapy are minimized. |
| Computer treatment planning system | Before radiotherapy, use the device that inputs the computed tomography image of the patient, using a high-performance and high-computation computer, to plan the radiation angle, time, and dose of the radiotherapy, and also to evaluate the relative position of other important organs and their radiation dose. |
| Intracavitary brachytherapy device | Brachytherapy is to approach the lesion tissues with a sealed Ir-192 radiation source or placed at the therapy target, including interstitial implantation and intracavitary treatment, to achieve the desired radiation over short distances. |
| Radiotherapy/radiological diagnostic quality | It refers to the radiological measurement tool and equipment, such as linear accelerator (LINAC). It is used as a qualitative characteristic |

| Product name | Intended use |
|---|---|
| confirmation equipment | adjustment and calibration measurement for periodic radiation equipment in order to ensure radiation exposure quality. |
| Leksell gamma knife – stereotactic radiosurgery system | This is a high precision 3D spatial stereotactic head radiosurgery device and is used to perform irradiation on tiny intracranial tumors or vascular lesions. Also, more than one hundred independent beams are applied to irradiate on one single target during the treatment. |
| Magnetoencephalography (MEG) system | Magnetoencephalography (MEG) equipment is used to examine changes in the brain's magnetic field change during neural activity. MEG records can be used to investigate the individual functions of the brain's sensory cortex, the functional interactions between specific brain regions, and study complex functions such as attention, language, and cognition. It can also be used to explore the resilience and adaptability of specific brain regions, assess specific brain functional regions before and after surgery, and determine the location of epileptic lesions. |
| Surgical microscope-neuroscience | Surgical microscope are specifically intended for use in the operating room, and provide an enlarged field of view during surgery. They allow physicians to accurately view blood vessels, soft tissues, nerves, and lymphatic vessel structures during surgery, and are necessary tools for organ transplant and tissue repair surgery. |
| Baxter operating room equipment | Baxter offers a series of state-of-the-art operating room equipment and services, including versatile operating tables, innovative exclusive operating room lighting technology, and surgical related consumables. Thanks to its intelligent product line, it can completely improve the workflow in the operating room and related clinical fields, offer optimal solutions to hospitals, and provide an efficient and safe surgical environment for medical staff. |
| MRI hybrid surgical theatre | The sky track MRI of IMRIS is the only device in the world that can perform multi-functional imaging diagnosis on patients without moving patients. It can confirm the result of surgical treatment in the process. Also, it can greatly reduce the risk of infection caused by mobilizing patients and save time. If there is not a surgery scheduled, general routine angiography can be performed to greatly improve the utilization of equipment and to maximize the value of the equipment. |
| NUCLeUS | SONY's NUCLeUS can integrate images from different brands of medical equipment in the operating room, provide healthcare professionals with a single operating interface, and improve the efficiency of healthcare data management and workflow. This system can also share images to the hospital's intranet system and provide Live Surgery for a two-way interaction between the operating room and the conference room. |
| Surgical sutures | CROWNJUN's Microsurgery Nylon can greatly assist the suturing blood vessels. CROWNJUN has also successfully developed the world's finest Microsurgery Suture, which can be used to suture tiny blood vessels, lymphatic vessels, and nerves in microsurgery, allowing tighter junctions |

| Product name | Intended use |
|---|---|
| | between tissues or blood vessels. This suture can not only increase the surgical success rate, but also greatly enhance surgeons' surgical proficiency. |
| Hybrid assistive limb | The HAL® (Hybrid Assistive Limb) developed by CYBERDYNE is the world's first semi-robotic limb, which can improve, support, and enhance the wearer's physical functions, assist the disabled to move, and enable them to achieve greater mobility. It is also believed to promote motor learning in the brain. Multiple medical articles published abroad indicate that HAL® can assist functional regeneration in patients with spinal cord injuries, stroke, and other neuromuscular disorders. |
| Digital X-ray System | Digital X-ray is a technology employing digitized X-ray images. It can project X-ray images directly onto a digital sensor panel, instantly digitize the images, and then display real-time, high-resolution images on a computer screen. The resulting images will not be distorted by the development process. This is a basic medical equipment item needed by all medical institutions. |
| Excimer laser system | Excimer refractive myopia laser platforms provide a safer and faster treatment model. Combining two advanced technologies: static iris recognition and dynamic iris recognition, an excimer platform can be used to accurately cut corneal tissue and reduce the number of diopters (in cases of myopia, hyperopia, astigmatism), so that patients can reduce or eliminate their dependence on glasses or contact lenses, or meet their professional or sport needs. |
| Femtosecond laser system | Femtosecond laser lens refraction surgery uses a laser light source that can generate femtosecond lasers, uses synchronous computer tomography and 3D real-time images to help ophthalmologists plan personalized crystal surgery procedures, compared to traditional cataract surgery, combined with femtosecond laser high-tech cataract pre-surgery, can improve the accuracy and predictability of vision correction. |
| Surgical microscope - ophthalmology | The Leica operating microscope designed for ophthalmic microsurgery has low illumination, high light transmittance, long depth of field, strong red reflection, and clear and undistorted view. Surgical microscope are used in cataract surgery, anterior chamber surgery, and cornea and glaucoma surgery. |
| Artificial intraocular lens | Intraocular Lenses is made of PMMA, silicone or acrylic to synthesize artificial lens with refractive properties according to the refractive characteristics of the lens in the human eye. The refractive focus function of the turbid lens helps the image projection to focus on the retina in order to restore the patient's vision. |
| Ophthalmic ultrasound | Ultrasound A-scan uses ultrasound to measure the axial length of the eye and the parameters obtained by measuring the distance between various parts of the eye to calculate the power of the intraocular lenses. Ultrasound B-scan uses ultrasound cross-sections to observe retina diseases, vitreous diseases, and choroidal diseases. |

| Product name | Intended use |
| --- | --- |
| Artificial vitreous | It is applicable to the anterior and posterior segment of ophthalmology, including intracapsular/extracapsular cataract extraction, intraocular lens implantation, corneal transplantation, glaucoma filtering surgery and retinal reposition surgery, etc. It is used as a substitute for glass body in the two operations, namely Pars Plana Vitrectomy and retinal detachment surgery. Based on its characteristics of lubrication, viscoelasticity, transparency, and protection of corneal endothelial cells, this product helps reduce the interaction between corneal endothelial cells and tissues, maintain the depth of the anterior chamber of the eyeball and the visibility during surgery, and can be performed before implanting the Artificial Vitreous, by covering it with the lens of the inner eye and the surface of the tip of the surgical instrument to avoid possible trauma caused by the surgical instrument. |
| Micro plasma sterilizer | The principle of plasma sterilization is to use radio wave energy in a vacuum state to stimulate extremely activated gases, causing ions and molecules to collide with each other and generate free radicals, which destroy the metabolic function of microorganisms. The micro plasma sterilizer can be provided for low-temperature sterilization of ophthalmic, dental, and other precision surgical instruments. This sterilization method has no toxic residues and does not require waiting for cooling time, which can greatly increase the sterilization turnover rate and extend the service life of instruments. Suitable for minimally invasive devices that are not resistant to heat or moisture. |
| Dry eye IPL therapy | The ophthalmic intense pulsed light (IPL) technology is developed to treat dry eye syndrome. It employs therapeutic light at three different wavelengths to alleviate patients' dry eye symptoms through fixed-cycle treatment. Tear film diagnostic devices may also be used to assess the condition of the meibomian glands. |

(2) Production processes of main products

The Group is not in the manufacturing industry, so it is not applicable.

3. Supply status of main raw materials

The Group is not in the manufacturing industry, so it is not applicable.

4. List of major customers and suppliers

(1) Names of suppliers accounting for 10% or more of the total purchase amount in either of the two most recent years, the amounts purchased from each such supplier and the respective percentages, along with the reasons for any fluctuations

Units: NT$ thousand

| | 2024 | | | | 2025 | | | | Until Q1 2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Item | Name | Amount | As a percentage of total purchase (%) | Relationship with Issuer | Name | Amount | As a percentage of total purchase (%) | Relationship with Issuer | Name | Amount | Percentage of net purchase up to the last quarter of the year (%) | Relationship with Issuer |
| 1 | 甲 | 409,750 | 19.92 | None | 甲 | 339,794 | 14.55 | None | 甲 | 10,739 | 2.38 | None |
| | Others | 1,647,271 | 80.08 | | Others | 1,994,809 | 85.45 | | Others | 440,801 | 97.62 | |
| | Net purchase amount | 2,057,021 | 100.00 | | Net purchase amount | 2,334,603 | 100.00 | | Net purchase amount | 451,540 | 100.00 | |

Analysis of increase and decrease:

The Group's suppliers accounting for 10% or more of the total purchase amount are primarily suppliers of radiation oncology equipment. The continued procurement from Supplier 甲 is driven by sustained market demand.

(2) Names of customers accounting for 10% or more of the total sales amount in either of the two most recent years, the amounts sold to each such customer and the respective percentages, along with the reasons for any fluctuations

Units: NT$ thousand

| | 2024 | | | | 2025 | | | | Until Q1 2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Item | Name | Amount | As a percentage of net sales (%) | Relationship with Issuer | Name | Amount | As a percentage of net sales (%) | Relationship with Issuer | Name | Amount | Percentage of net sales up to the last quarter of the year (%) | Relationship with Issuer |
| 1 | M | 13,093 | 0.36 | None | M | 15,385 | 0.35 | None | M | 227,343 | 19.59 | None |
| | Others | 3,587,481 | 99.64 | | Others | 4,382,895 | 99.65 | | Others | 933,141 | 80.41 | |
| | Net sales | 3,600,574 | 100.00 | | Net sales | 4,398,280 | 100.00 | | Net sales | 1,160,484 | 100.00 | |

Analysis of increase and decrease:

The Group's sales revenue is primarily derived from radiation oncology equipment. Due to the high unit price and long life cycle of such equipment, demand does not tend to be concentrated among the same customers. The acceptance of high-end radiation oncology equipment by Customer M in the first quarter of 2026 resulted in significant increase in related revenue.

III. Human Resources

(I) The Company

Units: Number of People

| Year | | 2024 | 2025 | Current year up to March 31 |
|---|---|---|---|---|
| Number of employees | Administrator | 15 | 15 | 15 |
| | Marketing personnel (including sales and technical) | 0 | 0 | 0 |
| | General employees | 40 | 43 | 43 |
| | Total | 55 | 58 | 58 |
| Average age | | 42.7 | 42.6 | 43.0 |
| Average years of service | | 9.2 | 9.13 | 9.21 |
| Educational background (%) | Ph.D. | 0.00 | 0.00 | 0.00 |
| | Master's degree | 16.36 | 17.24 | 17.24 |
| | University/College | 69.09 | 77.59 | 77.59 |
| | Senior High School | 14.55 | 5.17 | 5.17 |
| | Below Senior High School | 0.00 | 0.00 | 0.00 |

(II) The Group

Units: Number of People

| Year | | 2024 | 2025 | Current year up to March 31 |
|---|---|---|---|---|
| Number of employees | Administrator | 63 | 78 | 75 |
| | Marketing personnel (including sales and technical) | 125 | 119 | 126 |
| | General employees | 217 | 386 | 388 |
| | Total | 405 | 583 | 589 |
| Average age | | 38.0 | 36.1 | 36.38 |
| Average years of service | | 6.4 | 5.88 | 6.09 |
| Educational background (%) | Ph.D. | 0.49 | 0.51 | 0.51 |
| | Master's degree | 11.60 | 9.61 | 9.51 |
| | University/College | 70.38 | 84.22 | 84.55 |
| | Senior High School | 17.04 | 5.49 | 5.26 |
| | Below Senior High School | 0.49 | 0.17 | 0.17 |

IV. Environmental Protection Expenditure

Losses sustained due to environmental protection (including compensation and violations of environmental protection laws found in environmental protection inspection results, specify the date of the penalty, letter number, article violated, provision violated, details of the penalty) in the most recent year and up to the printing date of the annual report, and disclose current and future estimated amount and response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimate.

None.

V. Labor Relations

(I) Lists the Company's employee welfare policies, continuing education, training, retirement systems, and implementation status, the agreement between employees and the employer, and employees' rights and interests

1. Employee benefits

The Company is committed to creating a worry-free work environment for employees, strives to improve various systems, and provides good and comprehensive welfare measures, so that every employee and their families can enjoy a comfortable and pleasant life, and appreciate the care and consideration of the Company.

(1) Salary system

The Company has recruited talents and motivated employees with a fair and competitive compensation system. The payroll structure is determined by linking the overall goals of the Group and the department with individual work results through the performance evaluation method developed by the Group. The Group's open and transparent promotion mechanisms provide greater responsibilities and better compensation and bonuses to employees with better performance, and help drive the development of the organization. The Company further provides equal rewards for the same work and equal promotion opportunities to men and women, and seeks to promote sustainable and inclusive economic growth.

| Item | 2024 | 2025 |
|---|---|---|
| Percentage of supervisory positions filled by women | 41.27% | 39.18% |
| Percentage of female employees | 54.07% | 61.58% |

In general, employees receive monthly salaries for 12 months annually, plus performance bonuses or year-end bonuses based on incentive programs. The performance/year-end bonuses issued to individual employees in 2025 were equivalent to 2.1 months of salary. In addition, compensations and stock dividends are also available, aimed for profits sharing as a feedback to the employee contributions to the Company.

① Year-end bonuses: According to the Employee Performance Evaluation Guidelines, the Company releases yearly bonuses based on the overall profitability at the end of

the year.

② Distribution of employee compensation during year: Handled in accordance with Paragraph 1, Article 24-1 of the Articles of Incorporation: If there is an outstanding balance after subtracting cumulative losses from the Company's profits for the year (pre-tax profit before subtracting remuneration to employees and directors), at least 0.05% shall be appropriated as employee remuneration. The Articles of Incorporation also stipulate that no less than 20% of the employee compensation shall be appropriated to entry-level employees. Distribution standards shall comply with the Group's Employee Remuneration Distribution Guidelines, and this remuneration shall be distributed at the end of June each year.

③ Employee stock purchase, subscription for cash capital increase, and issuance of employee stock option certificates: Carried out based on overall operational needs, and related regulations are established for employees to follow.

④ Degree of salary adjustment during the year:

| 2024 average compensation adjustment | 2025 average compensation adjustment | 2026 average compensation adjustment |
|---|---|---|
| 1.0% | 1.0% | 2.4% |

(2) A comprehensive, considerate benefit system

① Insurance plan: The Company provides labor insurance and health insurance to each employee, so that they can be fully protected. In addition, the Company also plans a group insurance for employees starting from the date they report to duty, including life insurance, accident insurance, medical insurance and cancer insurance. If the employee is on a sabbatical leave due to a military service, major injury, or childbirth, he or she may continue to participate in the Company's group insurance, so that the protection can be continued.

② Three festivals gift money.

③ Retirement system: According to the Labor Standards Act, a sound pension system and retirement-related measures are established. According to the Labor Pensions Act, the Company contributes 6% of each employee's monthly salary to their individual pension accounts at the Bureau of Labor Insurance, Ministry of Labor. The Company's sound financial structure further guarantees solid pensions appropriation and payment.

④ Health management: In addition to the fully subsidized health checkup for the new recruits, the Company regularly applies to the Bureau of Labor Insurance for occupational hazard inspections every year, covering general health checkups, special health checkups, etc., and handles annual health checkups for all employees once in every two years.

⑤ Staff dormitory: Considering the needs of short-term travel of employees and the safety and convenience of long-distance commuting employees, the Company has staff dormitory available to provide a comfortable living environment for employees

who are traveling or in training.

⑥Employee Welfare Committee: The "CHC Healthcare Group Employee Welfare Committee" is established in accordance with the law to actively promote various employee welfare measures. Including funeral subsidies, medical subsidies, wedding subsidies, travel subsidies, birthday gifts, childbirth subsidies, continuing education subsidies, and cultural and recreational activities.

2. Continuing education and training

The Training and Professional Certificate Incentives Regulations was established to improve the quality of employees, enhance their work knowledge, and reserve technical and management talents in coordination with the Company's business development, seeking to effectively utilize human resources. This will encourage the Company's employees to pursue further education and obtain professional certificates to enhance their competitiveness.

(1)Training and education

①Pre-employment training: All new employees are counseled and oriented to understand the Company's organization, business overview, labor safety and health, and standard procedures.

② Internal training: Employees are given internal training to enhance their basic job competence and professional capability.

③ External training: Depending on the employees' job needs and positions, the external training is given to enhance their professional skills and leadership capability.

④Overseas advanced study: To meet the future corporate development or job requirements, employees are recommended by their supervisors for going abroad to receive professional training.

(2)Application and issuance of incentives for various professional certificates

According to the standard reference certificate classification table, employees must submit the original certificate or transcript, the original registration fee receipt in the current year, and the certificate incentives application form to the Human Resources and General Affairs Department in February, May, August, and November each year. The registration fee for the certificate will be reimbursed based on the original receipt.

Level A (Difficult): The reward for each certificate is NT$10,000.

Level B (Moderate): The reward for each certificate is NT$5,000.

Level C (Basic): The reward for each certificate is NT$3,000.

(3)Employee continuing education and training

Each department of the Company regularly holds product or professional skills training every month to enhance the professional functions of employees in the fields of their duties. In accordance with the Company's Training and Professional Certificate Incentives Regulations, individual applications for external training are made for work-related courses.

To enhance business communication and professional image management capabilities, the Human Resources and General Affairs Management Department engaged an external service provider, arranging a wine tasting etiquette course for the management team in 2025. In response to the digital development trend, AI work application courses were also held to help employees develop practical skills and hands-on experience with AI tools. Two professional management consulting firms were engaged to design different training content to expand the learning scope. Through diverse training programs, the Company steadily enhances the organization's overall professional capabilities.

Below is a summary of the courses conducted by the Human Resources & General Affairs Department in 2025:

| Implementation of Thematic Training Programs in 2025 | | | | |
|---|---|---|---|---|
| Course | Number of Classes | Total Participants | Total Hours | Expenditure (NT$) |
| Management competency training<br>- Wine tasting etiquette training | 2 | 51 | 6 | 0 |
| Thematic training for all employees<br>- AI applications to enhance workplace efficiency<br>- GenAI×Team_Building | 3 | 108 | 21 | 275,000 |
| Total | 5 | 159 | 27 | 275,000 |

Apart from continuing to offer product training classes chiefly intended to strengthen employees' working skills, the Company also conducts an annual training needs survey in Q4 of each year, and provides functional training, product training, special-topic talks, and various kinds of seminars in accordance with the annual education and training plans proposed by departmental managers. At the same time, all employees may use the self-learning channels provided by our online learning platform to improve their professional skills.

3. Retirement system and state of implementation

(1) With regard to work seniority before and after being subject to the Labor Standards Act, pensions shall be calculated according to the pension standards specified in Article 84-2 and Article 55 of the Labor Standards Act.

(2) When choosing to be subject to the pension plan as stipulated in the Labor Standards Act in accordance with the Labor Pension Act or reserving work seniority accumulated before applicability of the Labor Pension Act, pensions shall be paid according to the provisions of the preceding subparagraph.

(3) For employees who are subject to the pension plan stipulated in the Labor Standards Act and who are forced to retire in accordance with Subparagraph 2, Paragraph 1 of Article 35, if their mental disability or physical disability is caused by the execution of their

duties, they are entitled to additional 20% of the pension according to the provisions of the preceding paragraph.

(4)For employees who are subject to the Labor Pension Act, the Company shall deposit an amount equivalent to 6% of the employees' monthly salary into their personal pension accounts.

(5)Eligibility for retirement and application procedures are briefly described as follows~

① Employees may apply for retirement if they meet any one of the following conditions:

(1)Has worked for 15 years or more and reached the age of 55. (2) Has worked for 25 years or more.

(3)Has worked for 10 years or more and reached the age of 60.

② The Company may not force employees to retire unless they meet any one of the following conditions:

(1)Where the worker attains the age of 65.

(2)Where the worker is unable to perform his/ her duties due to disability.

The retirement age specified in item 1 of the preceding paragraph may be postponed through mutual agreement between the employer and the worker. The Company may request the central competent authority to adjust the retirement age prescribed in item 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength, or otherwise of a special nature. However, the adjusted age shall not be less than 55 years.

③ The determination of retirement age shall be based on household registration records and shall be calculated from the date of birth.

④ How to calculate seniority: If an employee has any of the following circumstances, his/her seniority shall be counted together: (1) He/She obtained approval (2) He/She is still in the probationary period (3) He/She has been transferred from the Company to a subsidiary directly or indirectly 100% owned by the Company and is formally employed by the subsidiary. The employee’s years of service at the Company and the subsidiary he/she was transferred to may be combined.

⑤ Application for retirement must be submitted in writing one month in advance.

4.Employee shareholding trust

The employee stock ownership meeting of CHC Healthcare Group was established on March 13, 2024, and it was agreed that a certain amount of each member's monthly salary (hereinafter referred to as "Self-contribution") would be deposited and a certain percentage of incentives would be provided by the member's company to a trust for management funds and long-term purchase of the Company's stocks. The purpose is to instill employees with concepts of long-term savings, investment, and financial management, and accumulate personal wealth for retirement.

5. Employee-employer agreements and protection measures for employee rights and interests

In order to coordinate labor-management relations, improve mutual understanding, promote labor-management cooperation, and improve work efficiency, the Company regularly holds labor-management meetings in accordance with the "Regulations Governing Labor-Management Meetings" to communicate with each other. Both parties should negotiate and resolve problems based on the principle of harmony and good faith.

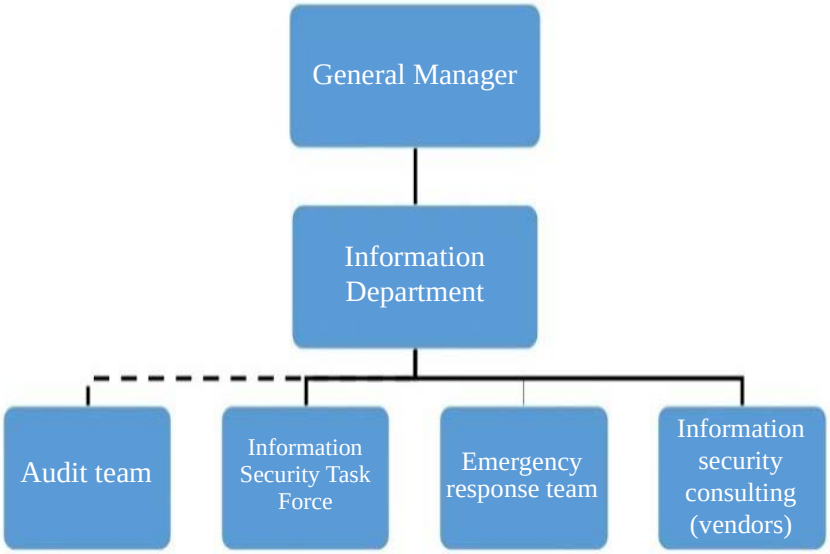
(II) Losses sustained due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specify the date of the penalty, letter number, article violated, provision violated, details of the penalty) in the most recent year and up to the printing date of the annual report, and disclose current and future estimated amount and response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimated

The Company has good welfare measures, management systems, and labor-management interactions. In the most recent year and up to the date of report, there have been no labor disputes or losses, and we will work towards the goal of no such incidents in the future.

VI. Cybersecurity management

(I) Please specify the Company's cybersecurity risk management framework, cybersecurity policy, specific management program, and resources devoted to cybersecurity management, etc.

1. Information security risk management framework




The Company has established an information department to bear exclusive responsibility for information security management, planning, oversight, promotion, and implementation, and provide regular reports on the state of information security management to the General Manager.

2. Cybersecurity policy

(1) Ensuring the security of the Company's data, systems, equipment, and network

communications; blocking external intrusion and damage.

(2) Ensuring that system data account access rights and system changes are uniformly handled under authorization in accordance with the procedures stipulated by the Company.

(3) Destroying computer storage media reported as unserviceable in order to avoid the accidental leakage of data.

(4) Monitoring information system security status and activity records; effectively detecting and handling information security incidents.

(5) Maintaining the usability and integration of data and system; restoring normal operations in the wake of a disaster or destruction.

(6) Installing independent fire safety equipment including smoke detectors and temperature sensors in server rooms.

(7) The Company has installed monitoring and measurement computer software applicable to medical equipment quality management systems, production, and services.

Before use of computer software, or after use in accordance with the actual situation, or after software changes, validation or authentication is performed to determine ability to achieve the planned results. The Company has adopted the Taiwan medical equipment quality management system (QMS) since 2021.

3. Specific management programs (whether insurance information security insurance has been purchased; if not, describe relevant preventive measures in detail)

The Company currently has thoroughgoing information security maintenance measures. In view of the fact that information security insurance is still a new insurance type, and involves the grading of information security and claims forensic measures, the Group is still assessing the future applicability of such insurance.

However, to implement internal control and maintain information security policy, the Company's written internal control system includes computerized information system cycle, information management regulations, and disaster recovery plan. Annual review and assessment of security-related sections and procedures ensures the appropriateness and effectiveness of the internal control system. The following is a detailed explanation of relevant internal control system items:

(1) Information security network architecture

① The Company internal system is located on a virtual network, which is kept isolated from the external network, and there is a multi-layer network security system, with a firewall at the front end of the network used for intrusion prevention and connection screening.

② E-mail employs Chunghwa Telecom's hiBox messaging service. Chunghwa Telecom's hiBox webmail has a security control system bearing responsibility for filtering the content of incoming and outgoing messages. This system can defend against external online attacks, sequester threats including the newest malicious software, harmful website links, and spam email in real time.

③ Antivirus software has been installed on all internal servers and terminals, and anti-virus

code is constantly updated; the software can identify characteristics of malicious behavior in real time, intercept Trojan horse attacks and ransomware in real time, and can detect malicious programs and document folders, which has effectively reduced the risk of attack and damage by hackers.

(2) Management of system account numbers and user rights account numbers

The users' account numbers and user rights are established in accordance with the scope of their work and their duties and powers. Data access involves electronic form signing procedures; users may use and change data only after applying to the authorized executive and obtaining approval. As soon as users leave their original post, their accounts and user rights are immediately canceled to prevent unauthorized use.

(3) Information system preservation and backup

To ensure data security and normal information system functioning, on-site and off-site backup of systems and documents is performed on a daily basis, and system data recovery testing is conducted on a regular annual basis. These measures have reduced the risk of data loss caused by man-made disasters and unannounced natural disasters.

(4) Handling method for servers reported as unserviceable

In keeping with the legal compliance management system and information security policy, the hard drives from all servers reported as unserviceable are destroyed.

4. Resources devoted to cybersecurity management

(1) Total cybersecurity awareness-raising activities and training hours for the year amounted to 4.5 hours, including:

Information security and personal data protection awareness campaign (1 hour), email social engineering simulation drills and training (3 hours),

and information security promotion and email usage etiquette (0.5 hours).

(2) The Company conducted information security health checks, performed penetration tests, vulnerability scans, and website security scans (initial and follow-up scans) on important hosts, and made improvements and adjustments for high- and medium-risk items.

(3) The Company upgraded and replaced the firewall equipment at the headquarters and branch offices in Taichung and Kaohsiung, which cost approximately NT$600,000.

(4) In response to revisions of the Cybersecurity Management Guidelines for TWSE/TPEx-listed Companies issued by the Financial Supervisory Commission, the Company adjusted relevant cybersecurity measures and continues to stay informed on, communicate, and promote important cybersecurity intelligence updates.

(5) This year's participation in cybersecurity-related training activities included:

① CTBERSEC 2025

② 2025/05/07_SP-ISAC Online Course: Introduction to Cybersecurity - Information

Risk Assessment and Risk Management (3 hours)

③ 2025/06/18 Cybersecurity Media - How to Build a Borderless Zero-Trust Ultimate Security Architecture in the Zero-Trust Era (3.5 hours)

④ 2025/06 ISO27001-2022 Transition Training Course & Certification: 1 person/16 hours

⑤ ISO27001-2022 Training Course & Certification: 1 person/40 hours.

⑥ SSCP Certification Course (40 hours)

⑦ 2025/10/30 SP-ISAC training course in Hsinchu: Seeing is Believing - Building Evidence-Based Cybersecurity Defense Strategies Based on International Standards to Precisely Combat Insider and External Threats to Enterprises (3 hours)

(6) A fire drill was conducted in the headquarters' data center in September, with all systems functioning normally.

(7) The offsite backup mechanism and data backup procedures for critical hosts were strengthened. A disaster recovery drill was conducted in November to ensure data availability and integrity.

(8) New antivirus/EDR/MDR software was implemented in December, strengthening and enhancing the overall protection mechanism.

(II) For the most recent year and up to the date of printing of the annual report, the losses suffered by the Company as a result of cybersecurity incidents, possible impact, and any response measures; please state any items that cannot be reasonably estimated.

During the most recent year and as of the date of the annual report, the Company had no losses due to major cybersecurity incidents.

VII. Major Contracts (illustrate the valid supply and sales contracts as of the annual report printing date and those that will be expired in the most recent year; the parties, contents, restrictive clauses, and beginning and ending dates of the technical cooperation contracts, engineering contracts, long-term loan contracts, and other major contracts that are significant enough to affect shareholders' equity)

(I) The Company: None.

(II) The Group: (Please attach the file directly)

| Contractual nature | Parties | Beginning and ending date of the contract | Major contents | Restrictive clauses |
|---|---|---|---|---|
| Purchase and distribution rights | C-RAD AB (Chiu Ho Medical System Co., Ltd.) | 2010/10/13 ~ no expiry date | Laser products | Sales in Taiwan area only |
| Purchase and distribution rights | Leica Microsystems IR Gmbh (Chiu Ho Medical System Co., Ltd.) | 2025/01/01 ~ 2027/12/31 | Surgical microscope series | Sales in Taiwan area only |
| Purchase and distribution rights | Leica Microsystems IR Gmbh (Chiu Ho Scientific Co., Ltd.) | 2025/01/01 ~ 2027/12/31 | Surgical microscope series | Sales in Taiwan area only |
| Purchase and | Elekta Limited (Chiu Ho | 2024/05/01~2027/04/30 | Digital Linear | Sales in Taiwan |

| Contractual nature | Parties | Beginning and ending date of the contract | Major contents | Restrictive clauses |
|---|---|---|---|---|
| distribution rights | Medical System Co., Ltd.) | | Accelerator and Gamma Knife Series Related Equipment | area only |
| Purchase and distribution rights | PTW-Freiburg (Chiu Ho Medical System Co., Ltd.) | 1996/10/08 ~ no expiry date | Quality assurance related equipment and products | Sales in Taiwan area only |
| Purchase and distribution rights | CYBERDYNE(Chiu Ho Medical System Co., Ltd.) | 2019/11/01~ no expiry date | Mechanical Walker, Powered exoskeleton system | Sales in Taiwan area only |
| Purchase and distribution rights | Hill-Rom (Chiu Ho Medical System Co., Ltd.) | 2024/04/14~2026/04/13 | Operating table, surgical lamp, and accessories | Sales in Taiwan area only |
| Purchase and distribution rights | Ecolab(Chiu Ho Medical System Co., Ltd.) | 2019/03/01~ no expiry date | Disinfection sleeve series | Sales in Taiwan area only |
| Purchase and distribution rights | Swissray Medical AG (Chiu Ho Medical System Co., Ltd.) | 2012/02/02 ~ no expiry date | Digital X-ray machine | Sales in Taiwan, China, Hong Kong, and Macao area only |
| Purchase and distribution rights | Ion Beam Application SA(Chiu Ho Medical System Co., Ltd.) | 2021/10/09 ~ no expiry date | Proton therapy equipment | Sales in Taiwan area only |
| Purchase and distribution rights | Bausch & Lomb HK (Chiu Ho Scientific Co., Ltd.) | 2024/04/18~2027/04/17 | Femtosecond Laser System | Sales in Taiwan area only |
| Purchase and distribution rights | Ellex Medical Pty., Ltd. (Tomorrow Medical System Co., Ltd.) | 2013/04/01 ~ no expiry date ate | Ophthalmic instrument products | Sales in Taiwan area only |
| Purchase and distribution rights | Ellex Medical Pty., Ltd. (Chiu Ho Scientific Co., Ltd.) | 2017/08/17 ~ no expiry d | Ophthalmic instrument products | Sales in Taiwan area only |
| Purchase and distribution rights | PhysIOL (Chiu Ho Medical System Co., Ltd.) | 2015/01/01~ no expiry date | Intraocular lens and introducer | Sales in Taiwan area only |
| Purchase and distribution rights | Deerfield Imaging, Inc. (Chiu Ho Medical System Co., Ltd.) | 2018/04/05~ no expiry date | Intraoperative imaging system | Sales in Taiwan area only |
| Purchase and distribution rights | KONO SEISAKUSHO Co, Ltd. (Chiu Ho Medical System Co., Ltd.) | 2018/09/25~ no expiry date | Surgical suture | Sales in Taiwan area only |
| Purchase and distribution rights | QUANTEL MEDICAL S.A.S (Chiu Ho Scientific Co., Ltd.) | 2021/07/26~ no expiry date | Ophthalmic Ultrasound products | Sales in Taiwan area only |
| Purchase and distribution rights | Plasmapp Co., Ltd(Chiu Ho Scientific Co., Ltd.) | 3 years after the completion of Taiwan Q.S.D &Product License | sterilizer | Sales in Taiwan area only |
| Purchase and distribution rights | Alcare Co. ( Chiu Ho Medical System Co., Ltd) | 2023/05/01~ no expiry date | Patient fixing device | Sales in Taiwan area only |
| Purchase and distribution rights | Neutron Therapeutics (Chiu Ho Medical System Co., Ltd) | 2024/08/12~2029/08/11 | BNCT solution | Sales in Taiwan area only |
| Sales contract | Changhua Christian Medical Foundation | 2016/05/18 ~ inspection and acceptance | Proton therapy system | To be processed according to the |

| Contractual nature | Parties | Beginning and ending date of the contract | Major contents | Restrictive clauses |
|---|---|---|---|---|
| | Changhua Christian Hospital | completed | | contract signed |
| Equipment use and technical service cooperation | Taipei Medical University Hospital | 2017/01/20 ~ expiry date of the cooperation agreement | Proton therapy related equipment use and technical service cooperation | To be processed according to the contract signed |
| Syndicate credit contract | The syndicate credit bank group organized by the First Bank, etc. | Contract signing date: 2022/09/21 (The credit period is for 5 years from the date of the first-time use of any sub-credit line) | Repayment for the existing financial liabilities and replenishment of working capital | To be processed according to the contract signed |
| Syndicate credit contract | The syndicate credit bank group organized by the First Bank and Taipei Fubon Bank , etc. | Contract signing date: 2026/05/08 (The credit period is for 7 years from the date of the first-time use of any sub-credit line) | replenishment of working capital | To be processed according to the contract signed |

# Five. Review of Financial Conditions, Operating Results, and Risk Management

I. Analysis of Financial Status (The main reasons for the significant changes in assets, liabilities, and equity in the last two years and their impacts, if the impact is significant, the future response measures should be explained)

(I) The Company

Units: NT$ thousand

| Item \ Year | 2024 | 2025 | Difference | |
|---|---|---|---|---|
| | | | Amount | % |
| Current assets | 647,833 | 1,389,764 | 741,931 | 114.53 |
| Financial assets at fair value through profit or loss – non-current | 9,081 | 43,643 | 34,562 | 380.60 |
| Financial assets at fair value through other comprehensive income – non-current | 12,724 | 14,513 | 1,789 | 14.06 |
| Investments accounted for using equity method | 8,508,424 | 8,601,685 | 93,261 | 1.10 |
| Property, plant and equipment | 608 | 616 | 8 | 1.32 |
| Right-of-use assets | 23,516 | 16,633 | (6,883) | (29.27) |
| Other assets | 59,188 | 57,391 | (1,797) | (3.04) |
| Total assets | 9,261,374 | 10,124,245 | 862,871 | 9.32 |
| Current liabilities | 1,588,338 | 512,661 | (1,075,677) | (67.72) |
| Non-current liabilities | 1,369,765 | 1,982,060 | 612,295 | 44.70 |
| Total liabilities | 2,958,103 | 2,494,721 | (463,382) | (15.66) |
| Share capital | 1,668,651 | 1,953,110 | 284,459 | 17.05 |
| Capital surplus | 3,732,745 | 4,858,430 | 1,125,685 | 30.16 |
| Retained earnings | 1,297,016 | 1,231,326 | (65,690) | (5.06) |
| Other equity | (395,141) | (413,342) | (18,201) | 4.61 |
| Total equity | 6,303,271 | 7,629,524 | 1,326,253 | 21.04 |

Description of major changes: (The amount fluctuated by more than 10% and the amount reached 1% of total assets for the current year)

Current assets: Primarily due to the increase in other receivables due from related parties during the current period.

Current liabilities: Primarily due to the repayment of the 4th domestic secured convertible bonds during the current period.

Non-current liabilities: Primarily due to the issuance of the 5th domestic unsecured convertible bonds during the current period.

Total liabilities: Primarily due to the repayment of the 4th domestic secured convertible bonds during the current period.

Share capital, capital surplus, and total equity: Primarily due to the conversion of the 4th domestic secured convertible bonds during the current period.

Impact of changes in financial status in the last two years: No significant impact on financial status.

Future response plans: N/A.

(II) The Group

Units: NT$ thousand

| Item \ Year | 2024 | 2025 | Difference | |
|---|---|---|---|---|
| | | | Amount | % |
| Current assets | 4,767,714 | 4,984,640 | 216,926 | 4.55 |
| Financial assets at fair value through profit or loss – non-current | 69,041 | 103,603 | 34,562 | 50.06 |
| Financial assets at fair value through other comprehensive income – non-current | 87,824 | 118,422 | 30,598 | 34.84 |
| Non-current financial assets at amortized cost | 201,416 | 240,797 | 39,381 | 19.55 |
| Contract assets – non-current | 51,210 | 62,724 | 11,514 | 22.48 |
| Investments accounted for using equity method | 10,912 | 5,636 | (5,276) | (48.35) |
| Property, plant and equipment | 5,718,856 | 6,023,133 | 304,277 | 5.32 |
| Right-of-use assets | 271,572 | 285,071 | 13,499 | 4.97 |
| Investment property - net | 1,459,475 | 1,456,865 | (2,610) | (0.18) |
| Intangible assets | 723,046 | 696,068 | (26,978) | (3.73) |
| Other assets | 853,391 | 1,649,117 | 795,726 | 93.24 |
| Total assets | 14,214,457 | 15,626,076 | 1,411,619 | 9.93 |
| Current liabilities | 3,493,579 | 2,670,093 | (823,486) | (23.57) |
| Non-current liabilities | 4,048,394 | 4,906,238 | 857,844 | 21.19 |
| Total liabilities | 7,541,973 | 7,576,331 | 34,358 | 0.46 |
| Share capital | 1,668,651 | 1,953,110 | 284,459 | 17.05 |
| Capital surplus | 3,732,745 | 4,858,430 | 1,125,685 | 30.16 |
| Retained earnings | 1,297,016 | 1,231,326 | (65,690) | (5.06) |
| Other equity | (395,141) | (413,342) | (18,201) | 4.61 |
| Non-controlling interests | 369,213 | 420,221 | 51,008 | 13.82 |
| Total equity | 6,672,484 | 8,049,745 | 1,377,261 | 20.64 |

Description of major changes: (The amount fluctuated by more than 10% and the amount reached 1% of total assets for the current year)
Other assets: Primarily due to the increase in other non-current assets – others during the current period.
Current liabilities: Primarily due to the repayment of the 4th domestic secured convertible bonds during the current period.
Non-current liabilities: Primarily due to the issuance of the 5th domestic unsecured convertible bonds during the current period.
Share capital, capital surplus, and total equity: Primarily due to the conversion of the 4th domestic secured convertible bonds during the current period.
Impact of changes in financial status in the last two years: No significant impact on financial status.
Future response plans: N/A.

II. Analysis of Operation Results

(I) Main reasons for significant changes in operating revenue, operating profit, and profit before income tax in the last two years

1. The Company

Units: NT$ thousand

| Item \ Year | 2024 | 2025 | Increase/Decrease | |
|---|---|---|---|---|
| | | | Amount | Percentage of change (%) |
| Operating revenue | 334,154 | 344,550 | 10,396 | 3.11 |
| Operating costs | (122,032) | (108,881) | 13,151 | (10.78) |
| Operating profit | 212,122 | 235,669 | 23,547 | 11.10 |
| Non-operating income and expenses | (41,751) | (47,810) | (6,059) | 14.51 |
| Profit before income tax | 170,371 | 187,859 | 17,488 | 10.26 |
| Income tax expense | (1,987) | (1,582) | 405 | (20.38) |
| Profit for the year | 168,384 | 186,277 | 17,893 | 10.63 |
| Description of major changes: (The amount fluctuated by more than 10% and the amount reached 1% of total assets for the current year)<br>There were no items with a change of 10% or more during the current period that also reached 1% of the total assets for the current year. | | | | |

2. The Group

Units: NT$ thousand

| Item \ Year | 2024 | 2025 | Increase/Decrease | |
|---|---|---|---|---|
| | | | Amount | Percentage of change (%) |
| Operating revenue | 3,600,574 | 4,398,280 | 797,706 | 22.15 |
| Operating costs | (2,841,449) | (3,249,494) | (408,045) | 14.36 |
| Gross profit | 759,125 | 1,148,786 | 389,661 | 51.33 |
| Operating expenses | (520,415) | (750,982) | (230,567) | 44.30 |
| Operating profit | 238,710 | 397,804 | 159,094 | 66.65 |
| Non-operating income and expenses | (15,703) | (85,158) | (69,455) | 442.30 |
| Profit before income tax | 223,007 | 312,646 | 89,639 | 40.20 |
| Income tax expense | (40,430) | (86,800) | (46,370) | 114.69 |
| Profit attributable to owners of the parent | 168,384 | 186,277 | 17,893 | 10.63 |
| Description of major changes: (The amount fluctuated by more than 10% and the amount reached 1% of total assets for the current year)<br>Operating revenue, operating costs, gross profit, and operating profit: Primarily due to the growth in operating revenue, which resulted in a corresponding increase in operating costs, gross profit, and operating profit.<br>Operating expenses: Primarily due to an increase in selling expenses. | | | | |

(II) Expected sales volume and its basis, potential impact on the Company's future financial and business status, and the corresponding response plans

1. The Company: N/A.

2. The Group: Please refer to the “One. Letter to Shareholders”.

III. Analysis of Cash Flow

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

1. The Company

Units: NT$ thousand

| Item \ Year | 2024 | 2025 | Amount of increase (decrease) | Percentage of increase (decrease) (%) |
|---|---|---|---|---|
| Operating activities | 335,404 | 270,480 | (64,924) | (19.36) |
| Investing activities | (206,114) | (794,809) | (588,695) | 285.62 |
| Financing activities | (190,428) | 635,681 | 826,109 | (433.82) |
| Analysis of changes:<br>Operating activities: Primarily due to the decrease in dividends received from subsidiaries during the current period.<br>Investing activities: Primarily due to the increase in other receivables due from related parties during the current period.<br>Financing activities: Primarily due to the issuance of the 5th domestic unsecured convertible bonds during the current period. | | | | |

2. The Group

Units: NT$ thousand

| Item \ Year | 2024 | 2025 | Amount of increase (decrease) | Percentage of increase (decrease) (%) |
|---|---|---|---|---|
| Operating activities | 99,367 | 1,002,457 | 903,090 | 908.84 |
| Investing activities | (544,855) | (1,640,876) | (1,096,021) | 201.16 |
| Financing activities | 188,238 | 784,126 | 595,888 | 316.56 |
| Analysis of changes:<br>Operating activities: Primarily due to an increase in net income for the current period, along with a net decrease in accounts receivable, inventories, and other current assets.<br>Investing activities: Primarily due to the increase in capital expenditures and other non-current assets compared to the previous period.<br>Financing activities: Primarily due to the issuance of the 5th domestic unsecured convertible bonds during the current period. | | | | |

(II) Improvement plans for liquidity inadequacy

The Company and the Group do not have insufficient liquidity.

(III)Cash liquidity analysis of next year (2026)

The Company

Units: NT$ thousand

| Cash balance at beginning of period (1) | Expected net cash flow from operating activities for the year (2) | Expected annual cash outflow Inflow (outflow) (3) | Cash surplus (Shortfall) amount (1)+(2)+(3) | Remedy for cash inadequacy and liquidity | |
|---|---|---|---|---|---|
| | | | | Investment plan | Financial plan |
| 267,596 | 355,953 | (381,243) | 242,306 | N/A | N/A |

1. Operating activities: The Company's cash flow from operating activities in the coming year will mainly be from management consulting service fees, dividend income from subsidiaries and intra-group operating expenses.
2. Investment activities: The Company's cash flow from investment activities in the coming year will mainly be funds invested to support the business development of subsidiaries.
3. Remedy for cash inadequacy and liquidity: N/A.

IV. Major Capital Expenditure Items

(I) The Company

None.

(II) The Group

The increase was primarily driven by the acquisition of instruments and equipment (recognized as property, plant and equipment) for collaborative projects with medical institutions, as well as the construction of facilities on company-owned land for the development of the long-term care business. These investments are expected to have a positive impact on the Group's financial and business performance.

V. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

December 31, 2025 Units: NT$ thousand

| Description / Item | Long-term investment amount | Policies | Investment profit and loss in 2025 | Main reason for profit or loss | Improvement plan | Future investment plans |
|---|---|---|---|---|---|---|
| Chiu Ho Medical System Co., Ltd. | 4,898,741 | Medical instrument sale, leasing and services | 175,258 | The company is with good performance | None | None |
| Tomorrow Medical System Co., Ltd. | 975,953 | Medical instrument sale, leasing and services | (11,590) | The company's gross profit declined, resulting in a net loss. | To develop business proactively. | None |
| Chiu Ho Scientific Co., Ltd. | 150,089 | Ophthalmic equipment sale, leasing and services | 10,972 | The company is with good performance | None | None |
| Hua Lin Instruments Co., Ltd. | 400,824 | Medical instrument leasing | 23,297 | The company is with good performance | None | None |
| Shin-Ho Biotech Co., Ltd. | 273,661 | Irradiation business | (75,937) | The initial operating costs of the irradiation service business were high, resulting in a net loss. | To develop business proactively. | None |
| E Century Health Care Corporation | 659,580 | Medical instrument sale and leasing | 55,336 | The company is with good performance | None | None |

| Description / Item | Long-term investment amount | Policies | Investment profit and loss in 2025 | Main reason for profit or loss | Improvement plan | Future investment plans |
|---|---|---|---|---|---|---|
| Tong-Lin Instruments Co., Ltd. | 380,688 | Medical instrument leasing | 10,536 | The company is with good performance | None | None |
| Chiu Ho Biotech Co., Ltd. | 95,858 | Medical instrument leasing | 18,892 | The company is with good performance | None | None |
| CHC Healthcare (BVI) Limited | 302,399 | Holdings and indirect investments | (35,738) | The decrease in the operating revenue of the company's investee resulted in the a net loss. | To develop business proactively. | None |
| Treasure of Health Co., Ltd. | 457,155 | Drug and health supplements sale | 34,497 | The company is with good performance | None | None |
| CHC Healthcare (UK) Limited | 6,737 | Medical instrument sale | (2,413) | The company's initial operating costs were high, resulting in a net loss. | To develop business proactively. | None |

Note: The exchange rate of each currency to New Taiwan dollar is based on the USD to NTD exchange rate of 31.43 and GBP to NTD exchange rate of 42.33 announced by the Bank of Taiwan on December 31, 2025. Throughout 2025, the average USD to NTD exchange rate was 31.18 and the average GBP to NTD exchange rate was 41.06.

## VI. Analysis of Risk Management

### (I) Impact of interest rate fluctuations, exchange rate volatility, and inflation on the Company's profit and loss, and future response measures

1. Interest rate fluctuations

The Group's interest expenses were primarily due to the bank loans borrowed as working capital for business operation. The interest expenses incurred in 2025 totaled NT$100,882 thousand, accounting for 2.29% of the net operating revenue for the year. Given this relatively small proportion, the impact of interest rate fluctuations on the Group's profit and loss was limited.

To mitigate the impact of interest rate fluctuations on the Group's cost of capital, the Group closely monitors interest rate trends and maintains active contact with its correspondent banks. Furthermore, the Group aims to increase its proprietary funds to reduce interest expenses and decrease reliance on financial institutions.

2. Exchange rate volatility

The Group's purchases are primarily derived from imports. The net foreign exchange gain in 2025 was NT$8,300 thousand, accounting for 0.19% of the net operating revenue for the year, indicating no significant impact.

To effectively mitigate the impact of exchange rate fluctuations on the Group's overall profitability, the specific response measures are as follows:

(1) The Group sets up foreign currency deposit accounts to manage foreign exchange positions and executes trades of foreign currency deposits in a timely manner to settle foreign currency payables arising from overseas procurement. This strategy reduces the impact of exchange rate fluctuations on profit and loss and achieves natural hedging effects.

(2) Financial personnel maintain an appropriate net foreign exchange position based on assessments of future exchange rate trends to minimize the impact of exchange rate fluctuation on the Group's profitability.

3. Inflation

The Group's products are not basic consumer necessities; therefore, there is no immediate pressure regarding sensitivity to inflation. Nevertheless, the Group continues to closely monitor market price fluctuations, carefully plan the timing of inventory procurement, and maintain strong collaborative relationships with its suppliers.

(II) Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives trading, are the main reasons for the profits or losses generated thereby, and future response measures to be undertaken

1. Based on the principle of stability and the business philosophy of being pragmatic, the Company focuses long-term equity investments under the equity method, and does not engage in high-risk, high-leveraged investments.
2. The Company has formulated relevant regulations such as "Procedures for Lending Funds to Others", "Procedures for Endorsement and Guarantee" and "Procedures for Acquisition and Disposal of Assets" as the basis for the Company and its subsidiaries to follow when engaging in related operations. As of the date of the annual report, the Company and its subsidiaries have not engaged in any derivatives transactions. In addition, lending funds to others and endorsement guarantees are handled in accordance with the policies and response measures established above. Furthermore, the Group has always focused on its own business, so related risks are limited.

(III) Future research & development projects and corresponding budget

The Group is engaged in the distribution, leasing, repair, and maintenance of medical equipment used in radiation oncology, neuroscience, medical imaging, ophthalmology, and surgical applications. It also conducts sales of related components, consumables, medicines, and health supplements. For the year 2026, the Group has no research and development (R&D) plans and does not anticipate any R&D expenditures.

(IV) Changes to local and overseas policies and laws that impact the Company's financial operations and response measures

The Group's daily operations are conducted in compliance with relevant domestic and foreign laws and regulations. As of the date of report, changes to important domestic and foreign policy and laws have not had a significant impact on the Group's financial position and business performance. In the future, the Group's management will also pay attention to changes in important domestic and foreign policy and laws, consult experts for their opinions when necessary, and take appropriate response measures to meet the Company's operational needs.

(V) Impact of changes in technology (including cybersecurity risks) and industry on the Company's finances, and response measures

1. Impact of cybersecurity risk on the Company's finances, and response measures

The Group has established comprehensive preventive measures to maintain network and computer information security, but cannot guarantee that the computer systems controlling and maintaining the Company's operations and important accounting functions, etc. can completely avoid all online attacks from third-party botnets. Such online attacks may enter the Group's internal network system through unauthorized means, and disrupt the Company's

operations and impair the Company's goodwill. As a consequence, the Group is using the following response measures in a continuing effort to strengthen cybersecurity control mechanisms,

Thereby reducing the Group's cybersecurity risks, so that the Group is not subject to new risks and attacks among fast-evolving information security threats.

(1) E-mail system: The Company employs Chunghwa Telecom's cloud e-mail system service, and Cisco Systems' e-mail filter is used to block and filter out trash e-mail, and strengthen detection of phishing e-mail.

(2) Network protection: The Group uses a Virtual LAN architecture. The firewall adopts HA protection and management to strengthen network firewalls and network controls. Network redundancy:

(3) The Group uses Chunghwa Telecom's and Taipei Fiber's dual fiber-optic network redundancy to reduce risk of Internet service interruptions. The Group's partition nodes employ VPN interlinked applications to strengthen data protection.

(4) Data backups:

(5) Headquarters' systems and data are backed up to a subsidiary for off-site preservation on a daily basis. The Company conducts ad-hoc information security awareness activities.

(6) The impact of changes in technologies and industry on the company's finances, and response measures

2. The Group's main distribution products are world-renowned brands of radiation oncology, neurology, medical imaging, ophthalmology, and surgery.

The technological changes and industrial changes will help the Group strengthen its supply chain relationship and provide new products to satisfy the needs of customers.

(VI) Impact of changes in corporate image on corporate risk management and the Company's response measures

Internally, the Group is committed to corporate governance, pays attention to training and talent cultivation, and has achieved outstanding results in corporate governance evaluations conducted by the competent authority for consecutive years, laying a solid foundation for corporate sustainability. Externally, the Group shows the corporate culture of "connecting your health with our commitment", and gradually improves the accessibility and convenience of information acquisition. CHC also has corresponding communication channels to actively enhance two-way interaction with external stakeholders. If suggestions, concerns or complaints from stakeholders are received, they will be immediately forwarded to the responsible unit for timely response. If there is any negative impact, the dedicated unit will report it to the management, who will convene relevant departments to discuss remedial methods and procedures, and notify the Sustainability Committee and the Board of Directors in a timely manner depending on the circumstances, in order to strengthen crisis management, prevent damage, and maintain a good corporate image. Up to the latest fiscal year and as of the date of the annual report, there have been no incidents of corporate crisis caused by changes in corporate image.

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

As Taiwan transitions from an aged society to a super-aged society, the growing emphasis on personal health among Taiwanese people has been noted. The Group has expanded its business scope from B2B to B2C step by step and is currently planning a long-term care campus. At the same time, it is exploring investment opportunities in businesses related to aged services with developmental potential. The Group hopes to actively expand its presence in the aged services sector through acquisitions.

Additionally, the Group is relying on the integration of resources to accelerate expansion of its chain pharmacy channel and has introduced and acted as an agent for premium skincare brands. It aims to leverage its experience in medical industry channels to enhance the size and level of its physical and online pharmacy channels.

There have been no mergers or acquisitions in the most recent year and up to the date of the annual report.

(VIII) Expected benefits and potential risks of capacity expansion and response measures

Subsidiary of the CHC Healthcare Group, Shin-Ho Biotech Co., Ltd., initiated the construction project for a radiation service factory in 2020. The factory has now been completed and has commenced operations officially in 2024. It will be Taiwan's first high-energy irradiation service factory, providing world-class radiation technology with high precision, efficiency, hygiene, safety, extensive applications, and compliance with sustainable principles. It will serve and drive numerous domestic industries towards safer, more efficient, and less polluted sterilization and radiation quality improvement, making Taiwan's related industries more in line with international trends.

Observing the domestic market, there are no similar companies in Taiwan offering dual-energy high-energy radiation services. The establishment of this factory will have a positive impact on the sterilization market for medical product manufacturing, agricultural imports and exports, and food, while also benefiting aerospace composite material processing, outer space satellite component testing, and semiconductor wafer modification irradiation.

There have been no factory expansion projects in the most recent year and up to the date of the annual report.

(IX) Risk of concentration in purchases or sales and response measures

1. Purchases

Net purchases from Supplier 甲, the Group's primary supplier, accounted for 14.55% of the total net purchases in 2025. This was primarily because the Company's subsidiary, Chiu Ho Medical System Co., Ltd., serves as the exclusive distributor of Supplier 甲 for radiation oncology instruments and equipment in Taiwan. To meet rising market demand, the Group increased its procurement, leading to a higher concentration of purchases. The Group continues to maintain strong strategic partnerships with major suppliers. By training professional maintenance engineers to independently conduct installation, parts replacement, and follow-up maintenance, coupled with our competitive edge in marketing channels, we have successfully increased suppliers' reliance on the Group. This creates an irreplaceable market position for the Group, safeguarding us from being replaced by other distributors at will.

2. Sales

The Group's primary clientele includes the radiation oncology and ophthalmology departments of major public, medical foundation, and military hospitals, as well as general clinics in Taiwan. The customer base is highly diversified; therefore, there is no significant risk of sales concentration.

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

The Company's directors, supervisors, and major shareholders with 10% or more shares did not make any large-scale transfers or replacements in the past year and up to the date of report.

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

There were no changes in management right in the most recent year and up to the date of report.

(XII) Litigation or non-litigation events

1. Material litigation, non-litigation, or administrative events that have been determined by verdict of a court or are still pending, the results of which may have a significant impact on shareholders' equity or securities prices, and the facts in dispute, the amount of the subject matter, date of commencement of litigation, main parties involved in litigation, and handling situation as of the date of the annual report

None.

2. If the result of major litigious, non-litigious events, or administrative disputes, either concluded or ongoing, involving the company and its directors, supervisors, president, de facto responsible person, major shareholders with more than 10% shares, or subsidiaries may have a material impact on shareholders' equity or stock prices, disclose the facts in contention, amount, start date of litigation, main parties involved, and progress up to the date of the annual report

None.

(XIII) Other material risks and countermeasures

None.

VII. Other material matters

None.

# Six. Special Disclosures

I. Summary of Affiliated Companies

(I) Consolidated Affiliate Business Report

For detailed information, please refer to the Market Observation Post System (https://mopsov.twse.com.tw/mops/web/t57sb01_q10) by navigating to: Basic Information→ Electronic Books → “Three Reports of Affiliated Companies” Section.

https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

(II) Consolidated financial statements of the affiliated enterprises

The companies to be included in the Company's 2025 (from January 1, 2025 to December 31, 2025) consolidated financial statements of the affiliated enterprises in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same companies to be included in the consolidated financial statements of the parent company and subsidiaries in accordance with Article 27 of the International Accounting Standards; also, the relevant information in the consolidated financial statements of the affiliated enterprise that should be disclosed has already been disclosed in the aforementioned consolidated financial statements of the parent company and subsidiaries. Therefore, the consolidated financial statements of the affiliated enterprise will not be prepared separately.

(III) Affiliation report

According to Article 369-12 of the Company Act, the Company is not a subsidiary of a public company, and is not required to prepare an affiliation report in accordance with regulations.

II. Private Placement Securities in the Most Recent Years

None.

III. Other supplemental information

None.

IV. Matters, if any, that may affect shareholders' equity or securities price as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the date of report

None.

CHC Healthcare Group

Responsible person: Tien-Ying, Lee